SGOU
Higher Education for All

Advertisement and Sales Management

COURSE CODE: B21BB12DE

Bachelor of Business Administration

Discipline Specific Elective Course

Self Learning Material

SREENARAYANAGURU OPEN UNIVERSITY

The State University for Education, Training and Research in Blended Format, Kerala

SREENARAYANAGURU OPEN UNIVERSITY

Vision

To increase access of potential learners of all categories to higher education, research and training, and ensure equity through delivery of high quality processes and outcomes fostering inclusive educational empowerment for social advancement.

Mission

To be benchmarked as a model for conservation and dissemination of knowledge and skill on blended and virtual mode in education, training and research for normal, continuing, and adult learners.

Pathway

Access and Quality define Equity.

Advertisement and Sales Management

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Semester - V

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(With Model Question Paper Sets)

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MESSAGE FROM VICE CHANCELLOR

Dear learner,

I extend my heartfelt greetings and profound enthusiasm as I warmly welcome you to Sreenarayanaguru Open University. Established in September 2020 as a state-led endeavour to promote higher education through open and distance learning modes, our institution was shaped by the guiding principle that access and quality are the cornerstones of equity. We have firmly resolved to uphold the highest standards of education, setting the benchmark and charting the course.

The courses offered by the Sreenarayanaguru Open University aim to strike a quality balance, ensuring students are equipped for both personal growth and professional excellence. The University embraces the widely acclaimed "blended format," a practical framework that harmoniously integrates Self-Learning Materials, Classroom Counseling, and Virtual modes, fostering a dynamic and enriching experience for both learners and instructors.

The University aims to offer you an engaging and thought-provoking educational journey. The Bachelor of Business Administration programme is highly coveted due to the current demand for skilled professionals in the field. This factor was central to our approach while designing the curriculum for this course. It strikes a balanced combination, providing a profound understanding of theoretical concepts alongside a clear exposition of practical applications. We have been cautious in ensuring that the management modules are balanced, preserving the integrity and distinctiveness of the discipline. The Self-Learning Material has been meticulously crafted, incorporating relevant examples to facilitate better comprehension.

Rest assured, the university's student support services will be at your disposal throughout your academic journey, readily available to address any concerns or grievances you may encounter. We encourage you to reach out to us freely regarding any matter about your academic programme. It is our sincere wish that you achieve the utmost success.

Warm regards.
Dr. Jagathy Raj V.P.

01-01-2026

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BLOCK - 01

Introduction to Advertising

Unit - 1
Fundamentals of Advertising

Learning Outcomes

After studying this unit, learners will be able to:

- ◊ explain the meaning, nature, and scope of advertising and its relevance in modern marketing
- ◊ identify various types and functions of advertising
- ◊ evaluate the objectives and benefits of advertising for producers, consumers, and society
- ◊ analyse case studies of advertising campaigns to understand creative strategies and communication impact

Prerequisite

You are walking through a busy city street on a warm evening. Bright billboards flash colourful images of Nike urges you to *"Just Do It,"* Amul's witty cartoon smiles at current events, and a Coca-Cola ad invites you to *"Share a Coke."* Each message catches your eye not by chance but by design. These are not merely pictures or slogans. They are conversations between brands and people. This is the world of advertising, where creativity meets strategy to influence the way we think, feel, and buy. A powerful example comes from Coca-Cola's *"Share a Coke"* campaign. When the company noticed that young consumers were drifting away from its brand, it replaced the iconic logo on bottles with popular first names, inviting people to "share" a Coke with friends or loved ones. The campaign went viral, and millions began hunting for bottles with their names, sharing pictures online, and creating emotional connections with the brand. What looked like a simple idea was actually a masterstroke in advertising psychology: it personalised a global brand and turned consumers into active participants.

In this unit, you will explore the fundamentals of advertising and learn how businesses use it not only to sell products but also to build brands, shape cultures, and create lasting impressions in the minds of consumers. Understanding these fundamentals will help you appreciate the strategic and creative power that drives every advertisement we encounter in our daily lives.

Keywords

Advertising, Brand Image, Marketing Communication, Persuasive Advertising, Consumer Behaviour

Discussion

1.1.1 Introduction

Advertising is an integral part of modern business. In today's competitive world, no product or service can succeed without effective communication with its potential customers. Advertising serves as the most powerful tool to inform, persuade, and remind customers about products, services, or ideas. It bridges the gap between producers and consumers by creating awareness and influencing preferences.

From colourful newspaper ads and catchy television commercials to social media campaigns and digital billboards, advertising has evolved into a dynamic field. Understanding the fundamentals of advertising helps learners appreciate its role in brand building, marketing strategy, and consumer behaviour.

1.1.2 Advertising – Meaning and Definition

Advertising is a paid and persuasive form of communication used by businesses and organisations to inform, influence, and remind consumers about their products, services, or ideas. It aims to create awareness, stimulate interest, and ultimately influence consumer behaviour toward making a purchase or adopting a viewpoint. In simple terms, advertising connects producers with consumers through carefully designed messages delivered via various media such as television, radio, newspapers, social media, outdoor billboards, and digital platforms.

Different scholars have defined advertising in various ways:

◊ According to American Marketing Association (AMA): "Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor."

◊ William J. Stanton defines it as: "Advertising consists of all the activities involved in presenting to a group a non-personal, oral or visual, openly sponsored message regarding a product, service, or idea."

◊ Philip Kotler describes advertising as: "A means of communication with users of a product or service, designed to inform and persuade them to purchase or use it."

Case Study: Coca-Cola's "Share a Coke" Campaign

To understand how advertising works in real life, let's look at Coca-Cola's famous "Share a Coke" campaign.

Background

Coca-Cola, one of the world's most recognised brands, faced a challenge around 2011. Young people were showing less interest in buying Coke, and the brand wanted to reconnect emotionally with them.

Advertising Idea

The company replaced its traditional logo on bottles with popular first names like *John, Aisha, Rahul,* or *Emily*, encouraging people to "Share a Coke" with friends or loved ones.

India-specific adaptation

In India, Coca-Cola went a step further by introducing culturally relatable relationship names such as "Dost," "Bhai," "Maa," "Beba," and "Yaar", along with popular Indian first names. This helped the campaign connect deeply with Indian family values, friendships, and emotional bonds, which play a central role in Indian society.

Execution

◊ Media Used: Television commercials, social media ads, outdoor billboards, and personalised online campaigns.

◊ Message: "Share happiness by sharing a Coke."

◊ Engagement: Consumers could even order custom bottles with their own names printed on them.

Impact

◊ The campaign created a personal and emotional connection with consumers.

◊ Millions of people shared pictures of their personalized Coke bottles on social media, giving the campaign free viral publicity.

◊ Coca-Cola saw a significant increase in sales and brand engagement, especially among the youth.

This campaign demonstrates how advertising:

1. Creates awareness : People noticed Coke's new bottle design.

2. Builds emotional appeal : It personalised the experience, connecting the product with relationships.

3. Encourages participation : Consumers became part of the campaign by sharing photos.

4. Boosts sales and loyalty : The campaign revitalised Coca-Cola's market presence.

1.1.3 Key Features of Advertising

i. Paid Form of Communication

Advertising is always a paid form of communication, meaning that the advertiser or sponsor bears the cost of promoting a message through various media. The expenditure ensures control over the message content, timing, and frequency of its delivery. For example, Procter & Gamble (P&G) spends millions annually to advertise brands like Ariel and Pampers, ensuring consistent visibility across television, print, and digital platforms. This payment distinguishes advertising from publicity or word-of-mouth promotion, which are unpaid and uncontrolled. According to Kotler and Keller (2020), paid communication allows advertisers to manage brand image and customer perception strategically.

ii. Non-personal

Advertising is non-personal because it communicates with a large audience simultaneously rather than addressing individuals directly. It relies on mass media such as television, radio, newspapers, or the internet to reach a wide range of consumers. For instance, a Cadbury Dairy Milk television commercial doesn't target a specific individual but appeals to everyone who enjoys chocolate. The purpose is to influence collective consumer behaviour rather than engage in one-on-one communication. As explained by Belch and Belch (2021), advertising's non-personal nature makes it a cost-effective tool for mass communication.

iii. Identified Sponsor

Every advertisement clearly reveals its identified sponsor, which helps the audience recognise the source of the message. This identification establishes credibility and brand association. For example, when we see the logo and tagline "Just Do It," we instantly identify the advertiser as Nike. The identification of the sponsor differentiates advertising from public relations or propaganda, where the source may remain unknown. According to Wells, Moriarty, and Burnett (2011), a clearly identified sponsor builds brand trust and accountability among consumers.

iv. Persuasive Intent

Advertising aims to persuade consumers to take specific actions, such as purchasing a product, adopting a service, or changing attitudes. Its primary goal is to influence consumer decision-making through emotional or rational appeals. For example, Apple's iPhone advertisements focus on design, innovation, and lifestyle, persuading customers to view the brand as a symbol of prestige. Persuasion in advertising uses psychology, storytelling, and visuals to shape preferences. As per Philip Kotler (2019), advertising is an art of persuasion that encourages customers to prefer one brand over another.

v. Use of Media

Advertising utilises multiple forms of media such as print (newspapers, magazines), broadcast (television, radio), outdoor (billboards, posters), and digital (social media, websites). Each medium offers a different way to reach audiences. For example, Amul's billboard advertisements use witty taglines to create daily engagement, while Zomato's digital ads on Instagram and YouTube target tech-savvy millennials. The choice of media depends on the nature of the product and the target audience. Belch and Belch (2021) note that integrated media use ensures greater reach and consistent brand messaging.

1.1.4 Nature of Advertising

i. Communication Process

Advertising is fundamentally a communication process designed to convey information about a product or service to potential customers. It involves a sender (advertiser), message (advertisement), medium (TV, internet, etc.), receiver (target audience), and feedback (consumer response). For example, Coca-Cola's "Open Happiness" campaign communicates a message of joy and sharing. The effectiveness of advertising depends on how clearly the message is transmitted and interpreted. According to George E. Belch and Michael A. Belch (2021), advertising bridges the gap between producers and consumers through mass communication.

ii. Marketing Tool

Advertising is a key tool of marketing, forming one of the four Ps (i. e. Promotion) in the marketing mix. It creates awareness, generates interest, and influences consumer preferences. For instance, Dove's "Real Beauty" campaign positioned the brand as a promoter of self-confidence and body positivity, aligning with its marketing strategy. Advertising thus supports other marketing activities like sales promotion and personal selling. As per Kotler and Keller (2020), advertising helps businesses build a long-term brand image and competitive advantage in the market.

iii. Economic Activity

Advertising plays a significant role as an economic activity that stimulates demand, increases competition, and promotes innovation. By informing consumers about new products and services, advertising encourages consumption and supports economic growth. For example, frequent advertising by automobile brands like Hyundai and Maruti Suzuki boosts sales and production, thereby contributing to employment and industrial growth. According to Wells, Moriarty, and Burnett (2011), advertising acts as a catalyst that energises market dynamics and consumer spending.

iv. Creativity and Art

Advertising combines creativity and art to capture attention and make messages memorable. Effective advertisements use visuals, music, storytelling, and slogans to create emotional connections. For example, the "Fevicol – The Ultimate Adhesive" ad campaign by Pidilite uses humour and visual metaphors to communicate product strength creatively. Artistic expression helps in differentiating brands in a crowded marketplace. As noted by Jefkins (2013) in Advertising, creativity transforms ordinary messages into compelling brand experiences that influence consumer memory and behaviour.

v. Consumer-Oriented

Advertising is primarily consumer-oriented, focusing on the needs, preferences, and aspirations of target audiences. It uses consumer insights to craft personalised messages. For instance, Netflix tailors its digital advertising based on user viewing patterns, making it more relevant and appealing. The objective is to connect emotionally with consumers and enhance satisfaction. Kotler (2019) highlights that consumer-oriented advertising builds long-term relationships and loyalty by addressing the audience's desires and lifestyle aspirations.

vi. Dynamic and Evolving

The dynamic nature of advertising reflects continuous evolution in media technology and consumer behaviour. From print and radio to social media and influencer marketing, advertising adapts to new platforms and trends. For example, brands like Nike and Adidas now use digital storytelling on Instagram and YouTube to engage younger audiences. Emerging technologies like AI-driven ads and augmented reality are reshaping strategies. According to Belch and Belch (2021), the adaptability of advertising ensures its relevance in changing market environments.

1.1.5 Objectives and Benefits of Advertising

1.1.5.1 Objectives of Advertising

Advertising plays a central role in achieving both marketing and communication objectives by informing, persuading, reminding, and reinforcing messages about a product or brand. These objectives guide the strategy and design of advertising campaigns and help organizations connect effectively with their target audiences. According to Philip Kotler and Kevin Keller (2020), advertising objectives must align with the stage of the product in its life cycle and the company's broader marketing goals.

1. Informative Objectives

Informative advertising seeks to introduce a new product or service to the market, explain its features, or announce updates, such as changes in pricing or packaging. The main goal is to create awareness and stimulate initial interest among potential buyers. For instance, when Apple launches a new iPhone model, its advertisements focus on showcasing technological innovations such as advanced camera systems, faster processors, or new design features. These advertisements educate consumers about the benefits of upgrading and set the foundation for future demand. Informative advertising is most effective during the introduction stage of the product life cycle, helping brands position themselves as innovative and reliable.

2. Persuasive Objectives

The purpose of persuasive advertising is to influence consumer attitudes and encourage brand preference or switching. It often uses emotional, psychological, or social appeals to make the brand more attractive than competitors. A well-known example is Pepsi's "For the Love of It" campaign, which builds an emotional connection with youth and encourages them to choose Pepsi over rival Coca-Cola by associating the brand with passion, energy, and fun. Persuasive advertising is particularly effective in the growth and maturity stages of a product's life cycle, when competition is high. As Belch and Belch (2021) point out, persuasive messages shape consumer perceptions, differentiate brands, and drive purchase intent.

3. Reminder Objectives

Reminder advertising aims to keep a brand in the minds of existing customers and reinforce loyalty over time. It ensures continued brand recall even when customers are not actively buying the product. A perfect example is Amul's topical advertisements, which use witty, timely illustrations and messages to comment on current events while subtly reinforcing brand values of freshness, quality, and humour. These short, memorable ads remind consumers of Amul's presence in their everyday lives. Reminder advertising is vital for mature brands, ensuring that they stay relevant and emotionally connected with their customer base.

4. Reinforcement Objectives

Reinforcement advertising seeks to reassure customers that they made the right choice after purchasing a product. It strengthens brand trust and post-purchase satisfaction. For example, Maruti Suzuki's after-sales advertisements emphasise reliability, service quality, and customer care, reminding buyers that they chose a dependable brand. Such advertising prevents cognitive dissonance i. e., buyers' doubts after purchase by reinforcing confidence. According to Wells, Moriarty, and Burnett (2011), reinforcement advertising helps build long-term brand loyalty and promotes repeat purchases by validating consumer decisions.

1.1.5.2 Benefits of Advertising

Advertising generates a range of economic, social, and psychological benefits for producers, consumers, and society. It is not merely a commercial activity but also a powerful communication process that contributes to brand development, informed decision-making, and overall economic progress.

1. To Producers and Marketers

Advertising helps producers and marketers by increasing sales, improving brand recognition, and enhancing competitiveness. Effective advertising builds a distinct brand image, positioning products strategically in consumers' minds. For instance, Nike's "Just Do It" campaign consistently reinforces its position as a symbol of motivation and performance. Advertising also supports the launch of new products, creating pre-launch awareness and interest. Furthermore, large-scale advertising allows producers to achieve economies of scale as increased demand leads to mass production, reducing per-unit costs. According to Kotler and Keller (2020), advertising is an essential investment that fuels long-term profitability and market leadership.

2. To Consumers

From the consumer's perspective, advertising plays an informative and educational role. It provides essential product details such as features, price, availability, and quality, enabling consumers to make informed and rational choices. For example, online advertisements for mobile phones often compare battery life, storage, and camera quality, helping buyers decide based on value. Advertising also increases consumer awareness about new innovations, making modern lifestyles more convenient. Moreover, by encouraging competition among brands, advertising leads to better quality products and fair pricing. As Belch and Belch (2021) observe, well-informed consumers are empowered consumers, capable of making choices that maximise satisfaction.

3. To Society

Advertising also benefits society by promoting social awareness, economic growth, and employment generation. Public service advertisements create awareness about important issues like road safety, environmental conservation, women's empowerment, and health initiatives. For instance, campaigns like "Swachh Bharat Abhiyan", "Pulse Polio Immunisation", and "Stop Smoking" have been instrumental in driving positive social change. Advertising also fuels the creative and media industries, generating employment for artists, writers, designers, and marketers. Furthermore, it stimulates economic growth by encouraging consumption, which in turn supports production and distribution. According to Jefkins (2013), advertising is a social institution that not only drives business but also strengthens civic responsibility and social consciousness.

Use Case : The "Jaago Re" Campaign by Tata Tea

The "Jaago Re" (Wake Up) campaign by Tata Tea is a powerful example of advertising that achieves both commercial and social objectives. Initially launched to promote Tata Tea as a refreshing beverage, the campaign evolved into a social awakening movement urging citizens to "wake up" to corruption, voting rights, and gender issues. The ads creatively linked the act of drinking tea with the idea of staying alert and socially responsible. This dual approach helped Tata Tea increase brand sales while enhancing its image as a socially conscious brand. As Kotler and Keller (2020) note, such integrated advertising not only differentiates a product but also strengthens emotional bonds with consumers by aligning business goals with societal values.

1.1.6 Functions of Advertising

Advertising serves as a vital tool in modern business and society, performing multiple functions that go beyond mere product promotion. It informs, persuades, reminds, and educates consumers, while also supporting business growth and social welfare. According to Kotler and Keller (2020), advertising is both a marketing instrument and a communication process that builds relationships between brands and audiences. The following are the major functions of advertising, explained with relevant examples and real-world contexts.

Fig. 1.1.1 Functions of Advertising

1. Informing Function

The informing function of advertising is fundamental. It creates awareness about the existence, features, uses, and benefits of products or services. Informative advertising plays a crucial role when a product is newly introduced or improved, as it educates consumers about what the product is and why it matters. For example, during the COVID-19 pandemic, Dettol's advertisements informed people about the importance of hand hygiene and surface disinfection, emphasising how their products could prevent infection. Such campaigns helped build public awareness while promoting product usage. As noted by Belch and Belch (2021), advertising serves as a key channel for market education, guiding consumers toward informed purchase decisions.

2. Persuading Function

Advertising has a strong persuasive function, aiming to influence consumer attitudes, preferences, and buying behaviour. It motivates customers to choose one brand over others through emotional appeal, rational arguments, or aspirational messaging. A well-known example is Surf Excel's "Daag Ache Hain" (Stains Are Good) campaign, which persuades consumers emotionally by associating stains with positive life experiences such as learning, playing, and caring. This shifts the consumer's perception of stains from negative to meaningful, making the brand more relatable and trusted. According to Kotler (2019), persuasive advertising uses storytelling, imagery, and emotional connection to transform products into symbols of personal values and identity.

3. Reminding Function

The reminding function ensures that existing customers do not forget about a brand they already know or have used. It maintains brand recall and reinforces customer loyalty. This is especially important for established brands in competitive markets. For instance, Cadbury Dairy Milk's "Kuch Meetha Ho Jaye" (Let's Have Something Sweet) campaign continuously reminds consumers to associate chocolate with celebration and happiness. These reminders help keep the brand relevant in consumers' daily lives. As per Wells, Moriarty, and Burnett (2011), reminder advertising reinforces familiarity and trust, ensuring the brand remains a top choice even when purchase decisions are made quickly.

4. Brand Building Function

A major long-term function of advertising is brand building. Through consistent and creative communication, advertising helps develop and sustain a brand's identity, image, and emotional connection with consumers. Over time, this creates loyalty and advocacy. Nike's "Just Do It" slogan is a prime example, it has transcended its product category to represent determination, empowerment, and personal achievement. The brand's advertising has successfully built a global identity rooted in motivation and sportsmanship. According to Kotler and Keller (2020), effective advertising transforms a product into a brand by shaping consumer perceptions and emotional bonds that go beyond functional benefits.

5. Support to Sales Force

Advertising also provides support to personal selling and other promotional efforts. By generating initial awareness and interest, it makes the salesperson's job easier. Customers who have already seen or heard advertisements are more receptive to sales discussions. For example, when a company like Maruti Suzuki launches a new car model, its advertising campaign creates curiosity and excitement among potential buyers, which helps the sales team engage customers more effectively in showrooms. As Jefkins (2013) explains, advertising and personal selling are complementary the former prepares the ground by creating awareness, while the latter converts that interest into sales.

6. Market Expansion Function

Advertising plays a key role in expanding markets by reaching new customer segments and geographic areas. It allows businesses to introduce products to rural, national, or even global markets. For instance, Patanjali Ayurved used extensive television and digital advertising to penetrate rural and urban markets across India, promoting its Ayurvedic products as affordable and natural alternatives to multinational brands. Similarly, global companies like Coca-Cola use uniform advertising themes to appeal to diverse audiences worldwide. According to Belch and Belch (2021), advertising acts as a bridge between producers and untapped markets, enabling growth and economic diversification.

7. Societal Function

Beyond commercial goals, advertising fulfils a societal function by educating the public about social, environmental, and health issues. Public service advertisements (PSAs) and corporate social responsibility (CSR) campaigns create awareness and inspire positive behaviour change. For example, the Government of India's "Swachh Bharat Abhiyan" (Clean India Mission) and Pulse Polio Immunisation campaigns used mass advertising to influence public hygiene and health practices, achieving significant social outcomes. Advertising thus serves as a social educator, encouraging responsible citizenship. As Wells and Moriarty (2011) emphasise, advertising's societal role helps build awareness and participation in causes that contribute to community welfare.

Advertising is not limited to promoting products; it is a multifunctional tool that informs, persuades, reminds, and educates society. It strengthens brand equity, supports marketing activities, and contributes to social development. By combining commercial objectives with communication excellence, advertising becomes a powerful medium for both business growth and societal progress.

1.1.7 Types of Advertising

Advertising plays multiple roles depending on its purpose, audience, and communication medium. It helps firms create awareness, influence consumer attitudes, and build long-term brand loyalty. Understanding the different types of advertising helps marketers adopt the right strategies to reach their desired audience effectively. Advertising can be classified based on several factors such as target audience, function, media used, and geographical scope.

Fig. 1.1.2 Types of Advertising

1.1.7.1 Based on Target Audience

1. Consumer Advertising

Consumer advertising is directed at individual buyers who purchase goods for personal or household use. This is the most visible form of advertising seen on television, social media, or print media. The aim is to influence consumer preferences and encourage brand loyalty by highlighting product features, emotional benefits, and lifestyle appeal. For example, Dove's "Real Beauty" campaign promoted self-confidence and inclusivity while showcasing Dove soap as a caring and gentle product. Similarly, brands like Pepsi or Maggi use persuasive visuals and jingles to emotionally connect with consumers. As

Bovee and Arens (2011) note, consumer advertising focuses on stimulating demand through creative storytelling and repeated exposure. Such advertising shapes consumer choices, builds brand equity, and drives sales volume across mass markets.

2. Industrial Advertising

Industrial advertising targets businesses, manufacturers, and professionals who purchase machinery, raw materials, or equipment used in production. This form of advertising is more technical, rational, and information-driven than emotional. The focus is on efficiency, performance, and long-term cost savings rather than impulse buying. For instance, Tata Steel advertises structural steel for construction companies, highlighting durability and reliability. Similarly, Bosch markets industrial tools emphasizing precision, energy efficiency, and innovation. Industrial advertising is commonly found in trade journals, B2B websites, and exhibitions. According to Wells and Burnett (2014), industrial advertising builds credibility and trust among business buyers, helping companies form long-term professional relationships rather than quick sales.

3. Trade Advertising

Trade advertising is aimed at wholesalers, retailers, and distributors who act as intermediaries between manufacturers and consumers. The goal is to motivate traders to stock, promote, and display a manufacturer's products prominently. Trade ads often offer incentives such as higher profit margins, discounts, or promotional support. For example, Britannia or Parle may advertise in trade magazines to inform shopkeepers about new biscuits, display materials, or sales contests. These ads are usually factual, focusing on distribution benefits and sales support. As per Bovee and Arens (2011), trade advertising helps strengthen the supply chain by ensuring adequate product visibility and availability in retail outlets.

4. Institutional (Corporate) Advertising

Institutional advertising, also called corporate or image advertising, focuses on building a positive image of the organisation rather than promoting individual products. The objective is to develop goodwill, enhance investor confidence, and attract potential employees. A notable example is Tata Group's "Leadership with Trust" campaign, which emphasises the company's integrity and commitment to social responsibility. Similarly, Infosys often highlights innovation and ethical leadership in its corporate communications. According to Kotler and Keller (2016), institutional advertising strengthens brand reputation, differentiates the organisation from competitors, and enhances stakeholder trust, which indirectly contributes to long-term sales and sustainability.

1.1.7.2 Based on Function

1. Informative Advertising

Informative advertising seeks to create awareness and educate consumers about new products, services, or features. It is commonly used during the introduction stage of the product life cycle to inform potential customers about benefits and usage. For instance, when Tata Motors introduced its range of Electric Vehicles (EVs), advertisements focused on environmental benefits, battery life, and cost efficiency. Informative ads rely on factual content, comparisons, and demonstrations to attract rational attention. According to Kotler (2017), informative advertising builds primary demand by expanding consumer knowledge and reducing uncertainty about product performance. It plays a critical role in markets where innovation and new technology require customer education.

2. Persuasive Advertising

Persuasive advertising aims to influence attitudes and encourage brand switching by appealing to emotions, values, or lifestyles. It is most effective during the growth and maturity stages of the product life cycle when competition intensifies. A classic example is Apple's "Think Different" campaign, which appealed to creativity and individuality, positioning Apple as a symbol of innovation and personal freedom. Similarly, Colgate advertisements persuade consumers by highlighting expert endorsements and superior dental protection. Persuasive advertising strengthens brand preference, stimulates demand, and establishes emotional resonance with customers an essential factor in creating brand loyalty in competitive markets.

3. Reminder Advertising

Reminder advertising is used to reinforce previous messages and ensure the brand remains top-of-mind among consumers. It is typically employed by established brands during the maturity stage to maintain loyalty. For example, Cadbury Dairy Milk's "Kuch Meetha Ho Jaye" campaign associates the brand with moments of happiness and celebration. These ads do not introduce new features but remind customers of emotional satisfaction and brand legacy. According to Kotler and Armstrong (2018), reminder advertising helps sustain consumer interest, prevents brand fatigue, and encourages repeat purchases through periodic emotional engagement.

1.1.7.3 Based on Media Used

1. Print Advertising

Print advertising remains one of the most traditional yet credible forms of advertising, involving newspapers, magazines, brochures, and pamphlets. Despite the digital revolution, print ads offer targeted reach, permanence, and authenticity. A good example is Amul's witty newspaper ads, which use humorous illustrations and wordplay to comment on current events while subtly promoting their brand. These ads have become part of India's advertising culture. As Wells and Burnett explain, print media allows detailed product descriptions, strong visuals, and brand storytelling that cater to specific readerships such as business professionals or homemakers. It also helps build long-term brand recall through repeated exposure.

2. Broadcast Advertising

Broadcast advertising uses television and radio to deliver messages that combine audio and visual appeal for mass audiences. This medium is powerful in evoking emotions and demonstrating product usage. A notable example is Surf Excel's "Daag Acche Hain" campaign, which tells stories of children learning values through messy play, connecting emotionally with parents. Similarly, radio jingles like "Vicco Turmeric, Nahi Cosmetic" have created lasting recall. Broadcast advertising allows marketers to reach millions simultaneously with memorable storytelling. According to Kotler (2017), this medium is ideal for brand-building as it stimulates both auditory and visual memory, making it one of the most persuasive channels for mass communication.

3. Outdoor Advertising

Outdoor advertising includes billboards, hoardings, and transit ads located in public places such as highways, metro stations, and airports. It ensures high visibility and brand recognition through short, impactful messages. For instance, Nike's "Just Do It" billboards in metropolitan cities use minimal text but strong imagery to inspire motivation and confidence. Outdoor ads are ideal for frequent exposure and quick recall, particularly in urban areas with heavy footfall. As Bovee and Arens (2011) note, outdoor advertising is cost-effective per impression and supports reinforcement of messages delivered through other media. However, success depends on creativity and strategic placement.

4. Digital Advertising

Digital advertising involves online platforms such as social media, websites, search engines, and influencer marketing. It enables two-way communication, real-time feedback, and precise audience targeting. Companies like Zomato and Swiggy have mastered digital advertising by using memes, push notifications, and personalised offers to engage young consumers. Their campaigns blend humour and convenience to build brand loyalty. According to Kotler and Keller (2016), digital advertising represents the future of marketing because it allows data-driven decision-making and cost-efficient communication. It not only enhances visibility but also builds communities around brands through social engagement and interactive storytelling.

1.1.7.4 Based on Geographical Scope

1. Local Advertising

Local advertising focuses on a specific city or region, aiming to attract nearby customers. Small businesses such as restaurants, jewellery shops, or educational institutions often use local media like newspapers, pamphlets, and radio to promote offers or events. For example, a local jewellery store may advertise festive discounts in a regional daily. Local ads use language, culture, and imagery familiar to the target audience. As Kotler (2017) observes, localisation in advertising ensures relevance and builds stronger emotional ties with nearby consumers by addressing their unique needs and preferences.

2. National Advertising

National advertising covers the entire country and creates a unified message for all regions. It is mostly used by large corporations to promote products with nationwide appeal. For example, HDFC Bank's advertising campaigns promote digital banking and savings schemes through consistent visuals and slogans across India. National advertising aims to build brand identity, ensure message consistency, and reach large markets simultaneously. According to Wells and Burnett (2014), national advertising increases brand familiarity and credibility by maintaining uniform quality perception across all customer segments in the country.

3. International Advertising

International advertising is designed for global audiences, requiring cultural adaptation and local relevance. Brands like McDonald's or Coca-Cola modify their products, language, and visuals to fit local tastes while maintaining global identity. For instance, McDonald's markets the "Maharaja Mac" in India instead of beef burgers to respect cultural norms. According to Kotler and Keller (2016), successful international advertising blends global consistency with local sensitivity, a concept known as "glocalisation." This approach helps multinational companies strengthen their global image while ensuring regional acceptance.

Apart from the above mentioned types of advertising, there are certain modern fast growing categories of advertising. Let us understand.

1. Influencer / Creator Advertising

Influencer or creator advertising is a modern form of advertising in which companies promote their products or services through social media influencers, YouTubers, bloggers, or digital content creators who have a strong follower base and credibility in a particular niche. Instead of using traditional advertisements, brands rely on influencers to create content such as product reviews, unboxing videos, reels, or lifestyle posts that naturally integrate the product into their daily content. This type of advertising works effectively because followers trust influencers and consider their recommendations authentic. For example, in India, popular tech influencers such as Technical Guruji, Trakin Tech, and Geeky Ranjit promote smartphones from brands like Samsung, OnePlus and Xiaomi by reviewing features, performance, and value for money. Such promotions strongly influence purchase decisions, especially among young and tech-savvy consumers.

2. Programmatic Advertising

Programmatic advertising refers to the use of automated technology and data analytics to buy, place, and display digital advertisements in real time. Instead of manually selecting where ads appear, software algorithms analyse user data such as age, location, browsing history, interests, and viewing behaviour to show the most relevant ads to each individual. This process happens within milliseconds when a user opens a website or streaming platform. For example, on OTT platforms like Disney+ Hotstar, ads are automatically displayed based on what the viewer watches. A user who frequently watches cricket matches may see advertisements for smartphones, sports brands, or fantasy gaming apps, while another user watching business news may see ads related to insurance or investment services. Programmatic advertising is highly efficient as it reduces wastage and improves targeting accuracy.

3. Native Advertising

Native advertising is a form of paid advertising that blends seamlessly with the editorial content of the platform on which it appears, making it look similar to regular articles, news stories, or videos. Unlike traditional banner ads, native ads do not interrupt the user experience and are designed to match the style, tone, and format of the website or media platform. Although promotional in nature, such content is usually labelled as "Sponsored" or "Promoted" to maintain transparency. For example, Indian news websites like The Times of India, The Hindu, or NDTV often publish sponsored articles on topics such as health, personal finance, electric vehicles, or education. An article discussing the benefits of electric vehicles may be sponsored by an automobile company, subtly promoting its brand while providing useful information to readers.

Case Study: Surf Excel's "Daag Acche Hain" Campaign

Background:

Introduced by Hindustan Unilever Limited (HUL) in 2005, Surf Excel's *"Daag Acche Hain"* (which translates to "Stains Are Good") campaign is one of the most successful examples of emotional advertising in India. The brand transformed its communication approach from functional product benefits (like cleaning power) to emotional storytelling that connected deeply with Indian families. This shift marked a new era of value-based advertising, focusing on emotions and life lessons rather than just product performance.

As Bovee and Arens (2011) note, emotional appeals in advertising help consumers establish stronger personal connections with brands by aligning products with human values and everyday experiences.

Advertising Objectives of Surf Excel:

The main objectives of Surf Excel's campaign were:

a. To differentiate Surf Excel from other detergents based purely on cleaning claims.

b. To position the brand as a partner in nurturing values and emotional growth in children.

c. To strengthen brand loyalty by appealing to parents' emotional and moral instincts.

d. To increase market share in the competitive detergent segment by shifting focus from price to purpose.

Campaign Concept:

The campaign's central idea "If getting dirty is a part of learning something good, then dirt is good" portrayed stains as symbols of positive experiences. Instead of avoiding dirt, Surf Excel's advertisements encouraged children to explore, help others, and learn moral lessons, even if it meant getting dirty.

The first television commercial under this concept showed a little boy helping his friend who fell in a puddle, saying, *"Daag Acche Hain."* This narrative emotionally connected with parents who value kindness, empathy, and real-life learning over cleanliness perfection.

Subsequent campaigns extended the message with variations like "Daag Se Badhkar Kuch Nahi" (Nothing is greater than stains) and "Ready for Life."

Media Strategy

Surf Excel adopted an integrated multi-media approach using:

◊ Television commercials for emotional storytelling and mass reach.

◊ Print media and outdoor hoardings during festival seasons to promote family togetherness and celebrations.

◊ Digital platforms such as YouTube and social media for storytelling continuity and user engagement.

◊ Regional adaptations in languages like Hindi, Tamil, Bengali, and Telugu to ensure cultural resonance.

This 360-degree media plan helped maintain consistent brand messaging across diverse consumer groups.

Impact and Results:

1. Brand Recall and Emotional Connection: The "Daag Acche Hain" slogan became instantly memorable and part of everyday vocabulary in India, symbolizing moral growth and innocence.
2. Market Leadership: According to Nielsen reports, Surf Excel's market share in India rose steadily, and it became one of HUL's most profitable brands in the detergent segment.
3. Long-Term Brand Equity: The campaign built emotional equity—consumers began associating Surf Excel not only with cleanliness but also with emotional values and positive parenting.
4. Creative Recognition: The campaign received several advertising awards, including Effie Awards for effectiveness and Abby Awards for creativity. It was widely recognized for redefining detergent advertising in India.
5. Social Resonance: The message extended beyond selling detergent. It reflected a broader social philosophy—encouraging children to learn life lessons through real experiences. During the COVID-19 pandemic, Surf Excel adapted the message to promote hygiene and empathy under the tagline *"Daag Acche Hain, Par Suraksha Zaroori Hai."*

Analysis:

The "Daag Acche Hain" campaign exemplifies persuasive and emotional advertising, effectively combining functional utility (cleaning power) with psychological appeal (moral values). It aligns with Kotler's Hierarchy of Advertising Effects, moving beyond awareness and preference to emotional conviction and loyalty. By focusing on storytelling rather than product demonstration, the campaign created an enduring emotional bond with Indian families.

The success of this campaign highlights how purpose-driven marketing can differentiate a brand even in a saturated market. It also reflects the trend identified by Wells and Burnett (2014): that modern advertising must "connect the product with a life purpose" rather than merely showcasing its utility.

Key Lessons:

- ◊ Emotional storytelling enhances consumer-brand relationships.
- ◊ Consistency across media builds stronger brand recall.
- ◊ Value-driven messages increase brand longevity and trust.
- ◊ Cultural relevance is crucial for market acceptance in diverse societies.

Conclusion:

Surf Excel's *"Daag Acche Hain"* campaign demonstrates how effective advertising can go beyond persuasion to inspire behavioural and emotional change. It shows that brands thrive not only by selling products but also by aligning themselves with human values and positive social messages. The campaign remains an outstanding example of integrated, emotional, and value-based advertising that balances commercial success with moral storytelling.

Advertising is a strategic communication tool that can be informative, persuasive, emotional, or image-oriented depending on business objectives. Marketers must carefully select the type, medium, and scope of advertising to ensure maximum impact. Whether traditional or digital, effective advertising informs, persuades, and emotionally connects consumers with brands, driving both short-term sales and long-term loyalty.

R Recap

- ◊ Advertising as Communication: Advertising bridges the gap between producers and consumers through paid, persuasive, and non-personal messages.
- ◊ Objectives of Advertising: It aims to inform, persuade, remind, and reinforce messages to influence buying behaviour.

- ◊ Functions of Advertising: Advertising informs, persuades, builds brands, supports sales, and contributes to social welfare.
- ◊ Types of Advertising: Classified based on target audience, function, medium, and geographical scope such as consumer, industrial, print, and digital ads.
- ◊ Social and Economic Role: Advertising boosts demand, creates awareness, and promotes innovation while also shaping cultural and ethical standards.
- ◊ Case Studies: Campaigns like Coca-Cola's "Share a Coke" and Surf Excel's "Daag Acche Hain" illustrate how emotional and value-based advertising enhances brand loyalty.

Objective Questions

1. What is the definition of advertising according to the American Marketing Association (AMA)?
2. Which element of the marketing mix does advertising belong to?
3. What type of advertising aims to build goodwill for an organisation?
4. Who are the primary targets of industrial advertising?
5. What is the main objective of reminder advertising?
6. Which advertising campaign is known for the slogan "Daag Acche Hain"?
7. What kind of communication is advertising?
8. Name the advertising medium that includes newspapers and magazines.
9. Which Indian brand's campaign is titled "Jaago Re"?
10. What is the persuasive intent of advertising primarily designed to achieve?
11. Give an example of a global advertising brand slogan.

Answers

1. Paid form of non-personal presentation
2. Promotion
3. Institutional advertising
4. Manufacturers and professionals
5. Brand recall and loyalty
6. Surf Excel
7. Non-personal
8. Print media
9. Tata Tea
10. Influence consumer behaviour
11. "Just Do It" – Nike

Assignments

1. Explain the meaning, nature, and scope of advertising with suitable examples.
2. Discuss the various objectives and benefits of advertising for producers, consumers, and society.
3. Describe the different types of advertising based on function, media, and audience with illustrations.
4. Analyse the "Share a Coke" campaign by Coca-Cola and its impact on brand communication.
5. Evaluate the role of advertising as an economic and social activity in a developing country like India.
6. Select a print or digital advertisement and analyse its objectives, message appeal, and target audience.
7. Create a short advertising campaign (tagline + media plan) for a local business or startup.

8. Prepare a report on Surf Excel's "Daag Acche Hain" campaign explaining emotional appeal and social impact.
9. Compare the advantages and limitations of digital vs. traditional media for advertising.
10. Design a concept note for a public service advertisement (e.g., "Clean India," "Save Water," or "Vote Responsibly").

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Unit - 2
Advertising in Marketing and Society

Learning Outcomes

After studying this unit, learners will be able to:

- ◊ explain the relationship between advertising and the marketing mix and its influence on consumer behaviour
- ◊ analyse the social and ethical dimensions of advertising with reference to real-world examples
- ◊ Aware of the positive and negative social impacts of advertising in shaping cultural and moral values
- ◊ comprehend the need for ethical standards and regulatory frameworks governing advertising in India

Prerequisite

You are scrolling through your favourite social media app, every few seconds, you encounter an advertisement. From a colourful hoarding of Amul's witty "Utterly Butterly Delicious" campaign to an emotionally stirring video of Ariel's *#ShareTheLoad*, advertising constantly speaks to us. It tells stories, sells dreams, and sometimes even changes how we think about the world. Whether it's a government message urging citizens to vote, a digital ad promoting eco-friendly products, or a brand campaign redefining beauty standards, advertising has evolved into far more than a tool for selling. It's a language that connects business with society.

For business and management students, understanding advertising is essential because it sits at the intersection of marketing, communication, ethics, and social influence. This unit helps learners explore how advertising fits into the marketing mix, how it shapes social and cultural values, and why ethical responsibility is crucial in the industry. Before beginning, learners are expected to have a basic understanding of the marketing mix (4Ps) and consumer behaviour, which will help them connect advertising's strategic role with its broader impact on markets and society.

Keywords

Advertising, Marketing Mix, Social Responsibility, Ethics, ASCI Code

Discussion

1.2.1 Introduction

Advertising does not function in isolation. It forms a crucial part of the marketing mix, the set of coordinated tools and strategies that a company uses to identify, satisfy, and retain customers while achieving business objectives. In the marketing mix, advertising belongs to the 'promotion' component, alongside sales promotion, public relations, and personal selling. It acts as the communicative bridge between a brand and its potential customers, ensuring that information about products, services, or ideas reaches the right audience persuasively and memorably. According to Philip Kotler and Kevin Keller (2020), advertising is "a paid form of non-personal communication by an identified sponsor," designed to inform, persuade, and remind consumers about offerings. It is therefore both an economic activity and a strategic communication process that helps businesses build brand equity, influence purchasing decisions, and foster long-term customer relationships.

Beyond its commercial purpose, advertising plays a significant role in shaping social attitudes, cultural values, and lifestyles. Modern advertisements do more than promote consumption, they reflect and often define what society perceives as desirable or aspirational. Campaigns such as *Dove's Real Beauty* have challenged stereotypes by promoting body positivity, while *Tata Tea's Jaago Re* urged citizens to awaken their sense of social responsibility. Similarly, government-sponsored public service advertisements like *Swachh Bharat Abhiyan* or *Pulse Polio Immunisation* have demonstrated advertising's power to influence public behaviour and drive social change. Thus, advertising serves both as a mirror of society and as a catalyst for transformation, influencing everything from language and fashion to values and identity.

However, advertising's influence comes with ethical responsibility. The same persuasive techniques that can educate and inspire can also mislead and manipulate if misused. Exaggerated claims, false testimonials, or stereotypical portrayals can distort consumer perceptions and erode trust. As noted by Wells, Moriarty, and Burnett (2011), ethical advertising is essential for maintaining the credibility of both the brand and the marketing industry as a whole. Therefore, an understanding of advertising requires more than learning about creative design or media selection. It demands awareness of its economic, social, and moral implications. For future business managers and marketing professionals, grasping these dimensions is vital to ensuring that advertising not only promotes products but also upholds honesty, respect, and social responsibility in communication.

1.2.2 Advertising and Marketing Mix

The marketing mix, often described as the 4Ps—Product, Price, Place, and Promotion, represents the strategic combination of controllable elements that a business uses to satisfy consumer needs and achieve its marketing objectives. As concerned with services, three more Ps are added – People, Process and Physical Evidence. So, in total, there are 7Ps. Each component of the marketing mix plays a vital role in organisational success. Product refers to what the company offers to meet customer demands; Price determines the value exchange and market positioning; Place ensures that products are available where and when consumers need them; and Promotion involves communicating with potential customers to create awareness, generate interest, and stimulate demand. In addition to these traditional elements, modern marketing also recognises the importance of People, Process, and Physical Evidence, especially in service-oriented and relationship-driven markets. People represent employees, service staff, and all human actors who influence customer experience and brand perception; Process refers to the systems, procedures, and flow of activities through which products and services are delivered; and Physical Evidence includes tangible cues such as ambience, packaging, infrastructure, and visual symbols that help customers evaluate quality. Among these elements, advertising stands out as one of the most powerful tools within the promotion mix, which also includes personal selling, sales promotion, public relations, and direct marketing, as it communicates not only the product but also the people behind it, the efficiency of processes, and the physical evidence that supports brand credibility.

Advertising is one of the most influential tools within the promotion element of the marketing mix. However, its impact extends far beyond promotion. It interacts closely with product, price, and place as well, creating a cohesive strategy that enhances customer satisfaction and strengthens brand equity. The following section explains the relationship between advertising and each component of the marketing mix with relevant examples.

1.2.2.1 Advertising and Product

a. Communicating Product Features and Benefits

Advertising acts as a vital communication channel for informing customers about a product's characteristics, features, quality, and usage. It helps transform a simple product into a meaningful brand by highlighting what makes it unique and valuable.

Example: When Apple launches a new iPhone, its advertisements emphasise innovative features like the camera quality, processor speed, and design aesthetics. These ads educate customers about the product's benefits while positioning it as a premium, technologically advanced device.

b. Building Product Identity and Brand Image

Advertising gives products a personality and emotional appeal that distinguishes them from competitors. Consistent and creative advertising helps develop long-term brand recognition.

Example: Nike's "Just Do It" campaign does not focus solely on shoes or apparel, it conveys a message of determination and achievement, turning the product into a lifestyle symbol associated with motivation and success.

1.2.2.2 Advertising and Price

a. Supporting Price Positioning

Advertising reinforces the price strategy by justifying whether a product is positioned as premium, value-for-money, or budget-friendly. Through message tone, visuals, and endorsements, advertising helps customers perceive the right value.

Example: Rolex uses elegant, high-quality advertisements that highlight craftsmanship, exclusivity, and prestige. These are the elements that justify its premium pricing strategy. Conversely, D-Mart's promotional ads focus on affordability and discounts, supporting its low-price value positioning.

b. Influencing Perceived Value

Advertising enhances the perceived value of a product, often allowing companies to charge higher prices by creating strong emotional or psychological associations.

Example: Coca-Cola's "Open Happiness" campaign connects the brand with joy and togetherness rather than just a beverage, enabling the company to maintain strong customer loyalty despite competitive pricing.

1.2.2.3 Advertising and Place (Distribution)

a. Creating Demand Across Markets

Advertising stimulates customer demand in specific regions or segments, making distribution strategies more effective. By generating awareness, it ensures that distributors and retailers experience greater product movement.

b. Supporting Channel Partners

Advertising also motivates intermediaries such as wholesalers and retailers to stock and promote a company's products. Trade and cooperative advertisements are used to inform distributors about benefits, sales schemes, and brand popularity.

Example: Britannia Industries regularly advertises its new product lines and trade offers in dealer magazines to encourage retailers to prioritise its products on store shelves.

1.2.2.4 Advertising and Promotion

a. Core of the Promotion Mix

Advertising is the most visible and widely used element of the promotion mix, which also includes sales promotion, public relations, and personal selling. It creates awareness and interest, which other promotional tools then convert into actual sales.

Example: When Maruti Suzuki launches a new car model, it first uses television and digital advertising to create curiosity, followed by promotional test drives and dealer offers to convert interest into purchases.

b. Integration with Other Promotional Tools

Advertising amplifies the effectiveness of other promotional activities. A coordinated campaign, where advertising, public relations, and sales promotions work together, creates a unified brand message.

Example: During festive seasons, Flipkart's "Big Billion Days" advertising campaign is supported by price discounts (sales promotion), influencer marketing (public relations), and personalised app notifications (direct marketing), creating a comprehensive promotional impact.

1.2.2.5 Advertising and People

a. Influencing Customer Perception and Trust

Advertising plays a significant role in shaping how people both employees and customers are perceived in relation to a brand. Through advertising, organisations communicate the competence, friendliness, professionalism, and values of the people associated with the product or service. This is particularly important in service industries where human interaction strongly affects customer satisfaction.

Example: In India, banks like HDFC and SBI use advertisements showing courteous staff assisting customers, thereby creating a perception of reliability, trust, and customer care. Such advertising reassures customers that they will be treated well and supported by knowledgeable personnel.

b. Building Emotional Connection with Target Audiences

Advertising also helps brands connect emotionally with people by reflecting their aspirations, lifestyles, and social values. When advertisements portray relatable characters, situations, and emotions, audiences feel personally connected to the brand.

Example: Amul's long-running advertisements feature everyday social and political themes with humour, making people feel that the brand understands common Indian experiences. This people-centric advertising strengthens emotional bonding and long-term brand loyalty.

1.2.2.6 Advertising and Process

a. Communicating Service Delivery and Efficiency

Advertising helps explain the process through which a product or service is delivered to customers, thereby reducing uncertainty and building confidence. By highlighting speed, convenience, transparency, or technological efficiency, advertising makes complex processes easy to understand.

Example: Online food delivery platforms like Swiggy and Zomato advertise their fast ordering, live tracking, and quick delivery processes. These advertisements assure customers that the service is smooth, reliable, and time-saving.

b. Reducing Perceived Risk and Enhancing Customer Experience

Clear communication of processes through advertising reduces customers' perceived risk, especially in services where outcomes are intangible. When customers know what to expect, they feel more comfortable engaging with the brand.

Example: Insurance companies such as LIC and Policybazaar use advertisements to explain claim settlement procedures and digital policy management. By simplifying and showcasing the process, advertising builds confidence and encourages customers to adopt the service.

1.2.2.7 Advertising and Physical Evidence

a. Visualising Intangible Offerings

Physical evidence refers to the tangible cues that support a product or service, such as ambience, packaging, infrastructure, or symbols. Advertising plays a key role in showcasing these physical elements to make intangible services more concrete.

Example: Luxury hotel chains like Taj Hotels use advertisements highlighting elegant interiors, well-designed rooms, and premium facilities. These visuals serve as physical evidence of quality and comfort, influencing customers' expectations even before they experience the service.

b. Reinforcing Quality and Credibility

Advertising also reinforces physical evidence that signals reliability, safety, and professionalism. Logos, uniforms, certificates, layouts, and packaging shown in advertisements help build credibility.

1.2.2.8 Holistic Integration: Advertising as the Connecting Link

Advertising acts as the connecting thread that unifies all four Ps of the marketing mix:

- ◊ It communicates product value and uniqueness,
- ◊ Reinforces price perception,
- ◊ Stimulates place demand and distribution, and
- ◊ Anchors the promotion strategy through creative storytelling.

When these elements are harmonised, advertising ensures consistency in brand communication and strengthens the overall marketing effort.

Example: Amul demonstrates this integration perfectly. Its product (dairy and food items) is positioned as fresh and high-quality; its price reflects value-for-money; it is available nationwide through an efficient distribution system; and its witty, topical advertisements consistently reinforce brand trust and social relevance.

Advertising thus acts as the voice of the marketing mix. It links all four Ps by promoting the product's features, justifying its price, drawing attention to its availability, and communicating the overall brand image. A well-designed advertising campaign aligns with the company's overall marketing strategy, ensuring that every advertisement reflects the brand's identity, market positioning, and customer value. As Philip Kotler (2019) explains, when integrated effectively, advertising enhances brand equity, supports sales growth, and ensures that marketing efforts work together to achieve long-term business success. Advertising is not a standalone activity but a strategic component that aligns with every element of the marketing mix. By harmonising product identity, price perception, distribution efficiency, and promotional messaging, advertising ensures that a brand's value proposition is communicated effectively to consumers. For businesses, mastering this relationship is essential for achieving both market success and sustainable brand growth.

1.2.3 Social Aspects of Advertising

Advertising goes far beyond selling products; it shapes social behaviour, cultural values, and collective consciousness. As Philip Kotler and Kevin Keller (2020) note, advertising plays a dual role: while it promotes economic growth, it also influences the moral and social fabric of society. Every advertisement conveys messages about lifestyles, aspirations, gender roles, and identity, thereby reflecting and shaping public attitudes. In India, advertisements have become a mirror of changing times, encouraging modern values such as equality and empowerment while also carrying risks of over-commercialisation and materialism. The social aspects of advertising can therefore be viewed in both positive and negative dimensions.

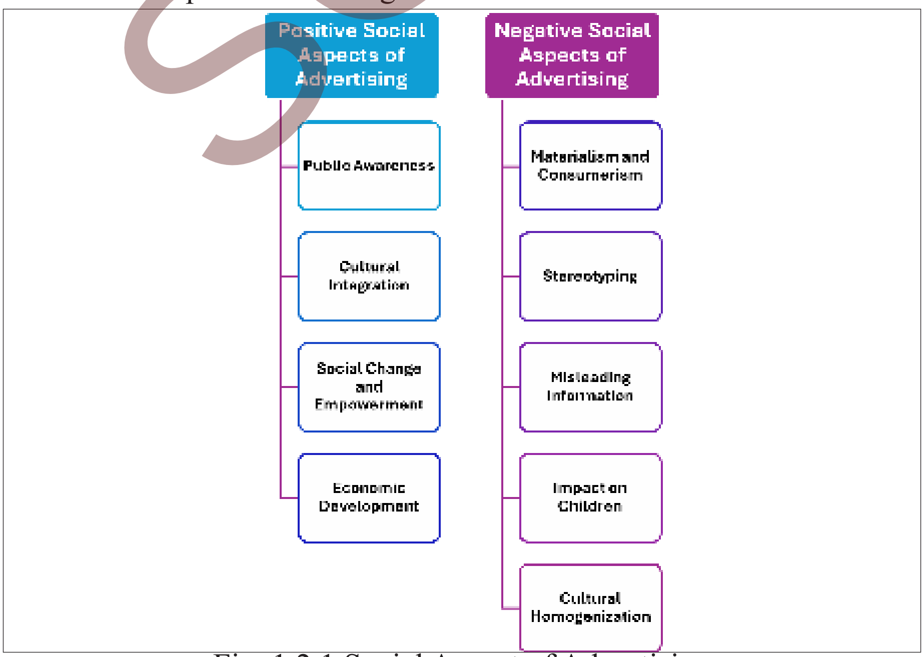

Fig. 1.2.1 Social Aspect of Advertising

1.2.3.1 Positive Social Aspects of Advertising

1. Public Awareness

Advertising serves as a powerful medium for creating public awareness about critical social, health, and environmental issues. Governments, NGOs, and private organisations use advertising to reach large audiences and influence positive behavioural change. Such campaigns make complex issues understandable and relatable through simple messaging and visuals. For instance, the "Polio Eradication – Do Boond Zindagi Ke" campaign launched by the Government of India played a historic role in eradicating polio from the country. Featuring celebrities like Amitabh Bachchan, it educated millions of parents about the importance of vaccination. Similarly, road safety campaigns ("Don't Drink and Drive"), AIDS awareness advertisements, and Swachh Bharat Abhiyan messages have all demonstrated how advertising can educate, inform, and mobilise the public for collective welfare. As Belch and Belch (2021) highlight, such social advertising transforms communication into a tool for social good, not just commercial profit.

2. Cultural Integration

Advertising reflects and reinforces the cultural fabric of a society. Through symbols, language, music, and imagery, it celebrates shared traditions and fosters a sense of unity and pride. In a diverse country like India, advertisements often play a key role in promoting cultural integration and national identity. The "Incredible India" tourism campaign, initiated by the Ministry of Tourism, is a classic example. It highlighted India's rich cultural heritage, festivals, landscapes, and traditions, appealing to both domestic and global audiences. The campaign portrayed India as a land of unity in diversity, helping to strengthen its global image while promoting cultural pride. Similarly, brands like Tanishq and Google India have produced advertisements that promote harmony between different communities and religions. According to Wells, Moriarty, and Burnett (2011), advertising contributes to cultural dialogue by portraying evolving values and bridging social differences.

3. Social Change and Empowerment

Modern advertising has the potential to challenge outdated social norms and inspire progressive change. By questioning stereotypes and advocating equality, advertising can empower underrepresented groups and promote inclusivity. A notable example is Ariel's "#ShareTheLoad" campaign by Procter & Gamble. This campaign addressed gender inequality in household responsibilities, urging men to participate equally in domestic chores. It sparked widespread social discussion on gender roles and became an award-winning campaign for promoting equality. Similarly, Tanishq's "Remarriage" ad challenged traditional taboos around women's remarriage, reflecting a progressive shift in advertising narratives. As Kotler and Keller (2020) emphasise, advertising has evolved from being a commercial instrument to becoming a vehicle for social transformation that reflects the conscience of a modern, inclusive society.

4. Economic Development

Advertising significantly contributes to economic development by stimulating demand, generating employment, and encouraging innovation. It creates awareness of new products and services, leading to increased consumption and production. As demand grows, industries expand, creating job opportunities in production, distribution, and creative sectors such as media, design, and communication. In India, the advertising industry itself employs thousands of professionals and supports related sectors like printing, digital marketing, and event management. For instance, campaigns by Flipkart, Amazon, and Swiggy during festive seasons boost sales and stimulate the economy by encouraging consumer spending. According to Jefkins (2013), advertising acts as an economic stimulant, linking consumer aspirations with business growth and contributing to national prosperity.

1.2.3.2 Negative Social Aspects of Advertising

1. Materialism and Consumerism

One of the most debated criticisms of advertising is its tendency to promote materialism and consumerism. By continuously projecting luxury, glamour, and status, advertising often creates unrealistic desires and equates happiness with consumption. This can lead individuals, especially youth, to define success by possessions rather than values. For example, luxury car or smartphone advertisements often suggest that owning these items leads to social prestige and fulfilment. As Bovee and Arens (2011) caution, such advertising can distort priorities, leading to impulsive buying and financial strain. Over time, this fosters a culture where worth is measured by what one owns, rather than by personal achievements or relationships.

2. Stereotyping

Advertising has often been criticised for reinforcing gender, racial, and cultural stereotypes. Earlier advertisements in India frequently depicted women as homemakers and men as decision-makers, reinforcing patriarchal notions. A prominent example is the early fairness cream advertisements, such as “Fair & Lovely,” which promoted the idea that fair skin equated to beauty and success. This narrative not only marginalised darker skin tones but also perpetuated unrealistic beauty standards. Similarly, some ads have portrayed men as dominant and women as submissive, limiting social progress. Modern marketers, however, are becoming more conscious of representation. As Wells and Moriarty (2011) point out, ethical advertising must move away from stereotypical portrayals to reflect real diversity and inclusivity.

3. Misleading Information

Advertising’s persuasive nature sometimes leads to exaggeration or deception. False claims about product effectiveness can mislead consumers and harm public trust. For instance, several weight-loss and fairness product advertisements have been banned in India for making unsubstantiated claims. The Advertising Standards Council of India (ASCI) frequently monitors and penalises such deceptive practices. Misleading advertisements not only exploit consumer vulnerability but also damage brand credibility. According to Kotler and Armstrong (2018), truthful communication is vital for long-term brand sustainability. Ethical advertising must therefore prioritise transparency and accuracy to maintain consumer confidence.

4. Impact on Children

Children are highly impressionable and often unable to distinguish between reality and commercial persuasion, making them especially vulnerable to advertising influence. Advertisements for junk food, toys, and digital games often target children with bright visuals, catchy jingles, and cartoon characters. These ads can encourage unhealthy eating habits, impulsive buying, and screen addiction. For example, excessive marketing of fast-food products like burgers and sugary drinks has been linked to rising childhood obesity rates. The World Health Organisation (WHO) has called for stricter regulations on marketing to children. As Belch and Belch (2021) suggest, advertising directed at minors must be carefully monitored to ensure it promotes positive values and responsible consumption.

5. Cultural Homogenization

With globalisation, multinational brands dominate media spaces, often promoting Western ideals and lifestyles. This can lead to cultural homogenization, where local traditions and identities are overshadowed by global consumer culture. For example, the spread of Western fast-food chains like McDonald's and KFC has influenced eating habits and reduced traditional dietary diversity. Similarly, Western-style fashion and beauty norms promoted through global advertising have altered cultural aesthetics in many countries. According to De Mooij (2019), this trend can erode cultural uniqueness unless brands adopt "glocalisation", a strategy that blends global branding with local cultural sensitivity.

Case Study: Tata Tea – "Jaago Re" Campaign

The "Jaago Re" (Wake Up) campaign by Tata Tea is an exemplary case of how advertising can serve as a catalyst for social change. Initially launched to promote Tata Tea as an energising beverage, the campaign evolved into a national movement encouraging citizens to wake up to social and political responsibilities. The early ads urged people to vote and participate actively in democracy, while later versions addressed issues like corruption, gender inequality, and youth empowerment. The tagline "Jaago Re" symbolised both physical and moral awakening.

This campaign successfully blended commercial and social objectives, strengthening Tata Tea's brand image as socially conscious while boosting product sales and consumer loyalty. The brand became associated not just with refreshment but with social awareness and empowerment. As Kotler and Keller (2020) note, the "Jaago Re" campaign demonstrates how responsible advertising can build strong emotional connections, enhance brand credibility, and contribute to positive social transformation.

Advertising has deep social implications because it influences values, attitudes, and consumption patterns. While it promotes economic activity, it also shapes social norms and cultural identities.

1.2.4 Ethical Aspects in Advertising

Ethics in advertising refers to the moral principles that guide advertisers in ensuring honesty, fairness, and responsibility in their communication. This concept is fundamental in modern business practice, recognizing that advertising is not merely a tool for commercial gain but a powerful form of public communication with wide-ranging social impacts. Fundamentally, ethical advertising demands a commitment to truthfulness, ensuring that product claims, testimonials, pricing, and performance metrics are accurately represented without exaggeration or omission of material facts. Beyond mere legality, it involves a moral obligation to treat consumers as rational decision-makers and not merely as targets for manipulation. For instance, an ethical advertisement for a weight-loss supplement would clearly state the realistic results achievable, perhaps citing a required diet and exercise regimen, and would not use digitally altered "before and after" photos to create unrealistic expectations. Conversely, an unethical advertiser might use deceptive practices like "bait-and-switch" tactics, advertising a product at a very low price to lure customers, only to reveal it's out of stock and push a more expensive alternative. By upholding ethical standards like fairness and transparency, advertisers contribute to a more trustworthy marketplace, which ultimately benefits both consumers and responsible businesses by fostering long-term brand equity and customer loyalty. The ethical advertiser sees their role as informing and persuading honestly, rather than deceiving to make a quick sale.

1.2.4.1 Need for Ethics in Advertising

Since advertising influences millions, ethical standards are essential to maintain trust, transparency, and public welfare. Unethical advertising can mislead consumers, damage brand reputation, and invite legal penalties.

Fig. 1.2.2 Need for Ethics in Advertising

1. **Protecting the Consumer from Deception (The Trust Factor)**

The primary need for ethics is to protect the consumer because, in any sale, the advertiser knows more about the product than the buyer. This creates a power imbalance. Ethics act as a rulebook to ensure advertisers don't abuse this power by being dishonest or by hiding important information. If an advertiser is unethical, they might use false claims like advertising a simple toy as being able to "teach complex physics" to a toddler, or exaggerating the results of a cosmetic product using digitally altered images. This is called misleading advertising. When consumers are repeatedly lied to, they stop believing all advertising. This total loss of trust is catastrophic for the entire economic system because trust is the currency of business transactions. Therefore, ethical standards are required to ensure that consumers can rely on the information they receive, making rational purchase decisions, and protecting them from being exploited financially or health-wise. When a company, for example, clearly labels an ad as "Sponsored Content" (a form of native advertising), it is being ethical by being transparent and maintaining the consumer's trust.

2. **Maintaining a Fair Market and Preventing Legal Trouble (The Business Stability Factor)**

Ethics are not just about being "good"; they are a necessity for a stable business environment. When advertisers operate ethically, they create a fair playing field where companies compete based on the actual quality and price of their products, not on who can tell the biggest lie. Unethical practices, such as making false claims that unfairly damage a competitor's reputation, or engaging in predatory practices like "bait-and-switch" (advertising a cheap product to lure customers, then pushing a much costlier one), disrupt the entire market. For instance, a coffee chain claiming its rival's coffee is brewed from "stale beans" without any proof is unethical and illegal. Furthermore, unethical advertising always attracts the attention of government regulators (like the FTC in the United States). These agencies impose massive fines, force companies to run expensive "corrective advertisements" to fix the lie, and cause significant legal trouble. By adhering to ethical standards, companies essentially self-regulate, minimising the risk of government interference, reducing legal costs, and ensuring their business can grow safely and sustainably.

3. **Upholding Social Responsibility and Public Image (The Societal Factor)**

Advertising is a reflection of, and an influence on, society and culture. Because ads reach everyone, including vulnerable groups like children, ethics are crucial to ensure that advertising promotes positive values and avoids harm. A company has a social responsibility to consider the broader impact of its message. Unethical advertising often involves stereotyping (showing only one type of person in a leadership role) or exploiting insecurities (e.g., creating ads that suggest you are only valuable if you are thin or beautiful). Even worse is surrogate advertising, where a company advertises a socially restricted product (like tobacco or alcohol) under the guise of a different product (like soda or playing cards). Ethics are needed to stop these destructive practices. By being ethical, companies not only avoid public boycotts and condemnation but also actively build a positive public image as a responsible corporate citizen. For example, brands that consistently feature diversity and inclusion in their ads are showing social responsibility, which is not only ethical but also attracts the modern, conscious consumer.

1.2.4.2 Common Ethical Issues in Advertising

1. Deceptive Advertising: The Act of Misleading the Public

Deceptive advertising is the most straightforward ethical violation, occurring when an ad intentionally creates a false impression about a product or service. This goes beyond simple exaggeration and includes any statement, image, or practice that is likely to mislead a consumer who acts reasonably. The deception can take three main forms: false claims (stating something that isn't true, like a pill that "guarantees weight loss in 7 days"); omitting facts (hiding crucial information, such as the high-interest rate on a "low monthly payment" loan); or misleading visuals (showing a cooked burger in an ad that looks much bigger and juicier than what's actually served). The ethical problem is that it violates the consumer's right to truthful information, causing them to spend money based on lies, which undermines the entire free market system.

2. Subliminal Advertising: The Use of Hidden Messages

Subliminal advertising involves putting hidden cues into an ad that are too brief or too faint for the conscious mind to notice, but are supposedly registered by the subconscious mind. This includes flashing words for a fraction of a second or hiding suggestive shapes within an image. The ethical debate here is primarily about manipulation and autonomy. If a message influences a consumer without their awareness or ability to rationally analyse or reject it, it is seen as an unethical form of mind control. While scientific evidence of its effectiveness in selling products is weak, the *intent* to bypass conscious decision-making is enough to make it widely condemned by regulatory bodies worldwide, as it treats consumers as non-rational beings.

3. Comparative Advertising: Unfair Attacks on Rivals

Comparative advertising is the practice of directly mentioning or showing a competitor's product to highlight the advertised brand's superiority. Ethically, this is acceptable and can be helpful to consumers if the comparisons are truthful, objective, and verifiable. The ethical line is crossed when the comparison becomes unfair or disparaging. An unfair comparison might involve a brand comparing its latest model to a rival's ten-year-old model to claim superiority. Disparagement is worse; it involves intentionally making the competitor's product look bad, often through misleading visual demonstrations or false claims, thereby unjustly damaging the rival's reputation. The ethical duty is to ensure fairness and honesty not only to the consumer but also to other market participants.

4. Indecent or Offensive Content: Violating Public Decency

This ethical issue centres on the use of material that violates community standards and good taste. This typically involves the excessive and often gratuitous use of sexual imagery, violence, or controversial themes whose primary purpose is to shock people and grab attention, rather than relate to the product itself. The ethical concern is twofold:

first, it can cause widespread offence and distress to a significant portion of the public, especially children; and second, it contributes to negative societal issues, such as the objectification of individuals (often women) or the trivialization of serious subjects. Ethical advertising must respect the public sphere and not degrade human dignity for the sake of a sale.

5. Targeting Vulnerable Groups: Exploiting Weakness

This issue involves aiming advertising at groups who are unable to properly evaluate and resist persuasive messages. These vulnerable groups include children (due to cognitive immaturity), the elderly (who may suffer from cognitive decline), and the poor or uneducated (who may be desperate or lack specialised knowledge). Targeting children with ads for high-sugar products, or targeting the elderly with misleading supplements or predatory financial services, is considered highly unethical. The advertiser is taking advantage of a natural or circumstantial weakness for commercial gain. Ethical practice demands that advertisers protect these groups by ensuring ads aimed at them are crystal clear, completely factual, and non-manipulative.

1.2.4.3 Ethical Guidelines and Regulations in India

Ethical advertising in India is primarily governed by the Advertising Standards Council of India (ASCI), which is a non-statutory, self-regulatory industry body. This means the advertising industry polices itself to ensure ethical practices, thereby often pre-empting the need for harsh government regulation. The core function of ASCI is to monitor and enforce the *ASCI Code*, which lays out the moral guidelines for advertising content.

Key Principles of ASCI Code

1. Truthfulness and Non-Misleading Communication

The foundational pillar of the ASCI Code is Truthfulness and Non-Misleading communication, which dictates that advertisements must be honest and based on factual evidence. This principle mandates that every claim about a product's performance, efficacy, price, or quality must be substantiated and ready to be proven with valid data, tests, or legal documents. An ad is considered unethical not just if it tells an outright lie, but also if it omits material facts or presents information in a way that is likely to deceive the consumer. For instance, a food product ad claiming to be "clinically proven to boost immunity" must possess reliable scientific reports to back that claim. If a cosmetic ad uses a celebrity endorsement without disclosing that the celebrity was paid, that too is a breach of truthfulness because it misleads the consumer about the genuine nature of the endorsement. By enforcing this principle, ASCI ensures honesty in consumer-brand dialogue, protecting consumers from financial loss and preventing the overall erosion of public trust in the advertising medium.

2. Decency and Safety: Respecting Public Morality

The principle of Decency and Safety requires that advertisements adhere to prevailing public decency and morality standards and, crucially, do not promote any form of reckless or harmful behaviour. Ads should never contain content that is vulgar, obscene, or overtly suggestive in a way that is likely to cause widespread offense. This is especially vital when considering the welfare of children, as the code strictly prohibits content that could encourage dangerous acts, promote an unhealthy lifestyle, or exploit a child's imagination or credulity. A common violation involves ads that display dangerous stunts or reckless driving without an adequate safety warning, or those that feature excessive, gratuitous sexualization purely to grab attention, which often offends prevailing community values. By monitoring content for decency and safety, ASCI helps ensure that advertising, a pervasive public medium, remains socially responsible and does not contribute to the degradation of moral or safety standards in society.

3. Non-Discriminatory and Bias-Free Content

This principle asserts that advertising content must be fundamentally Non-Discriminatory and Bias-Free, meaning ads must not demean, stereotype, or ridicule any individual or group based on gender, race, caste, nationality, or religious beliefs. The ethical rationale is that advertising should reflect and uphold the values of an inclusive society, not perpetuate harmful prejudices or inequalities. A notable case illustrating this is when ASCI directed Kent RO Systems to withdraw an ad in 2020 because it implied housemaids were sources of infection, suggesting the need for an expensive machine. This ad was deemed discriminatory as it unfairly targeted and stigmatised a specific working class, forcing the brand to take corrective action. By upholding the standard of Non-Discrimination, ASCI reinforces the concept that every person has an equal right to dignity and respect, preventing brands from using negative social stereotypes to market products.

4. Fair Competition in Comparative Advertising

The principle of Fair Competition governs advertisements that directly or indirectly compare one product to a rival's product. While comparative advertising is a healthy practice that helps consumers make informed choices, it must be fair, honest, and based on verifiable, objective data. The ethical rule is clear: an advertiser can legitimately claim their product is better, but they cannot unfairly degrade or ridicule a competitor's product. For example, a comparison claim about a battery's life must use the same testing conditions for both brands, and the ad must not misleadingly show the competitor's product failing when it was deliberately misused. Any comparison that unfairly damages a competitor's reputation or is not factually supported is a breach of this code. The purpose is to maintain a competitive environment that benefits consumers through superior information, not one that descends into unfair trade practices and marketplace dishonesty.

1.2.4.4 Corporate Ethical Advertising Practices

Leading companies are moving past simply following advertising rules. They now use purpose-driven advertising to actively promote positive social change, which in turn strengthens their brand and builds long-term consumer trust. These practices show that being ethical is not a cost, but a strategy for enhancing brand equity (the value of the brand) and consumer loyalty.

1. **Promoting Authenticity and Body Positivity**

This practice focuses on correcting harmful stereotypes by celebrating natural human differences and moving away from unattainable ideals. Brands commit to using realistic depictions of people, which ethically validates their consumers. Many traditional beauty and lifestyle ads created pressure by featuring only flawless, digitally altered models. Ethical advertising seeks to dismantle this, acknowledging that showing real people with real bodies and diverse appearances is a responsible use of media power. This validation builds a deep, emotional connection with the audience.

2. **Championing Inclusivity and Social Harmony**

This ethical practice involves using advertisements to promote social cohesion, respect for diversity, and acceptance of different communities or ways of life. It takes a stand on societal issues to reflect a brand's progressive values. Brands recognise they have a public platform that can either perpetuate division or encourage unity. Ethical corporate practice chooses the latter by running campaigns that celebrate cultural, religious, or sexual diversity. While this can sometimes spark public debate, the ethical intent is to use media for social good and represent the true, diverse fabric of society.

Example: Tanishq's "Ekatvam" Advertisement (2020). The ad beautifully depicted an interfaith family celebrating a traditional Hindu baby shower, organised with love by the Muslim in-laws. Although the ad faced immediate social backlash from some groups and was temporarily withdrawn, it received overwhelming praise from consumers and critics for its message of interfaith harmony and inclusivity. The brand was seen as courageous for taking an ethical stand on a sensitive social issue, ultimately bolstering its reputation among forward-thinking consumers.

3. **Integrating Sustainability and Environmental Responsibility**

This practice involves weaving ethical and environmental concerns directly into the brand's narrative, assuring consumers that the company cares about the planet and society beyond its bottom line. Consumers today are highly aware of climate change and environmental impact. Ethical companies address this by promoting their sustainable practices, using environmentally friendly packaging, or encouraging responsible consumption. These campaigns ethically commit the brand to actions that benefit the community and the environment. However, companies must be careful to avoid "greenwashing" (falsely claiming environmental virtue).

Example: Hindustan Unilever (HUL) – Surf Excel and Lifebuoy. HUL often anchors its ads on purpose. Surf Excel's "Daag Acche Hain" (Stains are Good) campaign ethically links the detergent to acts of kindness and social responsibility (e.g., getting dirty while helping others). Similarly, Lifebuoy has run public health campaigns promoting handwashing to fight infection. By focusing on themes like social empathy and hygiene, these ads ethically demonstrate the brands' value to society, making their products feel like a responsible choice.

4. Supporting Gender Equity and Non-Stereotypical Roles

Ethical companies actively seek to dismantle rigid gender roles and promote equity by showing women and men in non-traditional, empowered roles, both at home and in the workplace. For decades, ads often confined women to domestic roles (e.g., constantly worried about stains or cooking) and men to professional or aggressive roles. Ethical advertising intentionally disrupts these gender stereotypes, showing men engaged in childcare or housework, and women excelling in leadership or technical fields. This is an ethical commitment to reflect the modern, equitable reality.

Example: Ariel's "Share The Load" Campaign (India). This campaign tackled the stereotype that laundry is solely a woman's job. By asking the ethical question, "Is laundry only a woman's job?" Ariel sparked a national conversation about the need for men to share domestic responsibilities. The ad was hugely successful because it wasn't just selling detergent; it was championing gender equity within the household, thus ethically linking the brand's function to a major social reform.

R Recap

- ◊ Advertising and Marketing Mix – Advertising is a vital component of the promotion mix that supports product positioning, pricing strategy, and distribution efficiency.
- ◊ Social Aspects – Advertising influences cultural norms, social behaviour, and public attitudes both positively and negatively.
- ◊ Positive Aspects – It promotes public awareness, cultural integration, empowerment, and economic development.
- ◊ Negative Aspects – It may promote materialism, stereotypes, and misleading information, or negatively affect children.
- ◊ Ethical Aspects – Ethics in advertising ensure honesty, fairness, and social responsibility in communication.
- ◊ Regulation – The Advertising Standards Council of India (ASCI) governs the ethical standards and fairness in Indian advertising practices.
- ◊ Corporate Practices – Modern brands integrate ethics through campaigns promoting inclusivity, sustainability, and gender equity.

Objective Questions

1. Who defined advertising as a paid form of non-personal communication by an identified sponsor?
2. What component of the marketing mix does advertising belong to?
3. Name the four Ps of the marketing mix.
4. Which campaign by Tata Tea encouraged civic responsibility and voting awareness?
5. What does ASCI stand for?
6. What ethical issue involves placing hidden cues in advertisements?
7. What term describes advertising that unfairly criticises competitors?
8. Which Indian campaign used the slogan "Do Boond Zindagi Ke"?
9. Which principle of the ASCI Code ensures honesty in communication?
10. What kind of advertising uses false or exaggerated claims to mislead consumers?

Answers

1. Philip Kotler
2. Promotion mix
3. Product, Price, Place, Promotion
4. Jaago Re
5. Advertising Standards Council of India
6. Subliminal advertising
7. Comparative advertising
8. Polio Eradication
9. Truthfulness and Non-Misleading Communication
10. Deceptive advertising

Assignments

1. Explain the interrelationship between advertising and the four components of the marketing mix with examples.
2. Discuss the positive and negative social aspects of advertising in contemporary society.
3. Examine the role of ethics in advertising and describe the importance of the ASCI Code in India.
4. Evaluate how modern advertising campaigns promote inclusivity, sustainability, and gender equality with suitable case studies.
5. Analyse the impact of misleading advertisements on consumer trust and market stability.
6. Study the Tata Tea "Jaago Re" campaign and prepare a report explaining how it combined commercial and social objectives.
7. Identify and analyse three current Indian advertisements to determine whether they follow ASCI's ethical guidelines.
8. Conduct a small survey among students on how advertising influences their purchasing behaviour. Present findings with graphs.
9. Design an ethical public service advertisement for a social cause such as road safety or waste management.

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BLOCK - 02

Media Planning

Unit - 1
Basic Concepts of Media

Learning Outcomes

After studying this unit, learners will be able to:

- ◊ explain how the media influences public opinion, shapes cultural norms, and supports democratic processes
- ◊ classify various forms of media and describe their unique features and functions
- ◊ evaluate the technical and communicative characteristics of different media formats
- ◊ assess the Advantages and Disadvantages of different types of media

Prerequisite

During the 2018 Kerala floods, the media played a crucial role in disaster response and public awareness. Television channels broadcast live updates on rainfall, rising water levels, and rescue operations, helping residents stay informed and make timely decisions. Print media provided detailed coverage of affected regions, government relief measures, and expert opinions on climate change. Digital platforms, such as news websites and mobile apps, offered real-time alerts and interactive maps that showed flood-prone zones. Social media became a lifeline for many, as individuals used platforms like WhatsApp and Twitter to share emergency contacts, request help, and coordinate local rescue efforts. The role of media extended beyond reporting; it became a tool for survival, coordination, and community support.

Each type of media demonstrated distinct characteristics during the crisis. Broadcast media ensured immediacy and mass reach but sometimes lacked depth in analysis. Print media offered credibility and comprehensive reporting but was slower and less accessible during power outages. Digital media provided speed, interactivity, and multimedia content, though it occasionally struggled with information overload. Social media has enabled grassroots communication and rapid mobilisation, but it has also faced challenges with misinformation and unverified content. This unit sheds light on how different media types function in real-life scenarios, their strengths and limitations, and the importance of media literacy in navigating complex situations.

Keywords

Media, Traditional Media, Digital media, Reach, Frequency, Credibility

Discussion

Media is a powerful tool that shapes how individuals perceive the world, communicate ideas, and engage with society. The study of basic media concepts explores its role in informing, educating, entertaining, and influencing public opinion. It encompasses various types of media, including print, broadcast, digital, and social media, each with distinct characteristics such as reach, immediacy, interactivity, and credibility. Understanding the advantages and disadvantages of these media forms enables learners to evaluate content and select suitable channels for communication critically. For example, during the COVID-19 pandemic, digital and social media provided rapid updates and community support, but also became sources of misinformation, highlighting the need for media literacy and responsible consumption.

2.1.1 Introduction to Media

In the realm of advertising and sales management, the term "media" encompasses the various platforms, channels, and tools that marketers use to deliver promotional messages to their intended audience. These media channels serve as vital conduits between businesses and consumers, enabling companies to share information about their offerings, be it products, services, or brand values. The choice of media is not merely a logistical decision; it plays a strategic role in shaping how the message is received, interpreted, and acted upon by potential customers. Whether it's traditional outlets like newspapers and radio or modern digital avenues such as social media and streaming platforms, each medium offers unique advantages in terms of reach, engagement, and cost-effectiveness.

For example, when a tech company introduces a new smartphone, it might adopt a multi-channel media strategy to maximize impact. Television commercials can effectively showcase the phone's features to a broad audience with high visual appeal, while social media campaigns enable interactive engagement and targeted advertising based on user behaviour. Simultaneously, print ads in tech magazines can appeal to niche segments who value detailed specifications and expert reviews. By utilizing a mix of media tailored to different consumer preferences, the company ensures that its message resonates across diverse demographics, ultimately boosting awareness and driving sales.

2.1.2 Role of Media

Media plays a central role in advertising and sales management by shaping how promotional messages are crafted, delivered, and received. It influences brand visibility, consumer engagement, and ultimately, purchasing decisions.

a. Media as a Communication Tool

Media in marketing includes channels like TV, social media and ads which are used to reach audiences. Media serves as a vital conduit between businesses and their target audiences, facilitating the transmission of advertising messages that inform, educate, and influence consumer behaviour. It transforms marketing strategies into tangible messages that reach potential buyers through various formats, visual, auditory, and textual. This communication is not just about showcasing a product; it's about crafting a narrative that resonates with the audience's needs and aspirations. For example, a detergent brand might use television commercials to demonstrate how effectively its product removes tough stains visually. By showing real-life scenarios and results, the brand builds trust and persuades viewers to consider purchasing the product. This kind of media-driven storytelling helps bridge the gap between product features and consumer expectations.

b. Media and Brand Awareness

One of the most powerful roles of media in advertising is its ability to build and reinforce brand awareness. Through consistent exposure across multiple platforms, media helps embed a brand's identity in the minds of consumers. This repetition creates familiarity, which is key to brand recall and loyalty. For example, Coca-Cola maintains its iconic global image by running synchronized campaigns across television, billboards, and social media. Whether it's a festive ad during the holidays or a refreshing summer-themed campaign, the brand's consistent messaging and visual identity ensure that consumers instantly recognize and associate positive emotions with Coca-Cola. This strategic use of media not only keeps the brand top-of-mind but also strengthens its market position over time.

c. Media for Market Expansion

Media plays a crucial role in enabling businesses to expand their reach beyond local boundaries. By leveraging digital platforms, companies can connect with audiences in different regions and even across continents. This is especially beneficial for small and medium enterprises that may not have the resources for traditional international marketing. Online advertising, social media promotions, and search engine marketing allow these businesses to showcase their products to global audiences with minimal investment. For example, a handcrafted jewellery brand based in India can use Instagram ads to attract customers in Europe or North America. With targeted campaigns and geo-specific content, media enables businesses to tap into new markets and exponentially grow their customer base.

d. Media Supporting Sales Promotions

In addition to long-term branding, media plays a crucial role in driving short-term sales through targeted promotional campaigns. It acts as a megaphone for announcing discounts, contests, limited-time offers, and product launches. These promotions are designed to create a sense of urgency and excitement, prompting immediate consumer action. Media channels, including radio, television, email newsletters, and social media, are used to quickly and widely disseminate information. For instance, a fashion retailer might launch a flash sale and promote it through Instagram stories, influencer shoutouts, and email blasts. The media's ability to reach large audiences in real-time ensures that promotional messages generate buzz and translate into increased foot traffic or website traffic, ultimately boosting sales.

e. Media for Feedback and Engagement

Modern digital media has transformed advertising from a one-way broadcast into a dynamic, two-way conversation. Platforms like social media, blogs, and forums allow consumers to interact with brands, share opinions, and provide feedback. This engagement is invaluable for marketers, as it offers insights into customer preferences, satisfaction levels, and areas for improvement. Brands can monitor likes, comments, shares, and reviews to gauge the effectiveness of their campaigns and make data-driven adjustments. For example, a smartphone company might release a teaser video on YouTube and track viewer reactions to refine its launch strategy. By listening to their audience and responding in real-time, businesses can foster loyalty and continually improve their offerings.

2.1.3 Types of Media

In the field of advertising, media refers to the various platforms through which promotional messages are delivered to consumers. These media channels are generally categorised into two broad types: Traditional Media and Digital (New) Media, each offering distinct advantages and serving different marketing objectives.

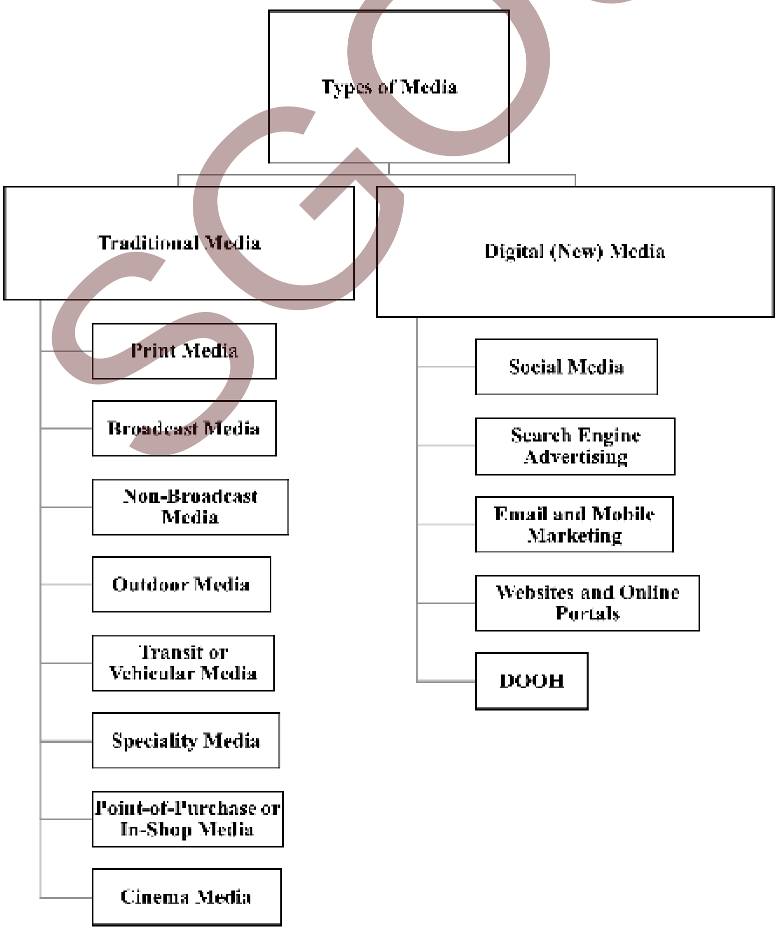

Fig. 2.1.1 Types of Media

A. Traditional Media

Traditional Media includes long-established channels such as television, radio, newspapers, magazines, and outdoor advertising like billboards and transit ads. These platforms have been the backbone of advertising for decades, offering broad reach and credibility. For example, a prime-time TV commercial can expose a brand to millions of viewers simultaneously, making it ideal for mass-market campaigns. Similarly, print ads in newspapers and magazines can target specific readerships based on interests or demographics. Traditional media is often favoured for its tangible presence and ability to create lasting impressions through visual and auditory storytelling.

1. Print Media

Print media encompasses physical publications, including newspapers, magazines, brochures, and flyers. These formats are particularly effective for delivering in-depth information and targeting audiences who prefer reading and analysis. Advertisers often use print media to present detailed product descriptions, financial data, or service features that require more space and attention than a quick visual ad. For example, a bank might publish a full-page advertisement in a financial newspaper outlining its latest loan schemes, interest rates, and eligibility criteria. This approach appeals to literate, financially aware readers who are likely to consider such offerings seriously.

2. Broadcast Media

Broadcast media includes television and radio, both of which are powerful tools for reaching large audiences rapidly. These channels are ideal for creating high-impact advertisements that combine visuals, sound, and storytelling to influence consumer behaviour. Television ads, especially those aired during prime-time slots, can showcase products in action and evoke emotional responses. For instance, a consumer goods company might run a TV commercial during a popular evening show to promote a new snack product, using vibrant visuals and catchy jingles to capture attention and drive impulse purchases.

3. Non-Broadcast Media

Non-broadcast media refers to advertising channels that do not rely on traditional mass media, such as television or radio. Instead, they use targeted, digital, or direct platforms to reach audiences, often allowing more precise measurement of engagement.

Examples include digital streaming platforms, OTT apps, mobile apps, social media, in-app ads, and websites.

OTT Ads (Over-The-Top Ads): OTT platforms deliver video content directly to users over the internet, bypassing traditional broadcast methods. Advertisers place ads on these platforms to reach highly engaged audiences.

Examples:

◊ **JioCinema IPL Ads:** During the Indian Premier League on JioCinema, brands run pre-roll, mid-roll, or banner ads targeted to viewers watching live matches.

◊ **Hotstar Mid-Roll Ads:** Ads appear in the middle of streaming content, such as IPL matches or web series, ensuring viewers engage while watching.

4. Outdoor Media

Outdoor media includes billboards, hoardings, posters, and other large-scale displays placed in public spaces. These advertisements are designed for high visibility and repeated exposure, making them effective for brand reinforcement. Positioned in strategic locations, such as highways, city centres, or near shopping malls, outdoor ads effectively catch the attention of commuters and pedestrians. For example, a car manufacturer might install a massive billboard along a busy expressway showcasing its latest SUV model, ensuring that thousands of drivers see it daily and associate the brand with adventure and performance.

5. Transit or Vehicular Media

Transit media involves placing advertisements on vehicles such as buses, trains, taxis, auto-rickshaws, and even private cars. These mobile ads travel across cities and towns, reaching diverse audiences throughout the day. This form of media is beneficial for local businesses seeking to enhance their visibility in specific areas. For instance, a food delivery service might wrap its branding around city buses, turning them into moving billboards that promote convenience and speed to urban dwellers.

OTT Platforms as Media Vehicles

OTT (Over-The-Top) platforms are digital streaming services that deliver video content directly to consumers over the internet, making them powerful media vehicles in modern media planning because students and young audiences already consume them daily.

◊ Hotstar is widely used for sports, movies, and TV shows, allowing advertisers to target audiences during live cricket matches or popular serials. Example: A mobile brand advertises during IPL live streaming to reach young viewers.

◊ Amazon Prime offers premium content and enables targeted ads based on user interests and viewing behaviour. Example: An ed-tech company promotes online courses to students watching educational or documentary content.

◊ Netflix mainly supports brand integrations and sponsorships rather than traditional ads, making it useful for subtle brand visibility. Example: A fashion brand gains exposure through product placement in a popular web series.

◊ JioCinema combines free and premium content with large reach, especially among youth and regional audiences. Example: A snack brand runs video ads during free movie streaming to reach college students.

6. Speciality Media

Speciality media refers to promotional items like branded T-shirts, buttons, caps, stickers, and badges. These items serve as wearable or portable advertisements, often distributed at events, during campaigns, or during product launches. They help reinforce brand identity and foster a sense of belonging among consumers. For example, a tech startup might give away branded caps and stickers at a trade show, encouraging attendees to wear or display them and thereby spreading awareness organically.

7. Point-of-Purchase or In-Shop Media

Point-of-purchase media includes in-store promotional materials such as banners, hangings, stickers, packaging designs, and painted signs. These tools are strategically placed near or on products to influence buying decisions at the moment of purchase. They play a crucial role in attracting attention, highlighting offers, and guiding customers through the store. For example, a supermarket might use colourful shelf hangers and branded packaging to promote a new cereal, making it stand out among competitors and encouraging trial.

8. Cinema Media

Cinema media involves advertisements shown in movie theatres before the start of a film. This format offers a captive audience that is relaxed and attentive, making it an excellent opportunity for impactful messaging. Local businesses and online platforms frequently utilize cinema ads to target specific communities. For instance, a nearby restaurant might advertise its weekend buffet deals before a blockbuster movie screening, enticing viewers to visit after the show.

B. Digital Media

Digital Media, often referred to as New Media, encompasses internet-based platforms such as social media, websites, email marketing, search engines, and mobile apps. This form of media has revolutionised advertising by enabling real-time interaction, precise targeting, and measurable results. For instance, a brand can run a Facebook ad campaign specifically targeting 25–35-year-old urban professionals interested in fitness, allowing for instant tracking of engagement and conversions. Digital media allows advertisers to personalise content, engage users through interactive formats, and adapt strategies based on analytics. Its flexibility and cost-efficiency make it especially appealing to startups and businesses looking to scale quickly.

1. Social Media

Social media platforms such as Facebook, Instagram, YouTube, and X (formerly Twitter) have revolutionised the advertising landscape by enabling highly interactive and personalised marketing experiences. These platforms allow brands to engage directly with consumers through posts, stories, reels, and live sessions. One of the most impactful strategies within social media marketing is influencer collaboration, where popular content creators promote products to their followers. For example, a clothing brand might partner with fashion influencers on Instagram who showcase the brand's outfits in their daily posts or styling videos. This not only boosts visibility but also builds trust, as followers often view influencers as authentic sources of recommendations. Social media also supports targeted advertising, allowing businesses to reach specific demographics based on interests, location, and online behaviour.

2. **Search Engine Advertising**

Search engine advertising involves placing paid ads on platforms like Google and Bing, which appear when users search for specific keywords. This form of advertising is highly effective because it targets users who are actively seeking information or solutions related to the advertiser's products or services. These ads typically appear at the top of search results, increasing visibility and click-through rates. For instance, a travel agency might use Google Ads to promote holiday packages by bidding on keywords like "affordable beach vacations" or "family travel deals." When users enter these search terms, the agency's ad appears prominently, directing traffic to its website and increasing the likelihood of bookings. This method ensures that marketing efforts reach consumers with high purchase intent.

3. **Email and Mobile Marketing**

Email and mobile marketing focus on delivering personalised messages directly to consumers via email inboxes or mobile devices. These channels are ideal for maintaining ongoing customer relationships, promoting special offers, and driving repeat purchases. Businesses utilise customer data to tailor messages based on individual preferences, purchase history, and browsing behaviour. For example, an e-commerce website might send a personalised email offering a discount on items left in a user's shopping cart, or an SMS alert about a flash sale on products the customer previously viewed. This direct communication fosters engagement and encourages timely action, making it a powerful tool for boosting conversions and customer loyalty.

4. **Websites and Online Portals**

Company websites and online portals serve as digital storefronts where consumers can learn about products, explore services, and make purchases. These platforms are essential for establishing brand credibility and providing comprehensive information in a user-friendly format. A well-designed website includes product descriptions, pricing, customer reviews, and secure payment options, all of which contribute to a seamless shopping experience. For instance, a tech company launching a new gadget might create a dedicated landing page featuring demo videos, technical specifications, and customer testimonials. This centralised hub not only informs potential buyers but also facilitates direct transactions, reducing reliance on third-party retailers and enhancing profit margins.

5. **DOOH (Digital Out-of-Home Advertising)**

DOOH refers to digital advertising displayed in public spaces using electronic screens, making outdoor media more dynamic, interactive, and measurable.

◊ Digital Billboards use LED or LCD screens to display multiple ads with changing visuals and timings.Example: A smartphone brand displays animated ads on digital billboards at busy city junctions.

◊ Programmatic DOOH allows advertisers to buy outdoor ad space automatically using data such as time, weather, and crowd density.Example: A coffee brand shows ads on digital screens only during morning hours or rainy weather.

◊ Metro Screens include digital displays inside metro stations, platforms, and trains, offering repeated exposure to daily commuters.Example: A coaching institute advertises on metro screens to target students and office-goers during peak travel hours.

2.1.4 Characteristics of Media

The "Characteristics of Media" refers to the specific features or qualities that define how different types of media function in the context of advertising and communication. These characteristics enable marketers to evaluate and select the most suitable media channels for their campaigns, taking into account their goals, target audience, and budget.

Media isn't just about where an ad appears; it's about how that platform behaves and what it offers. Each medium (like TV, radio, social media, newspapers, etc.) has its own strengths and limitations. For example, some media can reach millions of people simultaneously (high reach), while others are more effective at targeting specific groups (high selectivity). Some are very costly, while others are more flexible and easier to update.

Understanding these characteristics, such as reach, frequency, selectivity, cost, impact, flexibility, and credibility, helps advertisers make intelligent decisions. It ensures that their message is delivered most effectively to the right audience, at the right time, and within budget.

i. Reach

Reach refers to a medium's ability to connect with a broad or specifically targeted audience. It determines how many people are exposed to an advertisement within a given time frame. A medium with high reach is ideal for campaigns aiming to build widespread awareness. For instance, national television networks or popular social media platforms like YouTube can reach millions of viewers across different regions and demographics. A beverage company launching a new soft drink might choose to advertise during a significant sports event broadcast on TV to ensure maximum exposure to a diverse audience.

ii. Frequency

Frequency refers to the number of times an advertisement is displayed to the same audience within a specified period. Repetition is crucial for reinforcing brand messages, enhancing recall, and shaping consumer behaviour. A higher frequency ensures that the message stays top-of-mind, especially in competitive markets. For example, a mobile phone brand might run the same ad multiple times a day on the radio and digital platforms to ensure that potential buyers remember the product when making a purchase decision. However, advertisers must strike a balance between frequency and ad fatigue, where excessive repetition leads to annoyance.

iii. Selectivity

Selectivity is the ability of a medium to target specific audience segments based on demographic (age, gender, income) or psychographic (lifestyle, interests, values) characteristics. This precision enables advertisers to tailor messages that resonate with specific groups, thereby improving effectiveness and reducing waste. For instance, a luxury watch brand may choose to advertise in a high-end fashion magazine or on LinkedIn, where the readership aligns with affluent professionals. Similarly, digital platforms like Facebook allow advertisers to target users based on detailed profiles, ensuring that the message reaches those most likely to respond.

iv. Cost

Cost refers to the financial investment required to produce and place an advertisement in a chosen medium. This includes production expenses (e.g., filming a commercial) and media buying costs (e.g., purchasing ad space or airtime). Different media vary significantly in price. For example, a 30-second prime-time TV ad can be costly, making it suitable for large brands with substantial budgets. In contrast, email marketing or social media ads can be more cost-effective for small businesses. Advertisers must evaluate the cost relative to the expected return on investment to choose the most efficient media mix.

v. Impact

Impact measures the emotional and psychological influence a medium has on its audience. It reflects how powerfully the message is delivered and how likely it is to leave a lasting impression. Visual and audio-rich press, such as television and cinema, tend to have a high impact due to their storytelling capabilities and sensory engagement. For example, a public service announcement about road safety shown in theatres before a movie can evoke strong emotions and prompt behavioural changes. High-impact media are often utilised for brand-building and awareness campaigns, where an emotional connection is key.

vi. Flexibility

Flexibility refers to the ease and speed with which content can be updated, modified, or adapted to changing circumstances. Digital media excels in this area, allowing real-time edits, A/B testing, and immediate response to market trends. For instance, an e-commerce brand can instantly change its online banner ads to reflect a flash sale or update product availability. In contrast, traditional media, such as print or TV, require longer lead times and higher costs to make changes. Flexibility is especially valuable in dynamic markets where consumer preferences and competitive actions shift rapidly.

vii. Credibility

Credibility refers to the level of trust and authority a medium holds in the eyes of its audience. Consumers are more likely to believe and act upon messages delivered through trusted sources. For example, advertisements in reputed newspapers or endorsements on respected news websites often carry more weight than those on lesser-known blogs.

Similarly, influencer marketing on social media can be highly credible if the influencer is perceived as authentic and knowledgeable. Selecting a credible medium enhances the credibility of the message and strengthens the brand's reputation.

2.1.5 Advantages and Disadvantages of Different Types of Media

A. Traditional Media

Traditional media, such as newspapers, television, and radio, offers the advantage of broad reach and credibility, often being trusted sources for news and information due to established journalistic standards. It provides structured content and is accessible to audiences without internet access, making it effective for mass communication. However, its disadvantages include limited interactivity, slower dissemination compared to digital platforms, and higher production and distribution costs. Additionally, traditional media may struggle to engage younger, tech-savvy audiences who prefer on-demand and personalized content through digital channels.

1. Print Media

Advantages:

Print media, like newspapers, magazines, brochures, and flyers, are ideal for delivering detailed and structured information. It appeals to literate audiences who prefer reading and analysis. It offers credibility and permanence, making it suitable for financial, educational, or policy-related advertising.

Disadvantages:

Its reach is limited to subscribers or local readers, and it lacks real-time engagement. Updates require reprinting, which adds cost and delays.

Example:

A bank promoting new loan schemes in financial newspapers benefits from the trust and attention of serious readers but may miss younger, digital-savvy audiences.

2. Broadcast Media (TV & Radio)

Advantages:

Television and radio can reach large audiences quickly, especially during popular programs. They combine audio and visuals to create emotional impact and memorable storytelling.

Disadvantages:

High production and airtime costs make it an expensive endeavour. It's also less targeted compared to digital media, and viewers may skip or ignore ads.

Example:

A consumer goods company airing ads during prime-time TV shows gains mass exposure but incurs significant costs and limited targeting.

3. Non-Broadcast Media (OTT Advertising Platforms)

Advantages:

OTT (Over-The-Top) advertising platforms such as JioCinema and Disney+ Hotstar allow precise audience targeting based on user data like viewing behavior, location, language, and interests. Ads such as IPL live-stream ads on JioCinema or mid-roll ads on Hotstar can reach highly engaged viewers and offer flexibility in formats, timing, and personalization.

Disadvantages:

OTT ads may face ad-skipping, subscription-based ad-free models, and viewer ad fatigue, which can reduce effectiveness. Additionally, high-demand content like live sports events often involves higher advertising costs, making it less accessible for smaller advertisers.

Example:

During IPL matches streamed on JioCinema, brands place targeted video ads to reach sports fans nationwide, while Hotstar mid-roll ads during popular TV shows or live matches effectively engage viewers. Although OTT ads offer better targeting and measurement than traditional cable TV, they depend heavily on internet access and user tolerance for ads.

4. Outdoor Media

Advantages:

Billboards, hoardings, and posters offer constant visibility in high-traffic areas. They reinforce brand presence and are hard to ignore.

Disadvantages:

Limited space restricts message depth. They can't be updated easily and may not target specific demographics.

Example:

A car company placing billboards near highways ensures repeated exposure to commuters, but cannot convey detailed product features.

5. Transit or Vehicular Media

Advantages:

Ads on buses, trains, and taxis are mobile and reach diverse urban audiences. They're cost-effective and offer broad geographic coverage.

Disadvantages:

Messages are brief and may be overlooked in busy environments. Tracking effectiveness is difficult.

Example:

A local food delivery service using branded auto-rickshaws gains visibility across neighbourhoods but may struggle to measure impact.

6. Speciality Media

Advantages:

Promotional items, such as T-shirts, caps, and stickers, help create brand loyalty and visibility in informal settings. They're great for events and giveaways.

Disadvantages:

Limited reach unless distributed widely. Their impact depends on the user's willingness to wear or display them.

Example:

A tech startup handing out branded badges at a conference builds identity but relies on attendees to showcase them.

7. Point-of-Purchase/In-Shop Media

Advantages:

In-store banners, packaging, and signs influence buying decisions at the moment of purchase. They're effective for impulse buys and promotions.

Disadvantages:

Reach is confined to store visitors. They don't build awareness outside the retail space.

Example:

A supermarket using shelf hangers to promote a new cereal boosts sale among in-store shoppers but fails to reach online buyers.

8. Cinema Media

Advantages:

Ads shown before movies engage a captive audience in a relaxed setting. They're impactful and memorable.

Disadvantages:

Limited to theatre-goers and specific locations. Production costs can be high.

Example:

A local restaurant advertising before a blockbuster film may attract moviegoers, but misses those who stream movies at home.

B. Digital or New Media

1. Social Media

Advantages:

Platforms like Facebook, Instagram, and YouTube offer interactive advertising, influencer partnerships, and precise targeting. They're cost-effective and highly engaging.

Disadvantages:

Content saturation can reduce visibility. Credibility depends on the platform and the influencer's reputation.

Example:

A clothing brand that collaborates with Instagram influencers reaches fashion-conscious users but must compete with numerous other posts.

2. Search Engine Advertising

Advantages:

Google and Bing ads appear when users search relevant keywords, targeting high-intent audiences. Results are measurable and immediate.

Disadvantages:

Competitive bidding can drive up costs. Ads may be ignored or blocked by users.

Example:

A travel agency using Google Ads to promote holiday packages reaches active planners but pays more during peak seasons.

3. Email and Mobile Marketing

Advantages:

Personalised messages via email or SMS foster direct engagement and loyalty. They're low-cost and easy to automate.

Disadvantages:

Overuse can lead to spam complaints or result in subscribers being unsubscribed. Effectiveness depends on list quality.

Example:

An e-commerce site that sends discount alerts via SMS boosts sales, but risks annoying users if the messages are too frequent.

4. Websites and Online Portals

Advantages:

Company websites serve as digital hubs for product info, customer service, and direct sales. They build credibility and offer complete control over content.

Disadvantages:

Traffic depends on SEO and promotion. Poor design or slow loading can deter users.

Example:

A tech firm launching a new gadget through its website provides detailed specifications and purchase options, but must drive traffic through ads or search engine optimisation.

5. DOOH (Digital Out-of-Home) – Digital billboards, Programmatic DOOH, Metro screens

Advantages:

DOOH offers high visibility and strong impact by placing dynamic digital ads in high-traffic public locations such as roadsides, malls, airports, and metro stations. Digital billboards and metro screens can display rich visuals, videos, real-time updates, and multiple ads, making them more engaging than static hoardings. Programmatic DOOH further improves efficiency by allowing advertisers to buy ad slots automatically based on time, location, audience movement, or weather, for example, a beverage brand showing cold drink ads on hot afternoons at busy intersections.

Example: Brands advertising on digital screens inside the Delhi Metro reach daily commuters with repeated exposure, improving brand recall.

Disadvantages:

DOOH advertising involves high installation and maintenance costs, especially for premium digital billboards and metro screens, which can limit access for small advertisers. Audience measurement is often estimated rather than precise, making ROI analysis less accurate compared to online media. Additionally, ads have a short exposure time since people are usually moving, reducing message depth.

Example: A luxury brand running programmatic DOOH ads on digital billboards in major city junctions gains visibility but may find it difficult to directly track conversions compared to OTT or social media advertising.

Recap

- Media refers to the various channels used to communicate messages to a broad audience for informational, promotional, or persuasive purposes.
- The media acts as a powerful communication tool to inform, influence, and connect with audiences.
- It builds brand awareness by consistently exposing consumers to brand messages across platforms.
- Media facilitates market expansion by reaching new geographic and demographic segments.
- It supports sales promotions by broadcasting offers, discounts, and product launches to stimulate demand.
- Media enables feedback and engagement through interactive formats, such as social media, polls, and comments.
- Print Media includes newspapers, magazines, and brochures used for static, tangible messaging.
- Broadcast media encompasses television and radio, offering mass reach with audiovisual impact.
- Non-Broadcast Media includes public address systems and exhibitions for targeted communication.
- Outdoor Media involves billboards, hoardings, and signage placed in public spaces.
- Transit or vehicular media utilise buses, trains, and taxis as mobile advertising surfaces.
- Speciality Media includes branded merchandise, calendars, and novelty items for niche promotion.
- Point-of-Purchase or In-Shop Media targets consumers at the retail level with displays and shelf ads.
- Cinema Media uses film theatres to deliver ads before or during movie screenings.
- Social Media platforms like Facebook and Instagram enable interactive, targeted brand engagement.

- ◊ Search Engine Advertising places ads on search results pages based on user queries.
- ◊ Email and Mobile Marketing deliver personalised messages directly to users' inboxes and devices.
- ◊ Websites and Online Portals serve as digital hubs for brand content, e-commerce, and customer interaction.
- ◊ Reach measures the number of people exposed to the message.
- ◊ Frequency refers to the number of times the audience encounters the ad.
- ◊ Selectivity refers to the ability to target specific audience segments.
- ◊ Cost involves the financial investment required for media space or time.
- ◊ Impact reflects the emotional and cognitive influence of the message.
- ◊ Flexibility denotes adaptability in timing, format, and placement.
- ◊ Credibility relates to the trustworthiness and authority of the media source.

Objective Questions

1. What is the primary role of media in advertising?
2. Why is media selection important in advertising?
3. Which role of media involves entering new geographic or demographic markets?
4. In what way does media supports sales promotions activities?
5. Which role of the media allows advertisers to receive consumer opinions and reactions?
6. Which medium is considered a traditional form of advertising media?
7. Which media category includes radio and television?
8. Which media type uses buses, trains, and taxis for advertising?
9. Which digital advertising medium involves paid listings on search engines?
10. Where is point-of-purchase media typically found?

11. Which characteristic of media refers to the number of people exposed to an ad?

12. What do you mean by selectivity in media?

Answers

1. Communication with consumers
2. It ensures repeated reach of the target audience
3. Market expansion
4. Broadcasting offers and discounts
5. Feedback and engagement
6. Print media
7. Broadcast media
8. Transit or vehicular media
9. Search engine advertising
10. Inside retail stores
11. Reach
12. The ability to target specific audience segments

Assignments

1. Explain media in the context of advertising and its significance in modern communication.
2. Describe the role of media as a communication tool in advertising strategy.
3. How does media contribute to brand awareness? Illustrate with examples.
4. Evaluate the importance of media in facilitating feedback and engagement between brands and consumers.

5. Compare and contrast the effectiveness of traditional media and digital media in advertising.
6. Explain the characteristics of media: reach, frequency, selectivity, cost, impact,
7. Compare the advantages and disadvantages of traditional media versus digital media in advertising.

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Unit - 2

Media Planning

Learning Outcomes

After studying this unit, learners will be able to:

- ◊ introduce the concept and strategic importance of media planning in advertising campaigns
- ◊ discuss the steps involved in the media planning process, from research to execution
- ◊ explain the media selection strategies based on audience targeting, cost efficiency, and campaign objectives
- ◊ make them aware of the impact of the Internet as an emerging advertising medium and its role in digital marketing
- ◊ narrate the media scheduling techniques to optimise message delivery across different platforms and timeframes

Prerequisite

Launching "GlowSkin" - A New Skincare Brand

When "GlowSkin" prepared to launch its premium skincare line targeting urban millennials, the media planning process began with extensive market research to identify consumer preferences, digital behaviour, and media consumption patterns. The brand's objective was to build awareness and drive trial purchases within six weeks. The media team developed a multi-channel strategy, allocating budget across digital, print, and influencer-led platforms. Media selection strategies focused on Instagram and YouTube for visual storytelling, beauty blogs for credibility, and metro lifestyle magazines for aspirational appeal. Each channel was chosen based on its relevance to the target demographic and its ability to deliver measurable engagement.

Recognising the Internet as an emerging advertising medium, *"GlowSkin"* invested in programmatic ads, SEO-driven content, and interactive Instagram Reels. These digital formats allowed for real-time feedback and audience targeting based on skincare concerns and seasonal trends. Media scheduling followed a pulsing strategy, intensifying ad frequency during weekends and festive periods when beauty purchases peak, while maintaining a steady digital presence throughout. When the influencer reviews were timed to coincide with product availability in stores, and YouTube ads were scheduled before popular skincare tutorials. This integrated approach yielded a 35% increase in brand recall and a 20% increase in first-time purchases within the campaign window. This unit throws light on the strategic importance of media planning in contemporary advertising, highlighting how integrated media choices, digital innovation, and audience-centric scheduling can drive brand awareness and consumer action. It highlights the importance of media selection models, the emergence of internet platforms, and the necessity for data-driven yet adaptable approaches to reach and engage targeted market segments effectively.

Keywords

Media Planning, Media Strategy, Media Selection, Media Vehicle, Media Scheduling

Discussion

Media planning in advertising involves strategically determining how, when, and where to deliver promotional messages to target audiences for maximum impact. This process consists of selecting the most suitable media channels, such as television, print, digital, or outdoor, based on audience behaviour, campaign objectives, and budget constraints. Media selection strategies focus on choosing platforms that best align with consumer habits and brand goals, whether through mass media for broad reach or niche channels for targeted engagement. With the rise of the Internet as a powerful advertising medium, marketers now leverage social media, search engines, and streaming platforms to reach audiences in real time and with personalised content. Media scheduling, meanwhile, ensures that advertisements are timed and spaced effectively, using continuous, flight, or pulsing patterns, to optimise visibility and response.

For example, a skincare brand might use Instagram ads during peak engagement hours, combine them with influencer content, and schedule TV spots during weekend beauty programmes to reinforce brand presence across touchpoints.

2.2.1 Media Plan

A media plan outlines the channels through which advertisements will be delivered to connect with the intended audience. Media classes encompass various types of platforms, including TV integrated with digital touchpoints (e.g., Reels → YouTube → Amazon ads), radio, and print publications. Within each class, a media vehicle represents a specific outlet used for placing ads; for example, Newsweek is a media vehicle within the magazine category. The media mix is the strategic combination of different media types chosen to maximise reach and effectiveness among the target audience.

A media plan outlines the strategic approach, defines goals, selects media platforms, and provides a detailed timeline for delivering advertising messages.

◊ **Media Strategy**

This refers to the overall approach that guides the use of media to achieve marketing goals. It includes decisions about the target audience, tone, positioning, and how media will support the brand's broader objectives.

◊ **Media Objectives**

These are the specific, measurable outcomes the media plan aims to achieve, such as increasing brand awareness, driving website traffic, or boosting sales within a set timeframe.

◊ **Media Choices**

This involves selecting the most suitable media classes (e.g., TV integrated with digital touchpoints, Reels → Amazon ads, radio) and vehicles (e.g., *Instagram*, *The Times*, *YouTube*) that align with the target audience's habits and the campaign's goals.

◊ **Media Schedule**

This is the calendar or timetable that determines when and how often ads will appear. It includes scheduling patterns like continuous, flight, or pulsing to ensure optimal exposure and impact.

2.2.2 Media Planning

◊ Media planning is the process of deciding how, when, and where advertisements should be shown. It helps advertisers reach the right audience at the right time. Proper planning ensures that advertising messages are delivered effectively and without wastage.

◊ Media planning involves selecting suitable media channels. Advertisers choose from various media platforms, including television, radio, print, digital, and outdoor media, based on where their target audience spends time. The choice of media directly affects the success of the advertising campaign.

◊ The main objective is to balance reach, frequency, and budget. Reach refers to the number of people exposed to the advertisement, while frequency indicates how often they are exposed to it. Media planners aim to achieve maximum impact within the available budget.

◊ Understanding consumer behaviour is a key activity in media planning. Planners study audience habits, preferences, and media usage patterns. This helps in selecting media that best connect with consumers.

◊ Setting clear advertising objectives is essential. Objectives guide the entire media planning process. They help decide what the campaign should achieve, such as awareness, sales, or engagement.

◊ Choosing appropriate media types is an important step. Different media types serve different purposes, such as mass reach or targeted communication. Selecting the right media ensures effective message delivery.

◊ Scheduling advertisements is part of media planning. Ads must be shown at times when the target audience is most active. Proper scheduling increases visibility and response.

◊ Monitoring and improving campaign performance is necessary. Media planners regularly track results using data and analytics. This allows them to adjust strategies for better outcomes.

◊ Effective media planning helps build brand awareness. Consistent exposure across suitable media makes the brand familiar to consumers. Over time, this improves brand recall and trust.

◊ Media planning increases customer engagement. Well-placed ads encourage consumers to interact with the brand. Engagement can include website visits, inquiries, or social media responses.

◊ Media planning helps achieve higher return on investment (ROI). Efficient use of media reduces unnecessary spending. This ensures better results for every rupee spent on advertising.

◊ Earlier, media planning was mainly a numbers-based role. It focused on calculations, schedules, and media buying. Creativity and strategy received less attention.

◊ Digital media and entertainment industries have expanded the role of media planning. Media planners now work across platforms like streaming services, gaming, and music apps. This has increased the importance of integrated planning.

◊ Today, media planners help shape content and audience experiences. They influence what content is shown and how audiences interact with it. Media planning is no longer limited to placing advertisements.

◊ Media planning now offers greater creativity and career growth. It is recognized as a strategic function in advertising agencies. Many planners move into senior leadership roles.

◊ Media planning requires strategic thinking and creativity. It involves understanding goals and making informed decisions. Creativity helps in designing impactful media strategies.

◊ A clear understanding of campaign goals and media tools is essential. Planners must know why a medium is chosen and how tools work. This ensures the effective execution of campaigns.

◊ New media platforms provide flexibility and innovation. Digital platforms allow real-time changes and precise targeting. This enables planners to create more impactful and creative campaigns.

Example: The University of Indianapolis partnered with Williams Randall Advertising to revamp its media strategy after struggling to measure the effectiveness of its traditional campaigns. The agency developed an integrated media plan combining digital channels like paid search, social media, and display ads with traditional media such as radio and outdoor advertising. By aligning the campaign with enrollment goals and using real-time analytics to optimize performance, the university achieved its largest first-year class ever. This highlights how a data-driven, multi-channel media plan can significantly improve outcomes in higher education marketing.

2.2.3 Need and Importance of Media Planning

1. Rapid growth of media platforms

Media platforms have increased greatly in recent years, including digital, print, television, and social media. This makes choosing the right platform more complex for advertisers. Media planning helps businesses select the most effective platforms.

2. Rising cost of advertising

Advertising costs are increasing across all media channels. Without proper planning, money can be wasted on ineffective advertisements. Media planning ensures the budget is used efficiently for maximum impact.

3. Shift from intuition to data-based decisions

Earlier, advertisers relied on experience or personal preference while selecting media. Today, decisions are based on data, research, and audience analysis. Media planning helps in making informed and objective choices.

4. Increased competition among media vehicles

Media outlets now offer discounts, bundles, and extra services to attract advertisers. This creates confusion in choosing the best option. Media planning helps compare alternatives and select the most suitable media vehicle.

5. Audience segmentation through specialised media

Newspapers and magazines publish special sections on business, education, travel, and lifestyle. These sections help advertisers target specific audience groups. Media planning ensures the message reaches the right segment.

6. Targeted communication opportunities

Advertisers can now reach niche audiences through specific platforms like travel or science magazines. This allows brands to tailor messages for particular interests or income groups. Media planning helps identify and use such targeted opportunities effectively.

7. Growing number of competing brands

Many brands now compete for the same customers. Without strategic advertising, a brand may go unnoticed. Media planning helps brands stand out in a crowded market.

8. Limitations of traditional media placement

Earlier methods, such as advertising women's products in any women's magazine, are no longer effective. Today, publications differ by language, region, and interest. Media planning helps select the most relevant publication.

9. Complexity in specialised magazines

There are many specialised magazines in areas like business and investment. Choosing the right one is difficult without proper analysis. Media planning simplifies this selection process.

10. Demand for measurable results

Advertisers now expect clear returns on their advertising investment. They want proof that their money is well spent. Media planning focuses on measurable performance and accountability.

11. Selecting the right media

Media planners must decide which type of media best meets the client's objectives. This decision affects reach, cost, and effectiveness. Media planning ensures the right media choice.

12. Choosing suitable media vehicles

Within each media type, many options are available. Selecting the correct newspaper, channel, or platform is crucial. Media planning helps identify the most suitable media vehicle.

13. Deciding the ideal media mix

No single medium can achieve all advertising goals. A combination of media is often required. Media planning helps design the most effective media mix.

14. Planning the advertisement schedule

The timing and frequency of ads influence campaign success. Poor scheduling can reduce visibility and impact. Media planning helps structure ad schedules for maximum effectiveness.

2.2.3.1 Importance of Media Planning

1. Programmatic Advertising

Programmatic advertising is the automated buying and selling of digital advertising space using software, algorithms, and data, enabling media planners to focus on purchasing targeted audiences rather than specific websites based on demographics, interests, location, and online behaviour. In media planning, it supports real-time decision-making, where user data is instantly analyzed and ads are delivered within milliseconds to the most relevant audience, thereby improving precision, reducing media wastage, and enhancing return on investment. Programmatic advertising also allows continuous optimization of campaigns by monitoring performance in real time and adjusting budgets, timing, targeting, and creatives as needed, while supporting personalized and contextual communication.

For example, a travel company can target users who recently searched for holiday destinations and automatically display hotel or flight ads to them while they browse news or entertainment websites, ensuring timely and effective advertising.

Key Concepts in Programmatic Advertising

a. Real-Time Bidding (RTB)

Real-Time Bidding (RTB) is an automated auction-based process in programmatic advertising where digital ad inventory is bought and sold in real time, within milliseconds, when a user visits a website or app. In media planning, RTB allows planners to target specific audiences rather than buying fixed ad space. Advertisers bid for impressions based on user data such as location, browsing behaviour, and interests, ensuring efficient use of the media budget.

Example: When a user searches for sports shoes and later visits a news website, advertisers selling sportswear may bid instantly to show their ad to that user. The highest relevant bid wins, and the ad appears immediately.

b. Demand-Side Platform (DSP)

A Demand-Side Platform (DSP) is a technology platform used by advertisers or media agencies to purchase digital advertising inventory automatically across multiple websites, apps, and ad exchanges. In media planning, DSPs help planners manage campaigns, set targeting parameters, control budgets, and optimize ad performance from a single interface. DSPs use data to ensure ads reach the right audience at the right time and cost.

Example: A company launching a new smartphone uses a DSP to target tech-savvy users aged 18–35 across websites, YouTube apps, and mobile games, adjusting bids based on performance.

c. Supply-Side Platform (SSP)

A Supply-Side Platform (SSP) is used by publishers (website or app owners) to sell their ad inventory programmatically and maximize revenue. In media planning, SSPs ensure that publishers offer their available ad space to multiple advertisers through RTB, achieving the best possible price for each impression. SSPs help publishers manage inventory, set floor prices, and control which ads appear on their platforms.

Example: An online news website uses an SSP to auction banner ad space to multiple advertisers whenever a reader opens an article, ensuring higher revenue than fixed-rate selling.

d. Data Management Platform (DMP)

A Data Management Platform (DMP) is a centralized system that collects, stores, and analyzes large volumes of audience data from various sources. In media planning, DMPs help planners understand consumer behaviour, segment audiences, and improve targeting accuracy in programmatic campaigns. DMPs enhance decision-making by converting raw data into actionable insights.

Example: A retail brand uses a DMP to identify users who frequently browse fashion websites and purchase online, then shares this data with a DSP to deliver personalized ads to those users.

2. AI in Media Planning

AI in media planning refers to the use of machine learning algorithms to analyze large volumes of consumer, media, and performance data in order to improve planning, buying, and optimization decisions. Machine learning enables systems to learn from past campaign results, audience behavior, and market trends, and then make accurate predictions and automated decisions with minimal human intervention. In media planning, it helps planners identify the most valuable audiences, select the right media channels, determine optimal timing and frequency, and allocate budgets more efficiently. By continuously learning and adapting, machine learning reduces guesswork, minimizes media wastage, and enhances return on investment.

Example: A digital marketing agency uses machine learning to study past campaign data and automatically recommend the best mix of social media, search, and display ads for a new product launch.

a. Predictive Audience Modelling

Predictive audience modelling uses machine learning to analyze past consumer data and predict future audience behavior. In media planning, it helps planners identify which audience segments are most likely to respond to a campaign, make a purchase, or engage with a brand. By forecasting audience actions, media planners can allocate budgets more effectively and reduce wastage.

Example: A streaming platform uses predictive modelling to identify users likely to subscribe based on their viewing history and targets ads specifically to those users.

b. Dynamic Message Optimisation

Dynamic message optimisation involves using machine learning to automatically adjust advertising messages, creatives, or formats based on audience behavior and context. In media planning, this ensures that different audience segments receive the most relevant version of an ad at the right time and platform, improving engagement and effectiveness.

Example: An e-commerce brand shows discount-focused ads to price-sensitive users and premium product ads to high-income users using the same campaign.

c. Automated Media Buying

Automated media buying uses AI and machine learning to purchase digital ad inventory in real time based on predefined objectives such as reach, clicks, or conversions. In media planning, it helps planners optimize bids, select platforms, and manage budgets automatically, saving time and improving performance compared to manual buying.

Example: A food delivery app uses automated media buying to increase ad bids during lunch and dinner hours when user demand is highest.

3. Influencer Media Planning

Influencer media planning involves identifying, selecting, and collaborating with social media influencers to promote a brand's message to a targeted audience in a strategic and measurable way. In media planning, it focuses on choosing influencers whose followers match the brand's target market, deciding suitable platforms, scheduling content, and allocating budgets to maximize reach and engagement. Influencer media planning helps brands build credibility and trust, as messages are delivered through influencers who already have strong relationships with their audiences.

Example: A skincare brand partners with beauty influencers on Instagram and YouTube to promote a new product, targeting young adults interested in skincare through reviews and tutorial videos.

a. Influencer Tiers (Nano, Micro, Macro)

Influencer tiers classify influencers based on their follower count and help media planners choose the right level of influence for campaign objectives. Nano influencers have a small but highly engaged audience and are ideal for niche and local campaigns, micro influencers balance reach and engagement and are often used for targeted brand building, while macro influencers offer large-scale reach and visibility. In media planning, selecting the right tier ensures cost efficiency and message credibility.

Example: A local café collaborates with nano influencers from the same city, while a fashion brand uses macro influencers to launch a national campaign.

b. Reach–Quality Metrics

Reach–quality metrics evaluate not just how many people an influencer can reach, but also the relevance, authenticity, and engagement of their audience. Media planners analyze metrics such as engagement rate, audience demographics, content relevance, and follower authenticity to ensure quality exposure. High-quality reach leads to better campaign effectiveness than high reach alone.

Example: A fitness brand chooses an influencer with fewer followers but high engagement and fitness-focused content over one with a larger but less relevant audience.

c. Influencer CPM Equivalents

Influencer CPM equivalents measure the cost efficiency of influencer campaigns by comparing the cost per thousand impressions with traditional media CPM. In media planning, this helps planners assess whether influencer marketing provides better value for money compared to digital display or social ads.

Example: If a brand pays ₹20,000 to an influencer whose content generates 100,000 views, the influencer CPM is ₹200, helping planners compare it with paid media rates.

4. Media Planning in a Cookieless World

Media planning in a cookieless world refers to planning advertising strategies without relying on third-party cookies that track users across websites, following their phase-out by companies like Google. In this environment, media planners shift towards privacy-focused approaches such as contextual advertising, where ads are placed based on relevant content rather than user tracking, and increased use of first-party data collected directly from brand-owned platforms like websites and apps. This approach ensures ethical data usage, maintains consumer trust, and allows effective audience targeting and measurement through aggregated and consent-based insights, making media planning more sustainable and compliant in the evolving digital ecosystem.

a. Google's Cookie Phase-Out

Google's cookie phase-out refers to the gradual removal of third-party cookies from the Chrome browser, which were traditionally used to track users across websites for ad targeting. In media planning, this change reduces reliance on cross-site tracking and forces planners to adopt privacy-friendly strategies. Media planners now focus more on consent-based data, platform-led targeting, and alternative measurement methods.

Example: After the cookie phase-out by Google, advertisers can no longer easily track a user's browsing behavior across multiple websites, making traditional retargeting less effective.

b. Contextual Advertising Revival

Contextual advertising targets ads based on the content of the webpage rather than user tracking. In a cookieless world, this approach has regained importance in media planning because it is privacy-safe and highly relevant. Media planners place ads in environments that naturally align with the brand message, improving relevance and brand safety.

Example: A sportswear brand places ads on fitness blogs, sports news websites, or workout videos instead of targeting users based on past browsing history.

c. First-Party Data

First-party data refers the information collected directly from customers by a brand through its own channels such as websites, apps, loyalty programs, and email subscriptions. In media planning, first-party data becomes a key asset in a cookieless world because it is accurate, consent-based, and privacy-compliant. Media planners use this data to personalize communication and build long-term customer relationships.

Example: An e-commerce company uses purchase history and app usage data from registered users to send personalized product ads and offers without relying on third-party cookies.

2.2.4 Media Planning Process

The media planning process is a strategic approach to delivering advertising messages effectively, involving the identification of the target audience, crafting a relevant message, selecting appropriate media channels, and scheduling the campaign for optimal impact. It begins with studying the audience's demographic, psychographic, consumer, and media profiles, followed by developing a message that resonates with their values and preferences. Next, planners match the audience with suitable media platforms, taking into account factors such as cost, reach, and brand positioning. Finally, they choose specific media vehicles and determine the campaign's reach, frequency, and timing to ensure maximum visibility and return on investment.

Fig. 2.2.1 Media Planning Process

Step 1:- Target Market Study

The initial phase of media planning involves collecting detailed information about the intended audience for the advertising campaign. This includes data on their interests, attitudes, income levels, age brackets, gender distribution, occupations, religious affiliations, languages spoken, and cultural backgrounds. Such insights are often sourced from consumer research bodies, such as the Indian Council of Applied Economic Research. The data required can be categorised into four key types:

◊ Demographic data: Basic population statistics such as age, gender, income, religion, and language.

◊ Psychographic data: Information about lifestyle choices, cultural values, beliefs, and personal interests.

◊ Consumer profile: Preferences and buying behaviour related to various products, especially the one being promoted.

◊ Media profile: Patterns and preferences in media consumption, including favourite platforms and content types.

Example: A company launching a premium organic tea brand aimed at health-conscious urban professionals. To plan their media strategy effectively, they begin by studying the target market:

◊ Demographic data reveal that their ideal consumers are aged 25–45, predominantly female, with middle to upper income levels, residing in metropolitan cities.

◊ Psychographic data shows these individuals value wellness, sustainability, and natural products, and often follow yoga or fitness routines.

◊ The consumer profile indicates that they prefer eco-friendly packaging, are willing to pay more for quality, and favour herbal teas over sugary drinks.

◊ Media profile highlights that they frequently use Instagram and YouTube for wellness content, read lifestyle blogs, and listen to health podcasts.

Step 2 – Deciding the Advertising Message

The second stage in media planning involves shaping the content and presentation of the advertisement. This includes both the written copy and the visual elements, which must be tailored to suit the consumer and media profiles of the intended audience. The message should reflect the cultural norms, social values, and communication style of the target group. For example, if the advertisement is aimed at college students in Mumbai, it should use language, imagery, and themes that resonate with their lifestyle and interests. Key considerations include understanding what motivates the audience to buy, identifying the product's unique selling points (USPs), and selecting which of these features to highlight in the campaign.

Example: A brand is promoting a new energy drink to urban college students in Mumbai. Based on the consumer profile, the brand knows this group values excitement, social status, and convenience. The media profile shows they frequently engage with Instagram, YouTube, and campus events. To appeal to them, the ad message might feature vibrant visuals of students partying or studying late, with catchy slang and upbeat music. The Unique Selling Proposition (USP) could be its fast energy boost and trendy packaging. By focusing on these selling points and aligning the message with the audience's lifestyle and media habits, the campaign becomes more relatable and compelling.

Step 3 – Matching Media and Target Group

The third stage in media planning involves identifying the most suitable media channels that align with the target audience's characteristics and preferences. For instance, if the campaign targets college students in Mumbai who typically watch television only on weekends, placing ads during weekday evenings would be ineffective. Although such students might read film and video magazines, these publications may not carry the same prestige or advertising value. Therefore, media planners must consider not only audience habits but also factors like advertising costs, brand image, client expectations, and the media choices of competing brands.

Example: A brand wants to promote a new soft drink to college students in urban India. Research indicates that this group is highly active on social media and tends to consume video content on weekends. Instead of placing ads on weekday television slots, the planner might choose Instagram reels, YouTube pre-roll ads, and weekend TV sponsorships. Even if film magazines are popular among this group, the planner may avoid them due to lower brand prestige or limited reach. Additionally, they'll assess what media rival soft drink brands are using to avoid duplication or to position the product more competitively. This ensures the media choices are both audience-relevant and strategically sound.

Step 4 – Media Selection

The final stage in the media planning process involves choosing the specific media vehicles, determining how widely the advertisement will be seen (reach), how often it will appear (frequency), and the overall scale of the campaign. A media vehicle refers to the exact outlet within a media category, such as a particular newspaper, magazine, radio show, television programme, or video platform, where the advertisement will be placed.

Example: A company is launching a new fitness app targeting working professionals aged 25–40. After identifying the target audience and crafting the message, the planner now selects the media vehicles. For reach, they choose The Economic Times and LinkedIn Ads to target professionals across major cities. For frequency, they schedule banner ads to appear three times a week on fitness blogs and podcasts. For size, they decide on a six-week campaign with a mix of full-page print ads and short video clips. Specific media vehicles might include Men's Health India, FitTalk Podcast, and YouTube Fitness Channels. This ensures the campaign is visible, repeated enough to reinforce the message, and scaled to meet the brand's marketing goals.

2.2.4.1 Media Selection Strategies

a. Selecting the Media

Choosing the right media and media vehicles for an advertising campaign is a critical decision in media planning. India offers a vast and diverse range of media options, which makes the selection process both rich and complex. Media planners not only face the challenge of identifying the most suitable platforms but also of justifying their choices to clients. While some rely on computer-based selection models, now widely available and adopted by agencies with media research units, many experienced planners still trust their instincts over data-driven tools. Ultimately, selecting media requires careful consideration of several key factors:

◊ The campaign's goals,

◊ The reach and coverage of each medium,

◊ The associated costs,

◊ The nature of the advertising message.

Example: A company is launching a new eco-friendly detergent aimed at middle-class households in urban India. The objective is to build brand awareness and promote trial usage. The planner evaluates coverage and reach, identifying that regional TV channels and popular YouTube homemaking channels have strong viewership among the target audience. Media costs are compared, TV ads are expensive but offer mass reach, while YouTube ads are more affordable and allow precise targeting. The nature of the message, which focuses on sustainability and family care, aligns well with storytelling formats on digital platforms. Based on these factors, the planner selects a mix of regional TV spots and influencer-led YouTube content, striking a balance between cost and impact while aligning with the brand's values.

b. First Step in Media Strategy – Choosing Media Types

The initial step in developing a media strategy is to identify the broad categories of media that best suit the advertising campaign. These categories include newspapers, niche magazines (such as film publications), television, radio, and outdoor advertising. It is essential to ensure that the chosen media are accessible to the target audience, hold their interest, and are perceived as credible. The primary goal is to determine the most effective medium, or combination of media, to target the intended consumer group. Using national media for products limited to regional markets is inefficient. For example, national television is ideal for widely consumed, high-profile products because it provides mass reach and strong brand credibility; this TV exposure can then be reinforced through Instagram Reels, where short videos build interest and engagement. Radio works well for maintaining ongoing product awareness through frequent reminders, which can be supported by YouTube ads that offer more detailed product demonstrations and comparisons. Newspapers are suitable for public notices, job advertisements, housing, and insurance services, while digital search and Amazon ads capture consumers at the point of purchase by displaying product listings, reviews, and offers. Magazines are effective for promoting visually appealing goods such as ice creams, packaged foods, and household appliances, and this visual impact is further strengthened through Reels and YouTube content that guides consumers along the funnel from awareness to consideration and finally to purchase on e-commerce platforms.

Examples:

Selecting the right media type is crucial to ensure that advertising reaches the intended audience efficiently and cost-effectively. For instance:

◊ A mass-market shampoo might be advertised on national television to reach a broad audience nationwide. This TV exposure can be reinforced through Instagram Reels showing influencer usage, followed by YouTube ads explaining product benefits, and finally Amazon-sponsored ads targeting consumers when they search for shampoos, completing the purchase funnel.

◊ A local bakery chain should focus on regional newspapers or FM radio to target nearby consumers rather than spending on national media. Interested audiences can then be retargeted with Reels featuring fresh products, YouTube local ads highlighting offers, and Amazon or food-delivery app ads encouraging online ordering.

◊ A job recruitment campaign would benefit from ads in daily newspapers, which are commonly used for employment listings. These ads can be supported by Reels promoting workplace culture, YouTube ads explaining job roles and career growth, and Amazon-style job platform promotions or website retargeting ads to capture applications.

◊ A new range of premium kitchen appliances could be promoted through lifestyle and home-improvement magazines, where visuals and features can be showcased attractively. This can be extended digitally through Reels showing product demos, YouTube in-depth reviews, and Amazon ads displaying prices, ratings, and EMI options to drive final purchase.

c. Key Considerations in Media Planning

Securing advertising space or airtime must be done well in advance, particularly for television, radio, and magazines, as these platforms have longer lead times. Newspapers, on the other hand, typically allow for quicker bookings. Timing is crucial, as it can significantly influence both the structure and content of an advertising campaign.

Another major factor is the budget, which directly affects the choice and combination of media. Advertising costs vary widely across different media types and individual vehicles, and these rates often fluctuate. Television, national English-language newspapers, and magazines are among the most expensive options. It is the media planner's duty to select the most cost-effective media mix that aligns with the campaign's goals.

Legal and ethical issues are sometimes neglected until consumer watchdogs raise concerns. For instance, advertising alcohol and tobacco on TV and radio is prohibited, as is promoting aphrodisiacs, miracle cures, and certain types of contests. Unfortunately, some advertisers ignore these rules until they are penalised, at which point they claim ignorance.

In today's highly competitive market, advertising has become a strategic battle among brands. Therefore, it is essential to monitor the media choices of competitors. Using entirely different media from one's rivals may weaken the campaign's impact, as it may not effectively counter or match the visibility of competing ads.

Examples

◊ Timing: If a company wants to launch a festive campaign on television, it must book slots weeks in advance. In contrast, a last-minute newspaper ad for a weekend sale can be arranged within a day or two.

◊ Budget: A startup with limited funds might choose regional radio and digital ads over national TV to stay within budget while still reaching its audience.

◊ Legal/Ethical Compliance: A brand promoting a health supplement must ensure it doesn't make unverified claims or violate advertising laws, or it risks legal action and reputational damage.

◊ Competitive Strategy: If a rival brand is advertising heavily on Instagram and FM radio, choosing only print media may not be an effective strategy. Matching or strategically countering their media presence ensures better brand visibility and market positioning.

d. Selecting the Media Vehicle

After choosing the general media type, whether a single platform like television or a mix of several, the next step is to identify the most suitable media vehicles. For instance, if television is selected, the media planner must decide which specific programme the advertisement should appear alongside. Should it be shown before or after a film-based show like *Chhaya Geet*, a news programme like *The World This Week*, or a popular soap opera?

One key factor in choosing a vehicle is its public image and the nature of its content. The advertisement should align with the tone and audience of the programme or publication. For example, placing a luxury product ad in a farming show would reflect poor judgment. Another critical factor is the vehicle's audience profile. Children's magazines are ideal for promoting toys and sweets, while weekend newspaper supplements are suitable for products aimed at urban children or educated women.

A third consideration is the availability and reliability of audience data. Circulation figures for print media and audience demographics for radio and TV are often incomplete or outdated. Media planners usually rely on ratings from market research firms, though such data can be costly and inconsistent. As a result, planners often rely on a combination of available data and personal intuition, as overly technical selection models may not yield practical insights.

Finally, cost is a significant factor. Comparing the cost of reaching audiences across different media is challenging. Media costs are usually measured using CPM (Cost Per Thousand), which calculates the cost of reaching 1,000 readers (in print) or 1,000 households (via TV, radio, or video).

CPM (Cost Per Thousand)

$$\textit{Cost per thousand} = \frac{\textit{Price of a single insertion}}{\textit{Audience in thousands}}$$

Milline Rate in Print Media Advertising

In the context of newspapers and magazines, advertising costs are often calculated using a metric known as the milline rate. This rate helps advertisers understand the cost of placing ads relative to the publication's reach. The milline rate is derived from a specific formula that considers both the price of the advertisement and the publication's circulation. It provides a standardised way to compare the cost-effectiveness of different print media vehicles.

The milline rate is calculated using the following formula:

$$\text{Milline Rate} = \frac{\text{Cost of one centimetre of ad space}}{\text{Total circulation}} \; x \; 1000$$

This gives the cost per thousand readers per centimetre of ad space, allowing advertisers to compare publications regardless of their size or reach.

Example:

If a magazine charges ₹500 for one centimetre of ad space and has a circulation of 200,000 copies, the mill rate would be:

$$\frac{500}{200{,}000} \; x \; 1000 = \; 2.50$$

This means it costs ₹2.50 to reach 1,000 readers with one centimetre of ad space in that magazine. Advertisers can use this metric to compare multiple publications and choose the most cost-effective option.

The milline rate is a valuable metric for comparing advertising costs across various print media vehicles. It represents the cost in rupees for placing one line of advertisement per one million copies in circulation. In contrast, advertising costs for radio and television are calculated based on the duration of the spot, typically ten, thirty, or sixty seconds, regardless of whether the ad is presented as a slide or a video.

Examples:

A company wants to advertise a premium skincare brand. After selecting television as the medium, the planner must choose the right vehicle, perhaps a lifestyle show or a prime-time drama that appeals to urban women. Placing the ad during a rural farming programme would be a mismatch in tone and audience.

If the product is a children's cereal, the planner might choose children's magazines or cartoon channels as vehicles, ensuring the message reaches the right demographic. However, due to limited or costly data on viewership, the planner may rely on ratings from agencies like BARC or IRS, combined with professional experience.

When comparing costs, the planner uses CPM to evaluate whether a ₹5 lakh TV ad reaching 500,000 homes is more cost-effective than a ₹2 lakh magazine ad reaching 100,000 readers. This helps determine the best value for the advertising budget.

2.2.4.2 Media Selection Models

To improve the efficiency and cost-effectiveness of advertising campaigns, several advertising agencies and market research organisations have developed media selection models. These models help planners identify the most suitable media types and vehicles for reaching the target audience while minimising expenditure. For instance, an agency in Mumbai offers a specialised software package designed to assist with media selection. Fundamentally, these models use mathematical representations to link media inputs, such as budget, reach, and frequency, to advertising goals.

Types of Media Selection Models

1. Optimisation-Based Models

These models aim to allocate advertising resources in a way that maximises both reach and effectiveness. A common technique used here is linear programming, which involves expressing the relationship between various resource variables (such as cost, reach, and frequency) through linear equations. The goal is to find the optimal combination of media that yields the best results within the budget constraints.

Example: A planner might use a linear programming model to decide how much budget to allocate between television and digital ads to achieve maximum exposure among urban youth.

2. Simulation-Based Models

Simulation models focus on predicting how a target audience will respond to an advertising campaign. These models help planners understand the influence of different media on consumer behaviour and guide the allocation of the advertising budget across various media platforms or vehicles. Rather than solving equations, simulation models mimic real-world scenarios to estimate outcomes.

Example: A simulation model might indicate that placing ads on Instagram and YouTube results in higher engagement among millennials compared to traditional print media, prompting a shift in budget allocation.

2.2.4.3 Advantages and Disadvantages of Media Models

a. Advantages of Media Models

Media selection models offer several practical benefits in advertising planning. They help advertisers effectively reach their intended audience by identifying suitable media platforms and vehicles. These models also reduce duplication, ensuring that the same audience isn't targeted repeatedly across different media, and assist in scheduling advertisements to achieve the desired number of exposures. By using structured data and algorithms, planners can optimise media usage and improve campaign efficiency.

b. Disadvantages of Media Models

Despite their usefulness, media models come with notable limitations. First, they are costly to develop and maintain, often requiring specialised software and technical expertise. More importantly, these models focus on quantitative data and fail to capture the qualitative aspects of consumer behaviour, such as emotional responses, attention spans, or cultural resonance. For example, no model can accurately predict whether a viewer will actually notice or engage with an advertisement, or how deeply they process its message. These human factors are critical to advertising success but are challenging to measure or simulate mathematically.

Example: An ad agency using a media model to plan a campaign for a new mobile app. The model may suggest placing ads on popular tech websites and YouTube channels based on reach and cost efficiency. However, it cannot assess whether viewers will actually pay attention to the ad or find it relevant. A student watching YouTube may skip the ad entirely, while a tech enthusiast might engage deeply with it. These unpredictable behaviours highlight the gap between model-based planning and real-world impact, reminding planners to balance data with human insight.

Step 5 – The Media Schedule

The final phase of media planning involves developing a media schedule, which outlines the number of advertisements, the media vehicles in which they will appear, the dates on which they will run, and their sizes. There is no universal format for this schedule; it must be tailored to suit the specific needs of the product and the client. Two common scheduling approaches are used: the flight method, where ads are grouped during selected periods to generate a substantial impact, and the blitz method, where large, high-cost ads are released simultaneously across multiple platforms to create a powerful launch effect.

Example: A company launching a new smartphone. The media planner prepares a schedule that includes full-page print ads in The Times of India, banner ads on tech websites, and video ads on YouTube. Using the blitz method, the planner releases all these ads during the same week to create a high-profile product launch. Alternatively, if the planner chooses the flight method, ads might appear in bursts, such as during festive seasons or around exam results, when consumer interest is likely to peak. This ensures the campaign is both cost-effective and strategically timed for maximum visibility.

1. Continuous Scheduling

Continuous scheduling is used when advertisements run steadily and consistently over a period of time without interruption. This approach is used for products or services that have a constant demand throughout the year.

Example:

- ◊ A toothpaste brand advertising on TV every day, all year round.
- ◊ Reason: Toothpaste is a daily-use product, so continuous exposure ensures brand recall.

2. Flighting

Flighting involves scheduling ads in bursts, alternating between periods of activity (flights) and inactivity (hiatus). This method is suitable for seasonal products or campaigns with limited budgets.

Example:

◊ Ice cream ads aired only during summer months, then paused in winter.

◊ Reason: Demand for ice cream peaks in summer, so advertising only during this period is cost-effective.

3. Pulsing

Pulsing is a combination of continuous and flighting schedules. Ads run continuously but intensify during peak periods with additional frequency.

Example:

◊ Soft drink brands advertising all year, but increasing ads during festivals or summer.

◊ Reason: Maintains brand presence while taking advantage of high-demand periods.

4. Burst Scheduling

Burst scheduling is similar to flighting but focuses on very short, intense periods of heavy advertising. Typically used for product launches or special promotions.

Example:

◊ A new smartphone launch: TV and social media ads for 2 weeks before release.

◊ Reason: Creates immediate awareness and excitement in a short period.

5. Staircase Pattern

Staircase pattern gradually increases or decreases the frequency of ads over time, resembling the steps of a staircase. This is used to build momentum or phase out a campaign.

Example:

◊ A movie promotion starting with 2 ads per day, then increasing to 5 ads per day as the release date approaches.

◊ Reason: Builds anticipation gradually.

6. Media Weights

Media weight measures the total advertising effort in terms of space, time, or frequency. Common metrics include:

◊ Reach: % of target audience exposed to the ad

◊ Frequency: Average number of times the audience sees the ad

◊ Gross Rating Points (GRPs): Combines reach and frequency

Example:

◊ A TV ad campaign reaches 50% of target audience with an average frequency of 4:

GRP = Reach x Frequency = 50 x 4 = 200

7. GRP Calculations (Simplified)

GRP (Gross Rating Points) is a measure of total advertising impact.

Formula:

GRP =Reach (%) x Average Frequency

Example:

◊ Campaign reaches 60% of the target audience with an average frequency of 3 times:

GRP = 60 x 3 = 180

Interpretation: The campaign delivered 180 points of exposure.

2.2.5 Internet as an Emerging Advertising Medium

The Internet, as an emerging advertising medium, has transformed the marketing and communication landscape, offering businesses unprecedented opportunities to reach, engage, and convert audiences worldwide. Unlike traditional media, which often relies on one-way communication, the Internet enables interactive, real-time, and highly personalised advertising experiences. Its rapid growth and integration into daily life have made it an essential component of modern advertising strategies.

1. SEO vs SEM

SEO (Search Engine Optimization): It is the process of optimizing website content and structure to rank organically on search engines like Google. SEO focuses on unpaid results and long-term visibility.

Example: A travel agency writing blog posts about "best summer destinations" to appear on Google's first page.

SEM (Search Engine Marketing): Paid advertising on search engines to appear on top of search results. SEM gives instant visibility but requires ongoing payment.

Example: The same travel agency runs Google Ads targeting keywords like "cheap summer tours" to drive immediate traffic.

2. Display vs Native Ads

Display Ads: Banner or image ads that appear on websites, apps, or social media, often visually striking but separate from the content.

Example: A banner ad for a new smartphone on a tech news website.

Native Ads: Ads that match the look, feel, and format of the platform they appear on, blending with content for a less intrusive experience.

Example: Sponsored articles about fitness supplements on a health blog that look like regular posts.

3. Affiliate Media

Advertising where a publisher earns commission by promoting another company's product or service. Performance-based marketing is key here.

Example: A blogger including links to Amazon products and earning a commission when readers buy through those links.

4. Retargeting

Showing ads to users who previously visited a website but did not complete a desired action, like a purchase.

Example: A user visits an online shoe store but leaves without buying, then sees ads for the same shoes on Facebook or Google later.

5. Social Commerce Advertising

Using social media platforms to drive sales directly, often integrated with shopping features.

Example: Instagram ads with a "Shop Now" button for clothing, allowing users to purchase without leaving the app.

6. Analytics Dashboards

Digital platforms that track, measure, and visualize campaign performance in real-time, helping marketers optimize strategies.

Example: Google Analytics showing website traffic, conversion rates, and ad performance for an e-commerce brand.

7. AI-Driven Consumer Profiling

Using artificial intelligence to analyze user behavior, preferences, and purchase patterns to create targeted marketing campaigns.

Example: Netflix recommending shows based on a user's past viewing habits.

8. Privacy Regulations (GDPR, India DPDP Act 2023)

Legal frameworks to protect user data and privacy in digital advertising. Marketers must obtain consent and handle data responsibly.

Example: Websites showing cookie consent pop-ups under GDPR in Europe or complying with India's DPDP Act 2023 before collecting user data.

2.2.5.1 Advantages of Internet Advertising

i. **Global reach combined with precise targeting.**

Brands can now connect with consumers across continents while tailoring messages to specific demographics, interests, and behaviours. For example, an online bookstore can use Google Ads to target users searching for "best mystery novels," ensuring that its promotions appear only to those with relevant interests. This level of precision reduces wasted ad spend and increases the likelihood of conversion.

ii. **Interactivity and Engagement Potential**

Platforms like social media, websites, and mobile apps allow users to comment, share, like, and even co-create content. This two-way communication fosters stronger relationships between brands and consumers. For instance, a cosmetics brand might launch a campaign on Instagram where users share their makeup looks using a branded hashtag, turning customers into brand ambassadors and amplifying reach organically.

iii. **Cost-Effective and Flexible Advertising Options**

Small businesses with limited budgets can run targeted campaigns on platforms like Facebook or YouTube, adjusting content and spending in real time based on performance metrics. For example, a local bakery might promote its weekend offers through a short video ad on Facebook, targeting users within a 10-kilometre radius. If the ad performs well, the bakery can increase its budget or extend the campaign instantly.

iv. **Measurable Results and Data-Driven Insights**

Advertisers can track impressions, clicks, conversions, and user behaviour with tools like Google Analytics or Facebook Insights. This data helps refine strategies, improve return on investment (ROI), and understand customer preferences. For example, an online fashion retailer can analyse which ads lead to the most purchases and adjust future campaigns accordingly.

The Internet has emerged as a dynamic, versatile, and powerful medium for advertising. Its ability to combine reach, targeting, interactivity, and analytics makes it indispensable for businesses aiming to thrive in the digital age. As technology continues to evolve, internet advertising will become increasingly sophisticated, offering even more innovative ways to connect with consumers.

2.2.6 Integrated Marketing Communications (IMC)

Integrated Marketing Communications (IMC) is a strategic framework that unifies a brand's messaging across all marketing channels so consumers receive a consistent and seamless experience, no matter where they interact with the brand. Instead of letting advertising, social media, public relations, email, events, and sales promotions work in silos, IMC brings them together under a single, coherent message that reflects the company's values and goals. This approach ensures clarity and strengthens brand recall, helping companies build stronger relationships with customers and drive better return on marketing investment.

An example of IMC in action is Starbucks' seasonal Pumpkin Spice Latte (PSL) campaigns, where Starbucks synchronizes social media hashtags, in-store décor and promotions, targeted email newsletters, mobile app offers, and traditional advertising to create a unified seasonal brand moment that appears consistently across channels. Similarly, Spotify's "Wrapped" campaign is a modern IMC success: it integrates personalized data summaries, in-app banners, email reminders, social media cards, and influencer interactions to drive huge user engagement and organic sharing. Both campaigns use multiple platforms but keep the core message and visuals cohesive so consumers experience the brand identity uniformly whether they're scrolling Instagram, browsing email, or visiting a store/app.

R Recap

- ◊ Media planning is the strategic process of selecting the most effective platforms to deliver advertising messages to the right audience at the right time and cost.
- ◊ A media strategy defines the overall approach to achieving advertising goals through targeted media use.
- ◊ Media Objectives specify measurable goals such as reach, frequency, and engagement levels.
- ◊ Media Choices involve selecting suitable media types and vehicles based on audience and budget.
- ◊ Media Schedule outlines the timing, frequency, and placement of ads across selected media.
- ◊ Media planning ensures optimal use of advertising budgets by aligning media choices with campaign goals, audience behaviour, and market dynamics.
- ◊ Target Market Study involves analysing demographics, psychographics, and media habits of the intended audience.
- ◊ Deciding the Advertising Message focuses on crafting relevant, persuasive content tailored to audience values and preferences.
- ◊ Matching Media and Target Group ensures that the selected media platforms align with the audience's accessibility and interests.
- ◊ Media Selection involves choosing specific media types and vehicles based on reach, cost, and message suitability.

◊ The Media Schedule details when, where, and how often ads will appear, utilising methods such as flight or blitz scheduling.

◊ Media selection strategies aim to maximise campaign effectiveness by balancing audience reach, cost-efficiency, and competitive positioning.

◊ Selecting media involves choosing platforms that are accessible, credible, and engaging for the target audience.

◊ The first step is to identify broad media categories—print, broadcast, outdoor, digital—that best suit the campaign's objectives and audience.

◊ Key considerations include booking timelines, budget constraints, legal regulations, competitive media usage, and audience relevance.

◊ Media vehicle selection focuses on choosing specific programmes, publications, or platforms that match the product's tone and audience profile.

◊ Optimisation-Based Models utilise mathematical techniques, such as linear programming, to allocate resources for maximum reach and effectiveness.

◊ Simulation-based models predict audience response and guide budget allocation across media based on behavioural influence.

◊ Media models help in targeting, scheduling, and reducing duplication, but they are costly and fail to capture qualitative consumer behaviour.

◊ The Internet offers interactive, targeted, and cost-effective advertising through platforms like social media, search engines, and mobile apps, revolutionising brand communication.

Objective Questions

1. What do you mean by a media strategy?
2. What is media objectives?
3. What do media choices refer to?
4. What does a media schedule outline?
5. Why is media planning essential?
6. What does matching media with the target group ensures?

7. Name the methods of flighting and blitz used in?
8. What does media selection strategies aim to?
9. Which metric compares cost across media vehicles?
10. What does simulation models predict?

Answers

1. The overall approach that quides the use of media to achieve marketing goals.
2. Specific, measurable outcomes the media plan aims to achieve
3. Choosing suitable media types and vehicles
4. Ad placement timing and frequency
5. Ensures optimal use of advertising resources
6. Audience accessibility and interest
7. Media scheduling
8. Maximise campaign effectiveness
9. CPM (Cost Per Thousand)
10. Audience response to ad campaigns

Assignments

1. Explain a media plan and its components with suitable examples.
2. Why is media planning essential in modern advertising? Discuss with reference to cost, reach, and impact.
3. Explain the process of media planning with suitable examples.
4. How does the nature of the advertising message influence media selection and campaign tone?
5. Discuss the process and significance of matching media platforms with the target audience profile.

6. What factors should be considered when selecting media for an advertising campaign? Illustrate with examples.
7. Please explain the process of choosing media types and their impact on campaign reach and effectiveness.
8. Compare traditional and digital media types in terms of accessibility, credibility, and engagement.
9. Identify and explain the key considerations in media planning, including legal, ethical, and competitive factors.
10. Discuss the importance of selecting appropriate media vehicles and the role of audience profiling.
11. Explain the concept of CPM and its relevance in comparing media vehicle costs.
12. Evaluate the advantages of media models in improving campaign efficiency and reducing duplication.
13. Explain the advantages of internet advertising in terms of targeting, cost, and interactivity.

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BLOCK - 03

Construction of an Advertisement

Unit - 1

Advertising Campaign Planning and Advertisement Copy

L Learning Outcomes

After completing this unit, the learner will be able to:

- ◊ explain the steps involved in planning an advertising campaign
- ◊ define advertisement copy and identify the essential components of a good copy
- ◊ differentiate between various types of advertising copies
- ◊ discuss the art and process of copywriting

P Prerequisite

It was a bright Monday morning at GreenMove Mobility Pvt. Ltd., a Kochi-based start-up specialising in eco-friendly scooters. The team gathered in the conference room to discuss the launch of their new model, GreenRide Z1, a sleek and affordable electric scooter designed for young urban commuters. Despite having a great product, GreenMove was little known in the market. The CEO, Mr. Arjun Nair, said thoughtfully, "People must see GreenRide not just as a scooter, but as a smarter, greener choice." Meera, the marketing manager, proposed creating a campaign that could capture attention and position GreenRide as the future of urban mobility. Ravi, the brand strategist, reminded the team that every campaign must start with clarity. "Let's first decide who we are talking to college students, professionals, or families?" That was the first step in the advertising campaign planning process i.e. identifying the target audience, setting objectives, and selecting the right media mix. Over the next few days, the team brainstormed slogans and ideas, debating whether the focus should be on environmental benefits or cost savings.

Finally, Meera suggested a tagline: "Go Green. Go Smart. Go GreenRide."

The team loved it. But now came the crucial part, creating the advertisement copy. Ravi explained that a good copy should not only inform but also move people. The copywriters explored different types of ad copies, a short social media story, a testimonial, and a direct-action version urging, "Book Your Test Ride Today!"

They discovered that the art of copywriting lies in combining creativity with clarity, ensuring every word reflects the brand's identity and promise. After several revisions, the final campaign included a short video, city hoardings, and engaging social media posts. As the designs came together, Arjun smiled. "This isn't just an ad," he said. "It's our story — told through words and images."

Just like GreenMove, every organization needs a strategic and creative approach to advertising. In this unit, we will study the Advertising Campaign Planning Process, explore the essentials and types of ad copies, and understand the art and approaches to copywriting — the true foundation of effective advertising.

K Keywords

Advertising campaign, campaign planning process, advertising goals, media selection, advertising budget, advertisement copy, AIDA model, essentials of ad copy, attention value, suggestive value, memorising value, conviction value, emotional appeal, instinctive appeal, types of advertising copy.

D Discussion

In today's competitive market, every brand fights for attention. Whether it is a new eco-scooter or a snack brand, consumers are exposed to hundreds of messages each day. For a company to stand out, it must plan its advertising carefully, not randomly. That is why advertising campaigns have become the backbone of modern marketing. This unit helps students understand how a successful advertisement is born: starting from campaign planning, moving into the creation of the advertisement copy, and understanding the skills required in copywriting. By the end of the unit, students will gain a clear picture of how companies transform ideas into powerful messages that influence consumers, just like the GreenMove team planning their launch of "GreenRide Z1" in the prerequisite story.

3.1.1 Advertising Campaign Planning Process

When a company decides to promote a product, it does not simply make one ad and publish it. Instead, it follows a systematic, well-designed process known as an advertising campaign. An advertising campaign is a series of coordinated promotional activities created to achieve a specific goal. All the ads, whether on TV, social media, radio, hoardings, or newspapers, revolve around one central idea or theme. This theme gives direction, unity, and consistency to the entire advertising effort. To understand it better, imagine GreenMove Mobility planning the launch of GreenRide Z1. They cannot simply post a random social media ad and expect success. They need a proper plan. This is where the advertising campaign process begins.

Fig. 3.1.1 Advertising Campaign Planning Process

1. Determining Specific Goals

The first step is defining what the campaign intends to achieve. These goals could include creating awareness for a new product, influencing consumer preference, shifting customers away from competitors, or boosting sales in specific markets. Along with goals, the campaign must identify a central theme that guides all messaging. GreenMove wanted GreenRide to be seen as a "smarter, greener choice," and this core message shaped slogans, visuals, and media. In modern advertising, goal-setting also includes defining digital KPIs such as click-through rate, reach, engagement, view-through rate, and conversion metrics. Contemporary campaigns like Zomato's "Order Kar" demonstrate how a unified theme is adapted across formats—from TVCs to Instagram stories—ensuring recall and continuity.

2. Allocating Funds for Advertising

After establishing campaign goals, the company must determine how much it can spend and how the budget should be distributed. Budgeting today includes more than traditional media costs; planners must allocate funds for content production across formats such as reels, static posts, landing pages, influencer collaborations, and programmatic display ads. Expenditure planning also considers digital tools for analytics, campaign monitoring, A/B testing, and performance optimisation. A well-structured budget ensures efficient use of funds across platforms—whether print, television, outdoor, or digital—and supports sustained visibility without compromising the campaign's scale or duration.

3. Selecting the Media

Once the budget is finalised, the planner selects channels that effectively reach the target audience. A strong message can fail if delivered on the wrong platform. Media choice depends on where the audience spends time, how the message is consumed, and which formats suit the campaign's style. For GreenMove's young urban commuters, digital-first channels—Instagram reels, YouTube shorts, influencer tie-ups, and targeted Google ads—became essential. Outdoor placements near colleges and IT hubs complemented digital engagement. Modern campaigns blend mass media with microcontent strategies. For example, CRED's celebrity humour ads began as TVCs but extended into memes and short-form social videos, showing coherent cross-platform adaptation.

4. Creating the Advertising Message or Copy

The advertising message forms the heart of the campaign. It includes defining the tone, visual style, headline, slogan, and layout, ensuring all elements align with the central theme. With digital media, copywriting extends beyond long-form ad text to microcopy—captions, push notifications, ad headlines, CTA buttons, and landing page text. The tagline "Go Green. Go Smart. Go GreenRide." reflected GreenMove's positioning and was adapted across reel captions, banner ads, and hoarding headlines. Digital-first copywriters also consider storytelling structures for short-form video, SEO-backed web copy, and influencer scripts. Alongside creativity, data-driven approaches such as A/B testing headlines, experimenting with hooks, and monitoring engagement metrics help refine the copy before full release.

5. Evaluating the Effectiveness of the Campaign

After launch, the company must evaluate campaign performance to understand whether objectives were achieved. Traditionally, evaluation focused on sales and awareness, but modern campaigns measure digital indicators—click-through rates, engagement, lead generation, sentiment analysis, completed view rates, and social listening insights. If results show weak engagement or poor recall, the firm may adjust copy, shift media allocations, or modify content sequencing. Tools such as heatmaps and analytics dashboards assist in identifying weak areas, while performance marketing enables real-time optimisation. Effective evaluation ensures that the campaign evolves based on consumer response rather than assumptions.

In all, the advertising campaign planning process ensures that creativity and strategy move together. It integrates goal-setting, budgeting, media planning, message design, and measurement across traditional and digital touchpoints to build campaigns that are consistent, engaging, and performance-driven. Once an organisation understands how campaigns are planned, the next step is learning how advertising copy itself is crafted to influence consumer attention and action. The quality of this copy decides whether consumers pay attention, feel interested, and eventually take action. Therefore, in the next topic, we will explore what advertising copy is, what makes it effective, and the various types used by advertisers.

3.1.2 Advertisement Copy

Once a company has planned its advertising campaign, the next important step is crafting the message that will appear in the advertisement. This message is known as the advertising copy. It is the part of the advertisement that the audience reads, hears, or sees - the headline, tagline, visuals, voice-over, layout, colours, design style, and even the tone of communication. Whether it appears in a newspaper, a YouTube ad, an Instagram reel, a billboard, or an app notification, the copy shapes what the audience understands and how they feel about the brand.

In simple terms, the advertising copy is the soul of an advertisement. It includes everything that communicates the message to the audience — the headline, main text, slogan, brand name, logo, visual elements, narration, captions, and sometimes even on-screen text in videos or reels.

A good copy does not merely inform; it persuades, motivates, and influences consumer behaviour. Copywriters study customer insights, product features, brand positioning, and audience preferences before writing the message. Today, copy is developed not only for print or television but also for:

i. social media posts and reels,

ii. app notifications,

iii. website landing pages,

iv. online banners,

v. influencer scripts,

vi. and short-form video captions.

This makes copywriting both an art and a strategic communication skill, requiring creativity, clarity, empathy, and an understanding of how people interpret messages across different media. A well-designed advertisement copy often follows the AIDA formula:

The AIDA Formula

Great ads usually follow four easy steps to turn a viewer into a customer:

1. **A – Attention:** Hook the person immediately so they don't look away.
2. **I – Interest:** Give them a reason to keep reading or watching.
3. **D – Desire:** Make them really want what you are selling.
4. **A – Action:** Tell them exactly what to do next (like "Buy Now").

Examples:

◊ GreenRide Z1: The ad used a cool image to catch your eye (Attention), explained why it's good for the planet (Interest), and then invited people to try it out (Action).

◊ Zomato Notifications: They send a funny message to get you to look at your phone (Attention/Interest), mention a big discount to make you hungry (Desire), and end with an "Order Now" button (Action).

3.1.2.1 Essentials of an Effective Advertisement Copy

A good advertisement copy has certain qualities that make it engaging, memorable, and persuasive. These essentials apply to both traditional advertisements and digital formats such as reels, social ads, websites, and app content.

1. Attention Value

Consumers are exposed to countless messages every day. Therefore, a copy must instantly grab attention through strong headlines, striking visuals, contrasting layouts, or a surprising opening line. For example, a CRED celebrity humour ad or an Amul topical digital post immediately catches attention because of its wit, relevance, and visual–headline synergy.

On digital platforms, attention value is also created through:

i. short hooks in Instagram Reels,

ii. bold thumbnails on YouTube,

iii. and high-impact banner headlines.

2. Suggestive Value

Once attention is captured, the copy should gently guide the audience toward how the product fits into their life. Suggestive statements like "Go Green. Go Smart." make consumers imagine themselves using the product. Modern suggestive copy appears in forms such as:

i. Netflix trailer captions that hint at emotion or suspense,

ii. Rapido and Meesho ads highlighting convenience or savings,

iii. or Zomato's "Order Kar" theme, which feels like a friendly nudge.

3. Memorizing Value

A strong copy remains in people's minds even after they scroll past or switch channels. Repetition, catchy taglines, rhythmic phrases, and distinctive tone build recall. Earlier advertisements like Lux or Horlicks achieved recall through repeated slogans. Today, recall is also created through:

i. recurring campaign themes (CRED, Dream11),

ii. consistent meme-style brand tone (Swiggy, Amul),

iii. and short, memorable hooks used across platforms.

4. Conviction Value

Consumers trust a message only when it sounds believable. A convincing copy highlights real benefits, features, facts, or proof points. For GreenMove, emphasising “zero emissions” and “low running cost” builds credibility. In digital environments, conviction is strengthened through:

i. product demos (Mamaearth & skincare brands),

ii. customer testimonials and UGC reviews,

iii. comparison charts in e-commerce ads,

iv. performance-based claims.

5. Emotional or Sentimental Appeal Value

Many buying decisions are influenced by feelings such as pride, security, nostalgia, love, humour, or aspiration. Emotional appeal helps create a deeper bond with the brand. Examples include:

i. Surf Excel’s “Daag Acche Hain” storytelling,

ii. Nike digital campaigns that evoke motivation and identity,

iii. festival-based ads that evoke belongingness.

Short-form video ads often use brief emotional storytelling, especially on Reels, Shorts, and YouTube bumpers.

6. Educational Value

Some advertisements aim to inform or create awareness, especially when the product is technical, new, or socially relevant. Educational copy appears in:

i. sustainability campaigns,

ii. fintech or insurance ads,

iii. health and wellness product messages,

iv. explainer-style digital videos.

For GreenRide Z1, educational copy explaining how electric scooters reduce fuel cost and pollution shapes responsible consumer attitudes.

7. Instinctive Appeal Value

A good copy also appeals to basic human instincts such as safety, comfort, hygiene, convenience, or savings. These instincts reassure consumers that the product meets essential needs. This instinctive value is visible in:

i. Swiggy and Zomato convenience-based messages,

ii. Rapido "fast and affordable commute" claims,

iii. Meesho "budget-friendly shopping" positioning.

Now that we have understood what an advertisement copy is and the qualities that make it effective, the next step is to explore the different types of advertising copies used by organisations. Different products, audiences, and campaign objectives require different styles of copy. Understanding these types will help us see how companies choose the right message format to achieve maximum impact.

So, in the next topic, we will study the various types of advertising copies and how each serves a unique purpose in communicating with consumers.

3.1.3 Types of Advertising Copies

Once a company understands what an advertisement copy is and the elements that make it effective, the next step is to recognise that not all copies follow the same style. Advertisers choose different types of copies depending on the nature of the product, the target audience, the media used, and the emotion or message they want to highlight.

Just like GreenMove's marketing team experimented with multiple styles while preparing their GreenRide Z1 campaign, advertisers also explore different approaches before finalising the most suitable one.

3.1.3.1 Traditional Types of Advertising Copies

1. Scientific Copy

A scientific copy relies on technical facts, research findings, demonstrations, or scientific explanations. It is commonly used when consumers need proof — such as in medicines, health products, cosmetics, detergents, electrical appliances, or packaged foods. For example, a sunscreen advertisement explaining SPF protection or a detergent ad showing stain-removal tests is a typical scientific copy, appealing to logic and helping build trust.

2. Descriptive Copy

A descriptive copy presents the product in a plain, factual, and straightforward manner. The focus is on features, design, ingredients, and functional aspects. A flour mill advertisement explaining its grinding process or a home appliance ad describing capacity and functions usually adopts this style, appealing to consumers who prefer clarity and transparency.

3. Narrative Copy

Narrative copy uses storytelling, where the advertisement unfolds like a short incident involving a relatable character. Examples include a shaving cream ad showing a man gaining confidence or a kitchen appliance ad highlighting how it simplifies a mother's morning routine. Stories help audiences imagine themselves in similar situations.

4. Colloquial Copy

Colloquial copy uses everyday conversational language, making the communication sound natural and personal. Amul's conversational lines are a classic example. This style is warm, friendly, and easy to remember, especially when the aim is to build connection rather than formality.

5. Humorous Copy

Humorous copy uses wit, puns, exaggeration, or playful visuals to entertain the audience. Brands like Amul, Cadbury, and Fevicol have used humour to make ads memorable and engaging, helping consumers form a positive emotional connection with the brand.

6. Topical Copy

Topical copy links the advertisement with current events, festivals, or social trends. Amul's festival or election-based topical ads are iconic examples. These copies capture attention quickly because they feel timely and relevant.

7. Endorsement Copy

Endorsement copy features celebrities, influencers, experts, or respected personalities recommending a product. Endorsements add trust, aspiration, and credibility, and are widely used in soaps, apparel, energy drinks, and personal care brands.

8. Questioning Copy

A questioning copy presents a series of questions to make consumers think about their needs or problems. For example, "Is your detergent tough on stains?" This style creates curiosity and leads consumers toward recognising the brand as a solution.

9. Prestige Copy

Prestige copy builds an image of luxury, exclusivity, and social status. Luxury watches, premium suiting, and high-end automobiles commonly use this approach because it appeals to aspirational buyers.

10. Reason-Why Copy

Reason-why copy provides clear explanations or advantages for buying the product such as durability, economy, or safety benefits. It is especially useful in FMCG and homecare brands where logical justification matters.

11. Wordless Copy

Wordless copy communicates mainly through visuals with little or no text. Billboards, posters, and some digital ads use this style effectively because visuals are universal, instant, and emotionally powerful.

12. Direct-Action Copy

Direct-action copy encourages immediate response using phrases such as "Buy Now," "Call Today," or "Book Your Test Ride." It is common in digital ads, e-commerce, and retail promotions.

13. Indirect-Action Copy

Indirect-action copy focuses on building goodwill and emotional connection rather than immediate purchase. Coffee brands and fragrance ads often use this approach to strengthen brand recall and lifestyle association.

14. Institutional Copy

Institutional copy promotes the organisation rather than a product. It highlights CSR initiatives, heritage, achievements, or corporate values, helping build trust and goodwill.

3.1.3.2 Modern & Digital Advertising Copy Types

With the rise of smartphones, social media, and online shopping, advertising copy is no longer limited to traditional print ads or long TV commercials. Today's audiences — especially young consumers — spend more time on mobile screens, short-form videos, and digital platforms. Because of this shift, advertisers use new forms of copywriting that are designed to be short, interactive, personalised, and platform-specific.

These modern copy formats help brands communicate quickly, engage audiences instantly, and guide users smoothly through digital experiences.

1. Digital-First Copy

Digital-first copy refers to advertising messages that are created mainly for online platforms such as Instagram, Facebook, Google ads, mobile apps, and website banners. Unlike long print advertisements, this type of copy is short, sharp, and instantly engaging because digital users scroll quickly and have very little attention span. The language is usually friendly, conversational, and often humorous. Brands such as Zomato and Swiggy are popular examples, as they frequently use witty one-liners, festival-based punchlines, or relatable everyday expressions to connect with young consumers. These short and catchy lines not only create brand recall but also encourage quick actions such as clicking, ordering, or sharing.

2. UX / UI Microcopy

UX (User Experience) and UI (User Interface) microcopy refers to the tiny pieces of text that appear inside mobile apps and websites to help users navigate smoothly. These include button labels like "Add to Cart," confirmation messages such as "Order Placed Successfully," pop-up alerts, onboarding instructions for new users, and guidance messages during payment or signup. Although these lines are very small, they play a crucial role in reducing confusion, preventing errors, and making users feel confident and comfortable while interacting with the platform. For example, a message such as "You're almost there — just one more step" motivates users to complete a purchase rather than abandoning the process.

3. SEO and Content-Driven Copy

SEO (Search Engine Optimisation) copywriting is used mainly in websites, blogs, product pages, and online articles that are designed to appear in search engine results. The purpose of this copy is not only to promote a brand but also to help users find useful information related to their needs or problems. It uses relevant keywords, clear headings, and structured content so that search engines like Google can easily identify and rank the page. Many brands use SEO-based content as part of their advertising funnel — for example, an article about "best eco-friendly travel accessories" may gently introduce a brand's product while educating the reader. This approach builds credibility, trust, and long-term brand engagement rather than pushing direct sales.

4. Influencer and UGC Copy

Influencer or User-Generated Content (UGC) copy refers to advertising messages delivered through influencers, content creators, or real consumers instead of traditional brand spokespeople. This copy usually appears in social media reviews, product demonstration videos, lifestyle reels, unboxing clips, or testimonial posts. The tone is natural and conversational, as if a friend is sharing a recommendation rather than a brand making a sales pitch. Brands like Mamaearth, Meesho sellers, and several Shark Tank India start-ups use this style extensively because audiences perceive influencer-based content as more relatable and authentic. This kind of copy helps build trust and emotional connection with the audience.

5. Short-Form Video Copy (Reels and Shorts)

Short-form video copy is prepared specially for platforms such as Instagram Reels, YouTube Shorts, and similar quick-video apps where content is delivered within a few seconds. Since viewers decide very quickly whether to continue watching or scroll away, such copy usually follows a simple three-step storytelling pattern — it begins with a strong hook to capture attention in the first few seconds, followed by a short value message that highlights the key benefit of the product, and ends with a call-to-action such as "Try Now" or "Learn More." Many modern campaigns by brands like Nike Digital, Netflix India trailers, and Cred celebrity-based ads use this structure to engage Gen Z audiences who prefer fast, visually dynamic content.

Now that we understand the different styles of advertising copies and the qualities that make them effective, it becomes clear that writing a good copy is not accidental. It requires skill, purpose, and a deep understanding of the audience. As the GreenMove team completed their initial campaign materials, they realised something important — planning the campaign and choosing the type of copy was only the beginning.

The real challenge was turning these ideas into polished, well-crafted advertisements that would genuinely connect with people. How does a copywriter think? How do they choose words, appeals, and styles? How do they shape ideas into messages that work?

These questions became the starting point for the next stage of their journey.

In the next unit, we will follow how the GreenMove team moves from planning and choosing the copy to actually writing, testing, and budgeting their advertisements — the practical side of turning strategy into impactful communication.

Recap

- ◊ Advertising campaigns provide unity and direction to promotional activities by linking all messages to a central theme and communication objective.
- ◊ Campaign planning involves setting goals, allocating budgets, selecting appropriate media, developing the advertising copy, and evaluating campaign performance.
- ◊ Advertisement copy is the message element of an advertisement — including headline, slogan, visuals, tone, layout, captions, and call-to-action — designed to inform, persuade, and influence consumer behaviour.
- ◊ Effective advertisement copy follows the AIDA model by attracting attention, generating interest, creating desire, and motivating action.
- ◊ Essentials of a good copy include attention value, suggestive value, memorising value, conviction value, emotional appeal, educational value, and instinctive appeal.
- ◊ Traditional types of advertising copy include scientific, descriptive, narrative, colloquial, humorous, topical, endorsement, questioning, prestige, reason-why, wordless, direct-action, indirect-action, and institutional copies.
- ◊ Modern copy formats extend to digital-first copy, UX/UI microcopy, SEO-driven content, influencer and UGC copy, and short-form video copy such as reels and shorts.
- ◊ Well-designed advertising copy blends creativity with clarity, consumer insight, and brand positioning, ensuring that messages remain consistent, persuasive, and memorable across traditional and digital media.

Objective Questions

1. What is an advertising campaign in the context of promotional communication?
2. What is the central idea or theme that provides direction and unity to all advertisements in a campaign called?
3. Which stage of campaign planning involves deciding how much money will be spent on different advertising activities?
4. What term refers to the process of selecting the most suitable channels to deliver an advertising message to the target audience?
5. What is the message element of an advertisement that includes words, visuals, slogans, layout, and tone of communication called?
6. Which formula used in advertising copy stands for Attention, Interest, Desire, and Action?
7. What quality of advertisement copy refers to its ability to immediately capture the viewer's or reader's notice?
8. What type of advertising copy focuses on providing facts, features, and logical reasons to support a purchase decision?
9. What type of copywriting focuses on building emotional connection and long-term brand recall rather than immediate sales?
10. What category of copy promotes the organisation or brand as a whole rather than a specific product?

Answers

1. Campaign
2. Objectives
3. Budgeting
4. Media
5. Copy
6. AIDA

7. Headline
8. Credibility
9. Narrative
10. Direct action

Assignments

1. Select any product of your choice and design a brief advertising copy for two different formats —
    a. a traditional print advertisement and
    b. a short-form digital advertisement (reel or banner).

Explain how the tone, structure, and message differ between the two copies.

2. Advertising copy styles vary depending on campaign objectives, target audience, and media platform. Discuss how different types of advertising copies — such as narrative copy, prestige copy, direct-action copy, and influencer/UGC copy — would be used for four different product categories of your choice.
3. Explain why planning an advertising campaign is essential before creating individual advertisements.
4. Describe the meaning of advertisement copy and explain its role in influencing consumer behaviour.
5. Discuss any three essentials of an effective advertisement copy with suitable illustrations.
6. Differentiate between traditional advertising copy types and modern digital copy formats.
7. Explain how short-form video copy (Reels/Shorts) changes the way advertising messages are communicated.

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Suggested Reading

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Unit - 2

Copywriting and Budgeting in Advertising

Learning Outcomes

After completing this unit, the learner will be able to;

- ◊ explain the artistic and strategic nature of copywriting
- ◊ differentiate between major approaches to advertising copywriting
- ◊ assess the need and purpose of advertising copy testing
- ◊ compare various advertising budgeting methods

Prerequisite

The GreenRide Z1 campaign was finally ready. After days of discussions, sketches, and revisions, the GreenMove team had created an advertisement they were proud of. The slogan, the visuals, and the message all fit together perfectly. Everyone felt confident that this campaign could make GreenRide visible in a crowded market. But once the excitement settled, a new set of questions appeared in the meeting room:

"Is this the best version of our advertisement?"

"Will it create the impact we expect?"

"How much money should we spend on running this campaign?"

The team realised that creating an advertisement was only the first half of the journey. Before releasing it to the public, they needed to test the copy, understand how people reacted to it, and make improvements wherever necessary. They also needed to decide how much budget to allocate, which media to invest in, and how long the campaign should run. As they looked at the final draft of the GreenRide ad on the screen, Meera said, "Now we must check whether our message really works outside this room."

And Ravi added, "And we also need to make sure we spend our money wisely. A great campaign fails if the budgeting goes wrong."

With that, the team entered the next stage of their advertising journey — analysing the copy, choosing the right approach to writing it, testing its effectiveness, and planning the budget that would carry it into the market. Just like the GreenMove team, every organisation must refine its copy, choose the best approach to writing it, test how well it works, and allocate the right budget before launching a campaign.

Keywords

Copywriting, AIDA model, creative process, USP, tone, storytelling, testimonial approach, emotional appeal, rational appeal, copy testing, pre-testing, post-testing, recall and recognition, advertising budget, objective-and-task method

Discussion

After completing the initial planning of the GreenRide Z1 campaign i.e. setting goals, selecting media, and deciding the type of copy, the GreenMove team reached the stage where ideas had to be expressed in words. Until this point, everything existed only as concepts. The campaign now required an actual message that consumers would read, hear, or see across different platforms — print advertisements, hoardings, digital banners, social media posts, and short-form videos.

This is where copywriting becomes crucial.

No matter how strong the strategy is, an advertisement succeeds only when the message connects with its audience. A single opening hook in a reel, a clear call-to-action on an app button, or a persuasive headline in a print ad can determine whether a viewer pays attention, scrolls past, or decides to act.

3.2.1 The Art of Copywriting

Once GreenMove finalised the central idea for the GreenRide Z1 campaign, the real creative challenge shifted to the copywriter, Ananya. Even the best-planned campaign cannot succeed unless the message speaks to the audience in a clear, engaging, and persuasive manner — whether expressed as a headline on a hoarding, a caption on Instagram, a website banner line, or a six-second video script. Copywriting is the art of transforming a marketing idea into meaningful words that attract attention, spark interest, build desire, and inspire action.

It is much more than writing a few attractive lines. Copywriting blends creativity, consumer psychology, and an understanding of how people consume messages across media. The copywriter stands at the intersection of imagination and strategy, ensuring that the product promise remains at the centre while the message fits the audience, the platform, and the campaign objective. When Ananya began working on the GreenRide campaign, she first tried to understand the lives of young urban commuters, their travel challenges, concerns about fuel costs, preference for convenience, and growing awareness about sustainability. Effective copywriters immerse themselves in the audience's world so that every line feels relatable and authentic.

Creativity alone is not enough. It must be balanced with clarity and purpose. A catchy slogan that does not highlight the key benefit or motivate action may fail to create impact. The line "Go Green. Go Smart. Go GreenRide." was short, rhythmic, memorable, and directly linked to the scooter's USP i.e., eco-friendly mobility with modern convenience. Classic advertising literature explains that effective copywriting often follows the AIDA model — Attention, Interest, Desire, and Action. Today, this logic applies across both traditional and digital formats. A headline on a hoarding may attract attention, while a Zomato-style push notification or a Swiggy in-app offer may build interest and trigger immediate action through a strong call-to-action.

On short-form video platforms such as reels and shorts, the copywriter plans the first-three-second hook, a short value message, and a closing action cue — similar to how many Netflix India trailers or Cred ad snippets use brief yet powerful messaging to retain attention.

3.2.1.1 How Copywriters Think: The Creative Process

Great copy rarely appears instantly. The creative process generally moves through a few stages:

i. **Saturation** : studying the product, competitors, and consumer insights

ii. **Deliberation** : exploring themes and message directions

iii. **Incubation** : allowing ideas to develop subconsciously

iv. **Illumination** : the "idea moment" where a strong concept emerges

v. **Accommodation** : refining the idea and adapting it to different media formats

Ananya went through these stages while shaping the GreenRide campaign — first developing a strong central message and then adapting it into multiple versions such as:

i. a hoarding headline

ii. a brochure description

iii. a reel script

iv. a social media caption

v. an in-app "Book Test Ride" button microcopy

In modern campaigns, copywriters may also create multiple headline or caption variants and test them using feedback or simple A/B comparisons to understand which version gains higher engagement, clicks, or recall. Some teams also use AI-assisted brainstorming tools to explore alternative wordings or ideas; however, the final copy is always refined, verified, and ethically evaluated by the human copywriter to ensure accuracy, brand tone consistency, and authenticity.

3.2.1.2 The Techniques Behind Effective Copywriting

Good copywriting relies on both creativity and technique. A skilled copywriter chooses the tone, structure, words, and appeal that best suit the medium, audience, and campaign objective.

1. Choosing the Right Tone

The tone may be conversational, humorous, emotional, aspirational, or informative. For GreenRide's youth-oriented audience, a friendly and energetic tone worked well on social media, while slightly informative and credibility-based wording suited brochures and corporate communication.

Brands like Amul topical posts and CRED celebrity humour ads illustrate how tone can shape brand personality and recall.

2. Using Simple, Powerful Words

Effective copy uses short, clear, easy-to-read lines. This is especially important on mobile screens where attention spans are short. Words that create imagery or emotion work better than long descriptive sentences.

On digital media, the opening hook or first line often decides whether the viewer continues watching or scrolls past, similar to reel captions or YouTube thumbnail text.

3. Thinking Visually

Copywriters think beyond words. The message must blend with:

i. layout and design

ii. colour and typography

iii. visuals, icons, and motion elements

In short-form video copy, writers also decide:

i. when key phrases appear on screen

ii. where subtitles or emphasis words are placed

iii. where the final CTA should be positioned

Words and visuals reinforce each other to create a stronger impact.

4. Matching the Copy to the Medium

Copy must suit the medium in which it is advertised:

i. Newspaper : very short headlines, limited space and minimal illustration

ii. Hoardings : very short, high-impact lines

iii. Magazines & brochures : a longer copy can be used with more illustrations.

iv. Social media & reels : compact, mobile-first copy

v. App notifications & buttons : microcopy such as "Book Test Ride", "Check Availability", or "Limited Offer"

Modern campaigns adapt the same message across platforms — a practice commonly seen in brands like Zomato, Swiggy, and Meesho, where one core idea appears in multiple micro-content formats.

5. Using the "You Attitude"

Copy becomes persuasive when it speaks directly to the reader:

The copy must be original and truthful exaggeration and false claims should be avoided.

- ◊ "Your commute deserves an upgrade."
- ◊ "You save more with GreenRide."

This makes communication personal, relatable, and action-oriented.

6. Highlighting the USP Clearly

Every advertisement must communicate the Unique Selling Proposition (USP) of the product clearly so that the audience understands how the product is different from others. For GreenRide, this USP included eco-friendly mobility, fuel savings, and modern features — appealing to both rational and emotional motivations. In digital ads, the USP is often presented through short, repeatable message lines or value hooks.

7. Maintaining Honesty and Clarity

Advertising must persuade without misleading. Exaggerated claims may create short-term curiosity but weaken brand trust. Ethical and accurate copy becomes especially important when messages circulate across multiple digital and social platforms and reach wider audiences quickly.

The most powerful advertisements resonate because they feel human. Copywriters understand emotions such as aspiration, convenience, pride, humour, and social belonging and weave them subtly into messages. GreenRide's copy appealed not only to logic (cost savings, zero emissions) but also to identity — being smart, responsible, and future-ready. This emotional dimension is also visible in campaigns such as Surf Excel's "Daag Acche Hain" or Nike digital narratives, where stories build connection beyond product features. Copywriting is, therefore a blend of empathy, creativity, strategic thinking, and audience understanding.

Now that we have understood what copywriting is and why it is considered an art, the next step is to explore how copywriters select different approaches to frame advertising messages. In the next topic, we will study the Basic Approaches to Advertising Copywriting, which explain how messages are structured and styled for different audiences, products, and media contexts across both traditional and digital platforms.

3.2.2 Basic Approaches to Advertising Copywriting

After understanding the target audience and the purpose of an advertisement, the copywriter must decide how the message should be written. All advertisements cannot use the same tone or style, because every product, audience group, and campaign objective is different. A message written for a food delivery app, for example, will sound very different from a message for a bank, a healthcare service, or a premium lifestyle brand. Therefore, copywriters select suitable approaches that help them present the message in the most meaningful and persuasive manner for the situation and the medium in which the advertisement appears.

1. Problem–Solution Approach

This is one of the most familiar advertising approaches. The copy begins by highlighting a common problem faced by the consumer and then smoothly positions the product as the ideal solution. For GreenRide, Ananya focused on traffic stress and rising fuel expenses — two issues young commuters face every day. By showing how GreenRide offers faster mobility, zero emissions, and low running costs, the message immediately felt relevant. People connect easily with problems they experience in real life, which is why this approach remains so effective.

2. USP (Unique Selling Proposition) Approach

Every strong advertisement rests on one clear promise — something unique that competitors cannot offer in the same way. This becomes the core of the copy. GreenRide's USP was its combination of eco-friendly technology and modern design at an affordable price. When the advertisement revolves around such a distinctive benefit, the message becomes simple, memorable, and consistent.

3. Emotional Appeal Approach

In this approach, the focus is on feelings rather than facts. Advertisements appeal to emotions such as love, care, pride, hope, or inspiration. Emotional advertising is common in lifestyle brands, personal care products, family-oriented campaigns, and social messages. Indian campaigns such as Surf Excel's "Daag Acche Hain" or Nike's motivational narratives show how emotions can make a message memorable and meaningful. Emotional copies are powerful because they create a personal connection with the audience and make the brand feel more human and relatable.

4. Rational or Factual Approach

Some audiences prefer straightforward information. Here, the copy stresses features, performance, cost savings, durability, or technical details. In the case of GreenRide, this could include battery range, charging time, or maintenance benefits.

This approach is common in appliances, health products, automobiles, and financial services.

5. Storytelling or Narrative Approach

Stories help consumers imagine how the product fits into their daily life. A GreenRide ad might show a young IT professional moving smoothly through morning traffic, arriving on time, and starting the day feeling fresh and independent. Narrative copies make advertisements memorable because people relate to human situations more than plain information.

6. Testimonial Approach

In this approach, the message is communicated through the voice of a user, expert, or well-known personality. Testimonials help build credibility and trust because they show real-life experience or external approval. In the digital environment, testimonials may appear as short customer reviews, influencer experiences, or simple user-generated content clips. Brands in categories such as beauty, healthcare, education, and online services frequently use testimonial-based messages to strengthen reliability and assurance.

7. Humorous Approach

Humour is often used to attract attention and make advertisements entertaining and memorable. Light-hearted lines, witty expressions, or playful situations help brands sound friendly and engaging. However, advertising literature reminds us that humour must support the brand message rather than distract from it. Many modern brands, including social media-active companies and youth-focused platforms, use humour in short videos, posts, and notifications to create familiarity and quick recall among audiences.

8. Fear or Safety Appeal Approach

This approach creates a mild sense of caution or responsibility to encourage safer choices or protective behaviour. It is commonly used in insurance, hygiene, health awareness, and social welfare advertising. The intention is not to frighten the audience but to make them aware of possible risks and motivate responsible action. When used appropriately, the safety appeal reminds consumers about the importance of security, wellbeing, and long-term protection.

9. Direct or Call-to-Action Approach

Sometimes the objective of advertising is immediate response rather than long-term image building. In such situations, the copy uses direct action phrases such as "Buy Now," "Book Today," or "Register Now." This approach is widely used in retail promotions, seasonal offers, e-commerce advertising, and digital campaigns. On online platforms, call-to-action wording is often written in short, simple, and persuasive form so that users can make quick decisions while browsing or scrolling.

10. Lifestyle Approach

The lifestyle approach presents the product as part of a particular way of living, identity, or social experience. The focus is not only on the functional benefit but also on how the product reflects modernity, style, aspiration, or confidence. This approach is commonly seen in fashion, automobiles, sportswear, tourism, and youth-oriented brands. Many contemporary Indian and global campaigns use lifestyle-based visuals and captions to show how the brand complements the consumer's personality.

11. Institutional or Image-Building Approach

Sometimes, the objective is not to promote a product but to build the company's reputation. GreenMove could highlight its commitment to sustainability, ethical production, or community initiatives. Such approaches build long-term goodwill.

12. Comparative Approach

Some advertisements compare the product, subtly or directly, with a competitor. Statements like "Charges faster than any scooter in its class" highlight superiority, but this approach demands care and honesty.

13. Contemporary Digital and Performance-Oriented Approaches

In recent years, advertising copywriting has also evolved to suit digital, social media, and performance-driven environments. Many brands now use platform-specific copy such as short mobile-friendly captions, push-notification style messages, and brief video hooks for reels and short-form content. Some campaigns also create multiple versions of headlines or call-to-action lines and later test which one gains better engagement or response. Influencer-style content, user-generated stories, and personalised messages on e-commerce and service platforms are also becoming common. While some copywriters use digital tools or AI-based assistants for idea exploration, the final message is always reviewed, refined, and ethically evaluated by the human writer to ensure clarity, accuracy, and brand responsibility.

The approach selected by the copywriter influences the tone, structure, emotional appeal, and overall impact of an advertisement. It ensures that the message reaches the right audience in a meaningful and appropriate manner, whether it appears in print, outdoor media, social platforms, or online campaigns. Once the approach is chosen and the copy is prepared, the next important step is to understand whether the advertisement is actually effective. For this purpose, organisations evaluate and test advertisement copies before launching them widely. The next section discusses Advertising Copy Testing and explains how the effectiveness of advertising messages is assessed in both traditional and modern contexts.

3.2.3 Advertising Copy Testing

Before an advertisement is released into the market, organisations must ensure that the message is effective, meaningful, and capable of creating the intended response among consumers. Many advertisements may look impressive during internal discussions, but they may not always be understood, remembered, or accepted by real audiences. To avoid such situations, advertisers test their copy in advance to understand how people react to it across different media — print, television, outdoor, and digital platforms. This process is known as Advertising Copy Testing.

Copy testing helps advertisers examine whether the advertisement attracts attention, whether the message is clear, whether people remember it after seeing it, and whether it influences their attitudes or buying intentions. In today's media environment, where advertisements also appear as social media posts, short-form videos, app notifications, online banners, and streaming platform ads, testing becomes even more important. A well-designed advertisement that fails to communicate effectively can result in wasted media expenditure and lost opportunity.

3.2.3.1 Why Do We Test Advertising Copy?

Advertising requires significant investment, whether it is a newspaper advertisement, a television commercial, a billboard, or a digital campaign on platforms such as YouTube, Instagram, or OTT streaming services. Because every second of airtime and every pixel of screen space costs money, even a small weakness in the message can reduce the overall effectiveness of the campaign.

Copy testing allows advertisers to identify issues that may not be visible during creative development discussions. It helps them compare alternative versions of the same advertisement, understand how different audiences interpret the message, and select the version that performs better. In digital advertising, testing also helps identify which headline, caption, or call-to-action receives more clicks, engagement, or responses. The overall purpose remains simple — to ensure that the advertisement communicates clearly, creates the desired impact, and guides consumers closer to making a purchase decision.

Traditionally, copy testing has focused on two broad outcomes — communication effect, which examines whether people understand the advertisement in the intended manner, and sales effect, which studies whether the advertisement influences preference, interest, or buying intention. Today, these outcomes are also supported by additional indicators such as engagement levels, click-through rate (CTR), view-through rate, and online response behaviour.

When an advertisement is tested, it is not just the slogan or the visuals that are examined. Copy testing looks at how every element of the ad works together and how the audience actually responds to it. Based on the academic materials you shared, the evaluation usually focuses on five major areas:

1. The Message

When an advertisement is tested, researchers do not examine only the slogan or the picture. Instead, they study how all elements of the advertisement work together and how audiences respond to them as a complete message. The first area of testing relates to the message itself — whether the headline is clear, whether the promise sounds believable, and whether the emotional or rational appeal matches the product category and the brand image. The tone of the copy is also observed to see whether it is appropriate for the target audience and consistent with the brand personality.

2. Layout and Visuals

The layout and visuals form the next major area of evaluation. Researchers try to understand whether the design attracts attention, whether the visuals support the message, and whether the eye naturally follows the intended reading path. In modern copy testing, especially for digital ads and landing pages, tools such as heat-mapping and scroll-tracking are sometimes used to identify which parts of the screen viewers focus on the most and which sections they tend to skip. These insights help copywriters reposition key text, images, or call-to-action elements for better visibility and impact.

3. Consumer Response and Recall

Another important dimension of testing relates to consumer response. After viewing the advertisement, respondents may be asked what they remember, how much they can recall, and whether they recognise the advertisement when they see it again. This helps assess recall, recognition, awareness, and changes in perception. On digital platforms, similar information is also inferred from engagement indicators such as likes, comments, shares, saves, watch time, and click-through behaviour, which show how audiences interacted with the advertisement in real use situations.

4. Psychological and Behavioural Reactions

Some studies go deeper by examining psychological or subconscious reactions that may not be expressed directly by viewers. Techniques such as eye-movement tracking, facial-expression analysis, and galvanic skin response are used in neuromarketing-based testing to understand which parts of the advertisement draw attention, evoke emotional excitement, or create interest. These measures complement verbal feedback and provide richer insights into audience reactions.

5. Purchase Intention

Along with communication and emotional response, organisations also attempt to assess whether the advertisement influences behavioural intention. Here, the focus is on whether the advertisement increases the willingness of consumers to try, prefer, recommend, or buy the product. In digital and performance-oriented campaigns, this may also be reflected through enquiry responses, website visits, or conversion-related actions, which indicate whether the message has effectively moved the audience closer to decision-making.

3.2.3.2 When to Test?

Advertising copy is usually tested at two key stages of the campaign — before it is released to the public and after it has been exposed to the audience. Testing at both stages helps advertisers avoid mistakes, refine the message, and understand how the advertisement performs in real market conditions.

1. **Pre-testing — Before the Ad Reaches the Public**

Pre-testing is conducted while the advertisement is still in its draft or trial stage. The main purpose of pre-testing is to evaluate whether the message is moving in the right direction before major investments are made in printing, broadcasting, or running the advertisement on digital platforms. During pre-testing, advertisers examine whether the appeal is appropriate, whether the visuals and layout support the message, and whether the wording is clear, believable, and persuasive.

In contemporary campaigns, pre-testing may also take place on digital platforms by trying out two or more alternative versions of headlines, captions, or call-to-action phrases with a small group of viewers. This helps advertisers identify which version attracts more interest, engagement, or positive response. Thus, pre-testing acts like a safety and improvement stage, enabling the advertisement to be refined and strengthened before it reaches the larger audience.

2. **Post-testing — After the Ad Has Been Released**

Post-testing is carried out after the advertisement has been released and exposed to consumers through different media. Here, the focus shifts from planning to understanding real-world impact. Post-testing examines whether people noticed the advertisement, whether they remembered it after some time, and whether it influenced their awareness, attitudes, or purchase intention.

Along with traditional recall and recognition measures, modern post-testing also considers responses from digital environments. Indicators such as click-through rate, video completion rate, engagement levels, enquiries generated, or increase in brand-related searches provide useful evidence of how audiences interacted with the advertisement online. These insights help advertisers judge the overall effectiveness of the copy and make improvements for future campaigns.

3.2.3.3 Copy Testing Methods

Advertisers use several methods to evaluate whether an advertising copy will work effectively. These tests help them understand how people react to the message, how well they remember it, and whether it influences their buying behaviour. The commonly used methods are explained below.

A. Traditional Copy Testing Methods

Traditional copy testing methods have been widely used in advertising research for several decades, particularly for print, television and static media. These techniques help advertisers understand how audiences interpret the message, whether they remember it, and how they feel about the advertisement after viewing it.

1. **Consumer Jury Tests:** In this method, a small group of consumers is asked to evaluate and compare different advertisements. Participants express their preferences and opinions regarding clarity, attractiveness and persuasiveness. Consumer jury tests help advertisers understand which version appears more appealing from the viewer's point of view.

2. **Portfolio Tests:** Here, the advertisement is placed inside a collection of ads and other reading material. Respondents go through the portfolio as they normally would, and later, they are asked what they remember. This method helps assess whether the advertisement is able to draw attention in a natural viewing environment.

3. **Mock Magazine Tests:** In this test, the advertisement is inserted into the layout of a real or simulated magazine. Participants read the magazine casually, after which their recall, recognition and level of interest in the advertisement are evaluated. The method helps determine how the ad performs when surrounded by other content.

4. **Direct Questioning:** After viewing the advertisement, respondents are asked simple, structured questions about what they understood, what they liked, and whether anything was confusing. Direct questioning helps identify strengths and weaknesses in message clarity and comprehension.

5. **Recall and Recognition Tests:** Recall tests measure the extent to which an advertisement is remembered, while recognition tests examine whether viewers are able to identify the ad when shown again. These techniques are commonly used to judge awareness, memorability and communication effectiveness.

6. **Physiological and Neuromarketing Tests:** Some traditional research frameworks also include physiological measures such as eye-movement tracking, pupil dilation and galvanic skin response. These techniques help researchers understand which parts of the advertisement attract attention or trigger emotional reaction, even when viewers may not express it verbally.

These traditional methods continue to be useful because they provide structured, research-based insights into how audiences process messages in controlled exposure settings.

B. Modern Digital and Performance-Oriented Testing Methods

With the growth of online, mobile and social media advertising, advertisers now use additional testing approaches that capture real-time audience behaviour and response across digital platforms. These methods complement classical testing by providing richer data on interaction, engagement and user action.

1. **A/B Testing of Copy Variations:** A/B testing involves presenting two versions of the same advertisement — such as two headlines, two captions or two call-to-action lines — to different audience groups. The version that receives higher engagement, better click-through rate or more responses is treated as the more effective one. Platforms like YouTube, Meta and Google Ads support this method and it is widely used in performance marketing campaigns.

2. **Format-Based Performance Testing:** In many modern campaigns, brands test how the same message performs across different content formats. For instance, an organisation may compare whether an Instagram reel performs better than a carousel post, or whether one YouTube thumbnail attracts more clicks than

another. Such testing helps advertisers understand which creative format gains greater attention and interaction.

3. **Engagement and Conversion-Based Testing:** Digital copy testing also considers behavioural indicators such as page visits, enquiry submissions, app interactions and conversion responses. These metrics help assess whether the advertisement not only attracts attention but also encourages meaningful user action.

4. **Social Listening and Sentiment Analysis:** In large-scale or high-visibility campaigns, organisations study how audiences discuss and react to the advertisement on social media platforms. Comments, reviews and discussions are analysed to understand public perception, tone of response and emotional sentiment toward the message.

5. **Heat-Mapping and User-Journey Observation:** In some campaigns, heat-mapping and session-recording tools are used to study how users navigate a webpage or landing page linked to the advertisement. These insights help copywriters reposition important lines, headlines or call-to-action elements in areas that receive greater attention.

Once testing is completed, advertisers gain clearer insights into which message works better, which version attracts more attention, and which approach leads to stronger recall or engagement. These findings help refine the final copy and improve its chances of success in the market. However, even a strong advertisement requires appropriate financial support for production and media placement. If the campaign is underfunded, it may fail to reach its audience; if overspent, it may lead to unnecessary expenditure. Therefore, after testing confirms the effectiveness of the advertisement, the next important managerial decision relates to how much money should be invested in running the campaign. This leads us to the next topic — Advertising Budgeting Methods, where we study how organisations allocate funds for advertising and how they balance creative decisions with financial responsibility.

3.2.4 Advertising Budgeting Methods

Deciding how much a company should spend on advertising is one of the most challenging managerial decisions in marketing. Unlike production or logistics, advertising does not follow a fixed cost pattern, and its outcomes vary according to creativity, competition, media selection, consumer response and market conditions. In the contemporary environment, advertising budgets extend across print, television, outdoor, digital and social media, OTT streaming platforms, influencer campaigns and short-form video content, which makes budgeting more complex than in the past.

To make advertising expenditure more systematic and defensible, organisations follow several budgeting methods. Some are based on traditional managerial judgment and past practice, while others are analytical and research-driven. Modern firms often combine classical budgeting logic with digital and performance-marketing perspectives, so that budgets support both long-term brand building and measurable campaign outcomes. The major approaches are discussed below.

A. Traditional and Practice-Based Budgeting Methods

1. Percentage-of-Sales Method

In this widely used method, the advertising budget is fixed as a percentage of either past sales or projected future sales. When sales increase, advertising expenditure also increases, and when sales decline, spending is reduced. Managers prefer this method because it is simple, financially convenient and easy to justify in planning discussions. However, it assumes that sales determine advertising, whereas in reality advertising often contributes to generating sales. During periods of weak demand, this method may reduce advertising support at a time when stronger promotion may actually be required.

2. Fixed-Sum or Unit-of-Sales Method

In this method, a fixed advertising amount is assigned for every unit of the product sold. The total budget automatically rises or falls with changes in sales volume. This approach offers predictability and helps managers estimate expenditure more easily, but it is more suitable for relatively stable industries. In fast-moving or highly competitive markets, a rigid per-unit allocation may limit a firm's ability to respond quickly to new opportunities or promotional needs.

3. All-You-Can-Afford Method

Here, advertising receives the funds that remain after essential business expenses are met. It is common among small or financially constrained firms, and in the digital context many micro-entrepreneurs and local businesses operate within this logic by allocating small daily budgets for social-media promotion. While financially safe, the method ignores marketing objectives and long-term brand development, often resulting in insufficient communication support.

B. Competition- and Market-Aligned Budgeting Methods

1. Competitive Parity Method

Under this approach, organisations plan their budgets by observing competitor spending and maintaining a similar level of advertising to avoid losing market visibility. The method helps ensure that a brand is not overshadowed by aggressive competitors. However, it assumes that competitors themselves have made sound budgeting decisions, which may not always be true. In the present context, competitive parity also considers share-of-voice across social media, search platforms, OTT advertising and influencer ecosystems, rather than only television and print.

2. Share-of-Voice Method

Share of voice refers to the proportion of total industry advertising accounted for by a particular brand. Firms decide their advertising budget based on the level of voice and visibility they wish to maintain. Earlier, this was assessed largely in traditional media, but today it also includes digital video, search visibility, social-media presence and creator-led campaigns. The limitation is that competitor spending data may not always be fully available or reliable, yet the method helps brands align expenditure with strategic presence goals.

C. Economic, Scientific and Research-Oriented Methods

1. Marginal or Incremental Approach

This approach, derived from managerial economics, suggests increasing advertising expenditure until the additional revenue generated from the last rupee spent becomes equal to the additional cost of advertising. When marginal revenue and marginal cost become equal, the budget is considered optimal. Although theoretically logical, it is difficult to apply in real-world markets because isolating the exact sales generated by each incremental advertising rupee is complex.

2. Objective-and-Task Method (Systematic and Professional Approach)

The objective-and-task method is regarded as one of the most scientific approaches to advertising budgeting. The firm first defines its advertising objectives — such as improving awareness, strengthening brand image, encouraging trial purchase or supporting a new product. It then identifies the tasks required to achieve these objectives, such as television campaigns, outdoor displays, digital and social-media advertising, OTT and online video promotion, influencer collaborations and search advertising. The cost of each activity is estimated, and the combined total forms the advertising budget.

In modern campaigns, this approach is also applied to measurable digital indicators such as awareness lift, engagement levels, click-through rate, website visits and conversions, where budgets are allocated across platforms based on expected outcomes. For instance, large consumer brands may increase their outlay during major events such as the IPL season, similar to how food delivery platforms allocate higher seasonal budgets to maximise reach and campaign impact.

3. Minimum Cost or Minimum Effort Method

Under this method, organisations allocate only the minimum expenditure required to maintain basic visibility in the market. It is generally used when the aim is to sustain presence rather than expand aggressively. However, in competitive markets — especially where rival brands invest heavily in digital and social media communication — prolonged dependence on this method may weaken brand recall.

4. Experimental and Modelling Approaches

Some large organisations use analytical techniques such as test-market studies, pre- and post-campaign comparisons and econometric or mathematical modelling to study the relationship between advertising expenditure and sales outcomes. In recent years, many firms have also begun using AI-enabled attribution models and cross-platform analytics dashboards to understand how advertising across television, OTT, social media and search collectively contributes to sales and brand performance. These approaches generate valuable insights but require reliable data systems, expert teams and technological capability.

D. Contemporary Digital and Performance-Marketing Budgeting Perspectives

1. Performance-Linked and Platform-Based Budgeting

In digital environments, a significant portion of the advertising budget is often planned through performance-linked models such as cost-per-click, cost-per-thousand-impressions and cost-per-acquisition. Programmatic and automated media buying allows spending to be adjusted dynamically based on campaign results, a practice known as pacing. Budgets may be divided between long-term brand-building activities and short-term performance campaigns that drive enquiries, app installs or purchases. While large national brands may plan higher spending for festival seasons or sports events, many small businesses operate with modest daily allocations — for example, ₹500 to ₹1,000 per day on Meta or social-media ads — and gradually increase spending depending on campaign response.

2. Budgeting for Influencer, Creator and Short-Form Media

Modern advertising plans also allocate funds for creator fees, influencer-agency commissions, content production for reels and short-form videos, A/B testing of different creative versions and optimisation of programmatic and automated campaigns. Spending decisions in such campaigns are often linked to engagement levels, view-through rate, completion rate and other digital key performance indicators, making budgeting more flexible and adaptive than in traditional one-time media spending models.

Advertising budgeting methods therefore range from simple, experience-based approaches to scientific, analytical and data-guided techniques. The selection of a method depends on organisational objectives, the product life-cycle stage, competitive intensity, digital presence and resource capability. There is no single budgeting formula suitable for all situations. What matters is that the chosen approach supports communication goals, ensures responsible financial use and enables advertising to achieve both strategic visibility and measurable impact across traditional and digital media platforms.

R Recap

- ◊ Copywriting is both an artistic and strategic activity in advertising, where ideas are transformed into meaningful messages that attract attention, create interest, build desire, and encourage consumer action. The copywriter combines creativity, consumer insight, clarity of expression, and brand positioning to ensure that the message remains relevant and persuasive across different media formats.
- ◊ The creative process in copywriting generally moves through stages such as understanding the product and audience, exploring themes, developing ideas, and refining them into final messages that suit print, outdoor, digital, and short-form content. Effective copywriting also requires selecting the

right approach for each situation — such as problem–solution, USP-based, emotional, rational, storytelling, testimonial, humorous, lifestyle, safety, or direct action-oriented messages.

◊ Advertising copy must be evaluated before large-scale release to ensure that it communicates clearly and creates the intended response among consumers. Copy testing helps advertisers assess message clarity, recall, recognition, engagement, emotional reaction, and purchase intention through methods such as pre-testing and post-testing, as well as traditional and modern digital evaluation techniques.

◊ Advertising budgeting is an essential managerial decision that determines how much an organisation should invest in promoting its products and campaigns. Different budgeting methods — including percentage-of-sales, unit-of-sales, all-you-can-afford, competitive parity, share-of-voice, marginal analysis, objective-and-task, and research-based approaches — help firms plan advertising expenditure in a systematic and responsible manner.

◊ Modern budgeting perspectives also recognise performance-linked spending across digital, social, OTT, and influencer media, where budgets may be allocated based on campaign objectives, engagement indicators, and measurable outcomes. Together, copywriting, copy testing, and budgeting ensure that advertising messages are not only creative and appealing but also effective, accountable, and aligned with organisational goals.

Objective Questions

1. What does copywriting in advertising primarily refer to?
2. Which model is commonly associated with attracting attention, interest, desire, and action in advertising copy?
3. What is the stage in the creative process where ideas quietly develop before the final insight emerges?
4. Which copywriting approach highlights a consumer problem and positions the product as the solution?
5. What is the main purpose of advertising copy testing?
6. What is the term for testing an advertisement before it is released to the public?

7. What do recall and recognition tests mainly measure in copy evaluation?
8. Which budgeting method links advertising expenditure to clearly defined communication objectives and tasks?
9. On what basis is the competitive parity method of budgeting planned?
10. What type of budgeting is commonly associated with cost-per-click and other performance-based digital spending models?

Answers

1. Writing persuasive messages for advertisements
2. AIDA model
3. Incubation stage
4. Problem–solution approach
5. To assess message clarity, audience response, and effectiveness
6. Pre-testing
7. Memorability, recall, and awareness of the advertisement
8. Objective-and-task method
9. Competitor advertising expenditure or spending level
10. Performance-linked / digital performance marketing budgeting

Assignments

1. Select any real or hypothetical brand campaign (print, digital, or mixed media) and analyse its copywriting approach. Identify the tone, appeal, and message strategy used in the advertisement. Discuss how the copy reflects the campaign objective, target audience, and media platform. Suggest how the copy could be refined further using copy testing insights or A/B variation testing.

2. Assume you are part of a marketing team planning a new product launch campaign. Prepare a brief note outlining:

    a. the approach you would adopt for writing the advertisement copy,

    b. the methods you would use to pre-test and evaluate the effectiveness of the copy, and

    c. the budgeting method you would select for the campaign, explaining why it is appropriate in the present digital and performance-marketing context.

3. Explain the artistic and strategic nature of copywriting with reference to how a copywriter balances creativity, consumer insight, and campaign objectives.

4. Discuss any three basic approaches to advertising copywriting and illustrate how each approach suits different product categories or media contexts.

5. Why is advertising copy testing important before launching a campaign? Describe how pre-testing and post-testing contribute to improving advertising effectiveness.

6. Examine the role of both traditional and modern methods of copy testing in understanding audience response to advertisements across print and digital platforms.

7. Compare traditional budgeting methods such as percentage-of-sales and competitive parity with contemporary performance-marketing budgeting approaches used in digital media.

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BLOCK - 04

Advertising Agency and Measuring Effectiveness

Unit - 1

Advertising Agencies: Structure and Client Relations

L Learning Outcomes

After completing this unit, the learner will be able to:

- ◊ explain the role and importance of advertising agencies
- ◊ differentiate between various types of advertising agencies
- ◊ describe the organisational structure and key functions of an advertising agency
- ◊ analyse how organisations select advertising agencies and maintain effective client–agency relationships

P Prerequisite

When the small textile brand SilkWave decided to expand its presence across Kerala, the team confidently believed that creating a few attractive ads on their own would be enough. They designed some posters, wrote short captions for social media, and even recorded a simple video using a mobile camera. But after launching the campaign, almost nothing changed. Sales remained the same. Footfall in stores did not increase. The advertisements received only a handful of views and likes. Confused, the marketing head, Rohit, called a meeting. "We know our products are good. Then why didn't the ads work?" he asked. A consultant who observed their work replied gently, "Because creating ads is only one part of the story. You need the right strategy, planning, media selection, creativity, and expert execution. This is where an advertising agency comes in."

Rohit realised that agencies do far more than making advertisements. They study the market, understand consumers, develop campaign themes, design creatives, plan media schedules, negotiate rates, and ensure that the brand's message reaches the right people at the right time.

However, the team still had doubts:

How do you choose the right agency?

What types of agencies exist?

How do agencies charge for their services?

What makes a healthy client–agency relationship?

As SilkWave prepared to approach an advertising agency for the first time, they understood that knowing how agencies function would help them collaborate better, avoid misunderstandings, and make the most of professional expertise. Just like SilkWave, every organisation—big or small—needs to understand what advertising agencies do, how they are structured, how to select one, and how to maintain a productive partnership.

In this unit, we will explore all these aspects clearly and simply, helping you see why advertising agencies play such a central role in modern marketing communication.

Keywords

Advertising agencies, full-service agencies, creative boutiques, media planning and buying, digital-first agencies, performance marketing agencies, programmatic advertising, influencer and creator-management agencies, agency structure, account management, creative department, performance and analytics teams, client–agency relationship, agency selection, hybrid and performance-linked compensation models

Discussion

As markets become highly competitive and media environments expand across television, print, digital platforms, OTT streaming, social media and influencer ecosystems, advertising can no longer rely on informal, isolated, or ad-hoc creative efforts. Organisations now require structured support not only to design appealing advertisements, but also to develop campaign strategies, integrate media channels, adapt content across formats, and measure performance using modern analytical tools.

Many firms like the textile brand in the prerequisite story, initially assume that creating a few posters or social-media posts is sufficient. However, successful advertising today demands much deeper capabilities: understanding consumer behaviour, identifying insights, constructing brand positioning, developing creative concepts, managing production workflows, planning integrated media exposure, and evaluating outcomes through metrics such as brand recall, engagement levels, reach, conversions, and return on advertising spend.

This is where advertising agencies play a crucial role.

Agencies bring together specialists such as copywriters, designers, creative strategists, media planners, account managers, researchers, digital marketing analysts, influencer-partnership teams, performance marketers, programmatic buying specialists and production professionals. They also increasingly work with AI-enabled creative tools, social-listening dashboards, predictive analytics platforms and automated media-optimisation systems. By combining creative thinking with analytical and technological capability, agencies support brands in managing complex integrated marketing communication (IMC) environments.

Before an organisation partners with an agency, it needs to understand:

i. how agencies function in traditional and digital ecosystems,

ii. how agency structures have evolved over time,

iii. what different models of agencies exist today?

iv. how organisations select agencies based on capability and strategic fit, and

v. how effective client–agency relationships are built and sustained.

This unit introduces these dimensions in a contemporary perspective, helping learners recognise the strategic relevance of advertising agencies in today's communication and branding landscape.

4.1.1 Introduction to Advertising Agencies

An advertising agency is a specialised professional organisation that plans, creates and manages advertising and promotional campaigns on behalf of its clients. Although agencies work closely with advertisers, they operate as independent business entities that offer creative, strategic, media and advisory services.

In modern practice, agencies no longer restrict themselves to preparing advertisements alone. Many now function as integrated communication partners, supporting brands across multiple areas such as advertising, digital and social media marketing, influencer and creator campaigns, content production, performance marketing, media buying, analytics, branding and consumer insight research.

4.1.1.1 Purpose of Agencies

The fundamental purpose of an advertising agency is to help organisations communicate effectively with their target audiences and build consistent, meaningful brand relationships. To achieve this, agencies:

i. study markets, consumer segments and cultural trends,

ii. develop advertising strategies and campaign themes,

iii. design creative concepts, copy, visuals and layouts,

iv. plan and execute multi-platform media exposure,

v. coordinate production across print, broadcast, digital and video formats,

vi. manage influencer and creator collaborations where relevant,

vii. monitor campaign performance using digital KPIs and analytics dashboards, and

viii. prepare evaluation and brand-lift reports for client decision-making.

By integrating creativity, research, media expertise, technology and executional coordination, agencies ensure that advertising efforts remain coherent, impactful and aligned with business and communication objectives.

4.1.1.2 Need of Agencies

i. Organisations continue to depend on advertising agencies for several reasons.

ii. They provide specialised talent and interdisciplinary expertise — including creative direction, copywriting, visual design, media planning, digital strategy, content production, data analytics and performance optimisation — capabilities that are difficult for most firms to maintain internally on a full-time basis.

iii. They offer objectivity and external perspective, helping clients evaluate their products, consumers and competitors without internal bias.

iv. They enable cost efficiency and scalability, since agency resources, tools and technologies are shared across multiple clients, making access more economical than building complete in-house teams.

v. They possess media-market knowledge and negotiation leverage, particularly in television, print, OTT, search, social media and programmatic platforms.

vi. They ensure professional project coordination and operational discipline, which is essential when campaigns involve multiple creatives, markets, languages, influencers and platforms.

vii. In recent years, agencies have also evolved into data-driven partners, assisting clients in tracking campaign metrics such as impressions, engagement rate, cost-per-click, cost-per-acquisition, conversions, brand recall uplift and return on ad spend.

4.1.1.3 Evolution of Agencies

Historically, agencies began as space brokers, primarily arranging newspaper advertisement space for clients. Gradually, they expanded into copywriting and layout design, followed by the development of full-service creative and media capabilities. In the contemporary era, agency models have further diversified to include:

i. full-service integrated agencies,

ii. creative boutiques,

iii. media planning and buying agencies,

iv. digital-first and social-media agencies,

v. performance-marketing and programmatic advertising agencies,

vi. content, influencer and creator-management agencies, and

vii. specialised analytics and social-listening firms.

This evolution reflects the growing complexity of media environments and the strategic importance of managing advertising as part of a broader IMC framework.

4.1.1.4 Core Functions of an Agency

Although detailed discussion will follow in later sections, agencies broadly perform:

i. creative concept development and copywriting,

ii. visual design, film and content production,

iii. media planning, buying and scheduling across traditional and digital media,

iv. market, consumer and cultural insight research,

v. digital marketing, social-listening and performance analytics,

vi. client servicing, campaign coordination and stakeholder communication, and

vii. post-campaign evaluation, reporting and optimisation.

Thus, advertising agencies act not only as creative service providers but as strategic communication partners who help organisations build brand identity, manage integrated campaigns and achieve measurable marketing outcomes in a rapidly evolving advertising ecosystem.

4.1.2 Types of Advertising Agencies

Advertising agencies today operate in a diverse and evolving environment. Earlier, agencies were mainly grouped as full-service, creative boutiques or media-buying firms. However, the growth of digital platforms, OTT media, e-commerce, influencer marketing and data-driven performance campaigns has led to the emergence of several new models of agencies. Each category of agency specialises in certain functions, technologies or communication approaches, and organisations select them depending on their objectives, budgets and target audiences.

1. Full-Service Agencies

A full-service agency provides end-to-end advertising solutions under one roof. Such agencies handle brand strategy, market research, creative development, copywriting, media planning and buying, digital and social-media communication, production, campaign execution and evaluation. They function as long-term strategic partners who shape brand identity and positioning over time. In the Indian context, agencies such as Ogilvy India illustrate the role of full-service agencies through campaigns for brands like Fevicol, Cadbury Dairy Milk and Asian Paints, where creative storytelling, cultural insight, media planning and brand consistency work together. Full-service agencies are especially valuable for brands that require integrated messaging across television, print, outdoor and digital platforms.

2. Creative Boutiques

Creative boutique agencies focus mainly on idea development, copywriting and concept creation rather than media planning or large-scale campaign execution. They are often engaged when a brand needs a fresh creative perspective, a strong campaign theme or high-impact advertising concepts. Agencies such as Taproot (formerly Taproot Dentsu) have become known for culturally resonant campaigns like Airtel's "Har Ek Friend Zaroori Hota Hai" and other youth-centric narratives. Such boutiques emphasise originality, brand tone and emotional insight, while other partner agencies or client teams may handle media and executional activities.

3. Media-Buying Agencies

Media agencies specialise in analysing audience data, selecting appropriate media platforms and negotiating media space and airtime. Their primary responsibility is to ensure that advertisements reach the right audience, at the right time, through the most cost-effective media mix. In India, large media networks such as GroupM (including Mindshare and Wavemaker) are involved in planning complex campaigns across television, OTT streaming, sports events such as IPL, YouTube and digital platforms. These agencies evaluate viewership patterns, regional preferences and digital traffic metrics to optimise exposure and advertising efficiency.

4. Digital-First and Social-Media Agencies

With the shift toward mobile-first communication, many agencies specialise exclusively in digital marketing, social-media strategy, online campaign execution and content creation. Their work includes managing brand pages, creating social-first creatives, running platform ads, designing website and app content, and engaging audiences through short-form video, memes and interactive posts. Agencies such as Schbang or Social Panga work with Indian and global brands on digital storytelling, brand communities and multi-platform content adaptation. These agencies are particularly relevant for brands targeting urban youth audiences and consumers who actively interact with brands online.

5. Performance-Marketing and Programmatic Advertising Agencies

Another emerging category is performance-marketing agencies, which focus on measurable outcomes such as website visits, app installs, enquiries, leads, purchases or return on advertising spend. These agencies work extensively with tools such as Google Ads, Meta Ads, programmatic platforms and automated bid-optimisation systems. Their budgeting and execution are closely linked to digital KPIs such as cost-per-click, cost-per-acquisition and conversion rate. In India, such agencies often support start-ups and D2C brands, helping them grow through paid search, remarketing, and targeted social-media campaigns. Programmatic advertising agencies further automate media buying using real-time audience data and predictive algorithms to optimise impressions and conversions.

6. Influencer and Creator-Management Agencies

With the rise of influencer marketing and creator-driven content, specialised agencies now manage collaborations between brands and social-media creators. These agencies identify suitable influencers, negotiate fees, coordinate content creation and monitor campaign performance through engagement metrics, reach, sentiment and audience relevance. In campaigns for lifestyle brands, beauty and personal-care products, start-ups and youth-oriented platforms, influencer agencies help brands tap into authenticity, relatability and peer-based persuasion. Such agencies also support micro-influencer campaigns in regional and niche markets, which are increasingly significant in India's diverse consumer landscape.

7. In-House Agencies

Some large organisations build their own internal creative teams instead of depending entirely on external agencies. These in-house agencies handle brand communication, social-media content, campaign adaptations and tactical promotions directly within the organisation. This model allows faster decision-making, closer brand control and real-time content development, especially in digital platforms and moment-marketing situations. However, many firms still collaborate with external agencies for large campaigns, media planning or specialised creative projects, creating a hybrid partnership structure.

8. Specialised and Support-Service Agencies

Apart from the main agency categories, several specialised agencies operate in areas such as market research, social-listening and analytics, public relations, event and activation services, packaging design, or video and film production. These agencies either support larger advertising firms or work directly with clients for specific requirements.

Their contribution is particularly important in modern integrated campaigns, where insight research, content production, brand reputation management and consumer-feedback monitoring play a crucial role in shaping communication strategy. In practice, many organisations today work with more than one agency at the same time, for example, a full-service agency for brand positioning, a media agency for planning and buying, and a digital or performance-marketing agency for online campaigns. The diversity of agency models reflects the changing nature of media consumption, technological innovation and the growing integration of creative, analytical and digital capabilities in contemporary advertising practice. Understanding the different types of advertising agencies gives a clear picture of the options available to organisations. The next step is to see how these agencies function internally. Every agency, regardless of its size or speciality, operates through a defined structure that guides how ideas are developed and how campaigns are executed. This brings us to the structure and functions of an advertising agency, which explain how client goals are translated into effective advertising solutions.

4.1.3 Structure and Functions of an Advertising Agency

An advertising agency operates as a coordinated professional organisation where specialists from creative, strategic, media, research and technology backgrounds work together to plan and execute campaigns. Although agencies may differ in size, resources and service scope, most follow a broadly similar departmental structure. This structure ensures that every stage of the advertising process from understanding the client's business to conceptualising ideas, planning media, producing content and evaluating results is handled in an organised and collaborative manner.

4.1.3.1 Organisational Structure of an Advertising Agency

A typical agency consists of several interdependent departments. Each unit performs a specialised role, but none works in isolation. The strength of an agency lies in how smoothly these departments coordinate with one another to serve client needs.

a. Account Management Department

The Account Management Department functions as the primary link between the client and the agency. Account executives and account managers understand the client's brand, market conditions and campaign objectives, communicate the brief to internal teams, coordinate timelines and budgets, and present creative and media recommendations for approval. In large brand relationships, such as the long-term coordination seen in campaigns for Cadbury Dairy Milk or Asian Paints the account team also acts as a strategic partner, ensuring consistency of brand positioning across years of communication.

b. Creative Department

The Creative Department is responsible for transforming strategy into compelling advertising messages. It includes copywriters, art directors, visualisers, designers and scriptwriters who jointly develop headlines, slogans, narratives, layouts and video concepts. In Indian campaigns like Fevicol's culturally rooted humour or Cadbury's emotional storytelling, the creative department demonstrates how insight-based ideas and culturally relevant communication help brands connect deeply with audiences. In modern agencies, creative teams also work closely with digital content writers, motion-graphics designers and short-form video creators who adapt ideas for reels, OTT, social media and mobile-first formats.

c. Media Planning and Buying Department

The Media Planning and Buying Department decides where and when advertisements should appear so that they reach the right audience in the most cost-effective manner. Media planners analyse audience data, consumption habits and platform performance across television, print, OTT streaming, YouTube, social media and outdoor media. Media buyers negotiate with media houses and digital platforms, optimise placements and monitor delivery. Campaigns such as IPL-based advertising illustrate the increasing complexity of Indian media decisions, where planners balance television, JioCinema or Hotstar streaming, YouTube highlights and social-platform extensions to maximise impact.

d. Performance Marketing and Programmatic Team

In many modern agencies, the media function works in parallel with a Performance Marketing and Programmatic Team. This unit manages paid search advertising, social-platform ads, remarketing, app-install campaigns and e-commerce promotions using KPI-based budgeting models such as CPC, CPM and CPA. Programmatic specialists use automated bidding tools, data dashboards and AI-driven optimisation to adjust spending dynamically based on campaign response. Such teams are particularly important for start-ups, D2C brands and seasonal campaigns where return on advertising spend and conversion outcomes are closely monitored.

e. Digital, Social Media and Content Department

The Digital, Social Media and Content Department creates platform-specific communication for social networks, websites, OTT integrations and short-form video platforms. This team manages brand pages, designs interactive content, plans content calendars, and adapts campaign ideas into reels, memes, stories, carousels and snack-able video snippets. In many agencies, this department works closely with a dedicated Influencer and Creator Collaboration Desk, which identifies suitable creators, coordinates influencer campaigns, manages content guidelines and evaluates engagement and sentiment metrics. Indian lifestyle and beauty campaigns and start-up launches often rely on such creator-led storytelling to build relatability and trust.

f. Production Department

The Production Department converts approved creative concepts into final outputs. It coordinates with photographers, videographers, studios, directors and printing presses to produce print advertisements, digital creatives, radio spots, video films and multilingual adaptations. Campaigns such as Tanishq advertisements, which require culturally sensitive storytelling and regional-language versions, highlight how the production function collaborates with creative teams and external production houses to maintain quality and authenticity across markets.

g. Research, Insights and Analytics Department

The Research, Insights and Analytics Department supports strategy, creative development and evaluation by studying consumer behaviour, brand perception, cultural cues, media habits and competitive trends. In contemporary agencies, this function has expanded to include digital analytics, social-listening tools, brand-lift studies, heat-map behaviour analysis and dashboard-based campaign reporting. For example, post-campaign evaluations for e-commerce sales events or festival promotions may integrate survey-based recall measures with online indicators such as engagement, sentiment, conversions and traffic patterns to provide a fuller picture of advertising effectiveness.

Finally, agencies include Administration, Finance and Operations Support, which manage billing, vendor coordination, legal compliance, talent management and internal processes. These functions ensure that creative and media activities are supported by efficient organisational systems.

4.1.3.2 Functions of an Advertising Agency

a. Strategic Planning and Campaign Development

The primary function of an advertising agency is to act as a strategic communication partner that helps brands design, execute and manage campaigns in a structured and professional manner. The process begins with understanding the client's objectives, competitive environment, consumer segments and brand positioning. Based on this understanding, the agency develops an advertising plan that integrates message strategy, creative direction, media choices, budgeting priorities and campaign timelines, ensuring alignment with both business goals and communication intent.

b. Creative Concept Development and Message Execution

The creative function develops ideas, narratives and visual expressions that communicate the brand promise in a persuasive, culturally relevant and emotionally engaging manner. Copywriters, art directors and designers collaborate with content, film, and digital teams to produce concepts suitable for multiple formats such as television, print, outdoor, OTT videos, social media creatives, short-form reels, and influencer-led content. The objective is to ensure that the creative message remains clear, memorable and consistent across platforms.

c. Media Planning, Buying and Performance Delivery

The media and performance teams ensure that campaign messages are delivered efficiently across mass media, OTT platforms, search engines, social media, and programmatic advertising networks. They evaluate audience behaviour, select appropriate channels, negotiate media rates, plan delivery schedules and optimise spending through CPC, CPM and CPA-based models. In many contemporary agencies, programmatic desks, performance-marketing units and social-listening teams work together to balance brand-building objectives with measurable performance outcomes.

d. Production and Multiformat Campaign Execution

The production function converts approved creative concepts into final execution, coordinating with production houses, studios, printers, directors, editors and digital developers. This function ensures technical accuracy, cultural sensitivity, multilingual adaptation and visual consistency across formats such as print ads, broadcast commercials, digital content, influencer videos and outdoor displays. Quality control and timely delivery form the core of this role.

e. Research, Analytics and Campaign Evaluation

Research and analytics functions study consumer insights before campaign development and evaluate communication outcomes after exposure. Agencies now combine classical research techniques with digital analytics, measuring outcomes through recall, recognition and attitude change alongside modern indicators such as engagement levels, click-through rate, conversion metrics, brand-lift results, app-install data and social-sentiment analysis. Heat-map tools, dashboard reporting and attribution models are increasingly used to assess impact.

f. Integrated Marketing Communication and Extended Services

In many full-service and integrated agencies, additional services such as public relations, brand activation, event marketing, influencer coordination, community engagement and social reputation management are handled alongside advertising campaigns. This IMC-oriented approach ensures that messaging remains consistent across traditional, digital and experiential touchpoints.

g. The Modern Agency as a Data-Enabled Strategic Partner

The modern advertising agency is therefore not only a creative organisation but also a technology-enabled, data-driven and insight-oriented partner. Its structure brings together creativity, strategy, media expertise, analytics, influencer collaboration and digital innovation, ensuring that advertising messages remain relevant, impactful and aligned with both long-term brand-building and short-term performance outcomes in today's complex communication environment.

4.1.4 Selection of an Advertising Agency

Choosing an advertising agency is a strategic decision that influences how a brand communicates, competes, and grows in the market. A suitable agency not only designs advertisements but also acts as a strategic partner, contributing to brand positioning, campaign consistency, media efficiency, and long-term communication planning. A poor agency fit, however, may result in weak creative direction, ineffective media spending, and misalignment between business objectives and campaign outcomes. For this reason, organisations follow a structured and carefully evaluated agency-selection process.

4.1.4.1 Need and Importance of Selection of an Advertising Agency

Every organisation requires a different blend of capabilities. Some brands prioritise strong creative ideation, while others require digital-first execution, influencer collaboration expertise, performance marketing capability, programmatic media buying, or data-driven analytics. In today's environment, agency selection is no longer limited to assessing creativity alone; it increasingly involves evaluating:

i. cross-platform IMC capability across TV, OTT, social, search and outdoor

ii. ability to manage brand-building and performance campaigns together

iii. competence in digital measurement, dashboards and KPIs

iv. experience with influencer and creator ecosystems

v. ethical AI use, automation tools and programmatic optimisation

For example, large national brands such as Cadbury, Dream11 or Asian Paints may prefer full-service or integrated agencies capable of managing long-term brand strategy and multi-market campaigns, whereas many start-ups and D2C brands work with performance-marketing agencies that focus on ROI, conversions and app installs. Some brands, like Zomato or Swiggy, also maintain strong in-house creative teams while collaborating with external agencies or creator networks in a hybrid model.

4.1.4.2 Steps in Selecting an Advertising Agency

1. Identifying the Need for an Agency

The selection process generally begins when the organisation realises that its internal resources are insufficient to manage expanding communication requirements, such as during brand launches, diversification, festive-season promotions, or national-level campaigns. At this stage, the company also identifies the nature of support required, whether it needs a full-service agency, a digital-first partner, a performance marketing agency, an influencer and creator-collaboration agency, or a specialised programmatic and analytics partner.

2. Preparing a Clear Advertising Brief

Before approaching agencies, the organisation prepares a written advertising brief that explains the business context, marketing goals, target audience, competitive environment, expected campaign outcomes, budget range, and scope of creative and media activities. A well-structured brief helps agencies respond meaningfully and demonstrate relevant expertise rather than providing generic proposals.

3. Shortlisting Suitable Agencies

The company then prepares a shortlist of agencies based on industry references, professional networks, agency reputation, client portfolios, awards, sector-specific experience, and documented case studies. In the Indian context, a brand seeking culturally rooted storytelling may consider agencies like Ogilvy or Taproot, while a start-up focusing on measurable growth may evaluate performance-driven networks such as FoxyMoron. Brands planning influencer-led launches may also consider specialised creator-collaboration firms such as Monk Entertainment or OneImpression.

4. Credentials Presentations and Capability Demonstration

Shortlisted agencies are invited to present their credentials and prior campaign work. These presentations typically include the agency's strategic approach, creative philosophy, research and analytics capability, media planning and buying experience, digital and social media expertise, and examples of campaigns executed in similar markets. Cases such as Dream11 partnering with Tilt Brand Solutions illustrate how creative thinking and cultural insight may become decisive selection factors.

5. Evaluation of Strategic and Creative Proposals

After reviewing the presentations, organisations evaluate not only the creativity of ideas but also the strategic clarity, alignment with brand values, depth of consumer insight, ability to execute across platforms, and approach to monitoring and reporting campaign performance. Increasingly, firms assess how agencies plan to measure outcomes using brand-lift studies, engagement indicators, click-through rates, conversion metrics, social-listening insights and media-effectiveness dashboards. Some organisations also prefer pilot runs or limited A/B experiments in digital environments instead of speculative campaigns, reflecting a shift toward evidence-based evaluation.

6. Reference Checks and Background Assessment

Before the final appointment, organisations often verify the agency's track record by speaking with existing or former clients. They assess delivery discipline, responsiveness, problem-solving capability, and relationship stability. Long-term partnerships — such as the long-standing association between Amul and daCunha Communications — demonstrate how trust, continuity and creative consistency strengthen agency–client relationships. In contrast, situations like agency changes during Air India's rebranding phases show how strategic transformation sometimes leads to re-evaluation of agency partnerships.

7. Negotiation of Contract and Compensation Terms

Once a preferred agency is identified, both parties negotiate the terms of engagement. Along with traditional retainers, commissions and project fees, modern agreements increasingly include hybrid and outcome-linked models such as performance-based remuneration for digital campaigns, value-based compensation linked to brand-uplift indicators, or subscription-style retainers for content, influencer and social-media management. Many start-ups and local businesses work with boutique agencies on small monthly retainers, while larger brands adopt structured hybrid remuneration models.

8. Formal Appointment and Onboarding

After negotiation, a formal contract is signed defining the scope of work, deliverables, media responsibilities, confidentiality clauses, performance-review mechanisms and communication protocols. With this, the partnership formally begins and the agency moves into the onboarding stage, conducting detailed market research, refining brand strategy, planning campaigns, and initiating creative and media development for the client.

4.1.4.3 Key Factors Organisations Consider

Beyond technical capabilities, organisations assess the cultural and strategic fit of the agency. They look for compatibility in working style, collaborative attitude, sensitivity to local markets and ability to understand consumer realities. Creativity, relevance and insight quality are important indicators, but so are process discipline, responsiveness, data-driven decision-making and ethical handling of brand information.

A well-chosen agency functions not merely as an external vendor but as a strategic communication partner. It supports the organisation in managing both long-term brand equity and short-term performance objectives across traditional and digital platforms.

Once an agency is appointed, the effectiveness of the partnership depends on how well both sides coordinate expectations, share information, and maintain trust. The next section, therefore, discusses the Client–Agency Relationship, explaining how collaboration, communication and shared accountability contribute to stronger campaigns and sustainable brand outcomes in modern advertising practice.

4.1.5 Client–Agency Relationship

Selecting an advertising agency is only the beginning of the communication journey. The success of any campaign depends not only on creative skills or media efficiency, but also on the quality of the working relationship between the client and the agency. A strong client–agency relationship is built on mutual trust, strategic alignment, clarity of expectations and continuous communication. When the relationship is healthy, ideas move smoothly through the process, challenges are resolved early and campaigns are executed with greater consistency and impact.

4.1.5.1 Importance of Client–Agency Relationship

In modern advertising practice, agencies are not merely suppliers of creative material — they function as strategic partners who contribute to brand positioning, market insight, digital planning and performance outcomes. At the same time, clients play an active role by sharing brand knowledge, consumer understanding and organisational priorities. Even a highly capable agency may underperform if the client provides unclear briefs, delays approvals or frequently changes campaign direction. Likewise, clients often feel dissatisfied when agencies fail to understand the brand's voice, miss deadlines, or provide execution without strategic depth. Thus, the quality of collaboration directly influences campaign effectiveness, creativity, speed of execution and return on investment.

The importance of strong partnership is visible in many enduring Indian agency relationships — for example, the long-standing association between Amul and daCunha Communications, where mutual trust and creative freedom have sustained decades of topical campaigns. Such relationships highlight how continuity enables deeper brand understanding and stronger creative outcomes.

4.1.5.2 Elements of a Healthy Client–Agency Relationship

A productive partnership rests on a few essential factors:

1. **Clear Communication:** Both sides must express needs, expectations, objectives, and deadlines clearly. Communication should be regular, open, and

solution-focused. Misunderstandings usually occur when instructions are vague or incomplete.

2. **Mutual Trust:** The client must trust the agency's professional expertise, and the agency must trust the client's understanding of the brand. When trust exists, both sides work confidently and respectfully.

3. **Well-Defined Roles:** The agency handles creative development, media planning, and campaign execution, while the client provides brand information, product details, approvals, and strategic direction. When roles are understood, duplication and delays are avoided.

4. **Constructive Feedback:** Feedback should be timely, specific, and respectful. Instead of simply rejecting a design or copy, clients who share the reason for their concern help the agency refine the work better.

5. **Long-Term Orientation:** Agencies perform best when they understand a brand over time. Long-term partnerships allow deeper insights into the brand's personality, audience behaviour, and market challenges.

4.1.5.3 Evolving Nature of Client–Agency Relationships

In recent years, client–agency relationships have expanded beyond the classical full-service model to newer forms of collaboration. Many organisations today follow hybrid arrangements, where an in-house brand or creative team works alongside an external agency for strategy, campaign ideation or large-scale production. Some digital-first brands, such as Zomato or Swiggy, manage parts of social content internally while collaborating with external agencies or creator networks for larger brand campaigns and influencer partnerships.

Similarly, performance marketing, programmatic advertising and analytics-driven activities often involve closer day-to-day coordination. Agencies now share dashboards, KPI reports, brand-lift results, engagement metrics and conversion data with clients on a regular basis, making the relationship more collaborative and accountability-oriented. Influencer and creator-led campaigns have also introduced new relationship dynamics, where agencies, brands and creator networks work together in a triangular partnership model. This requires clarity regarding content approval, creative ownership, disclosure ethics and performance expectations.

4.1.5.4 Challenges in Client–Agency Relations

Despite shared intentions, differences may arise due to unrealistic timelines, frequent strategy shifts, budget disagreements, creative conflicts or inadequate market results. At times, organisational restructuring or rebranding may also lead to agency changes — as seen in instances where brands like Air India revised agency associations during major repositioning phases. Most conflicts, however, can be managed when both sides remain open to dialogue and focus on campaign objectives rather than individual preferences.

A Collaborative Partnership

Campaigns are most effective when clients treat the agency as an extension of their marketing team rather than an external vendor. When information, insight, feedback and responsibility are shared transparently, agencies gain a stronger understanding of the brand and are able to design culturally relevant, strategically grounded and creatively meaningful communication.

In many modern partnerships, collaboration is further strengthened through periodic review meetings, strategic workshops, performance-metric discussions and co-creation of campaign roadmaps. Some organisations also adopt performance-linked compensation models, where a part of the agency's remuneration is tied to agreed communication or digital KPI outcomes, encouraging shared accountability. A transparent financial and performance framework supports trust, reduces ambiguity and sustains long-term association. With this foundation, the next section examines Agency Commission and Fee Structures, explaining how modern remuneration models, including retainers, hybrid structures, outcome-based agreements and subscription-style creative services, operate in contemporary advertising practice.

4.1.6 Agency Commission and Fee Structures

Once an organisation finalises its partnership with an advertising agency, an important operational question arises, how is the agency compensated for its services? Understanding agency payment structures is essential because it influences budgeting decisions, defines expectations, and shapes the long-term nature of the client–agency relationship. Since agencies today handle a wide spectrum of activities from creative development and brand strategy to media planning, digital campaigns, influencer partnerships, analytics and content production, different compensation models have evolved to suit diverse needs.

1. Commission-Based Compensation

In the classical advertising system, agencies were compensated primarily through a commission on media space or time purchased on behalf of the client. For instance, when an agency booked newspaper space or television airtime, it typically received a fixed percentage of the media value as commission. This model worked well in the era when most advertising expenditure was concentrated in print and broadcast media. It was simple, predictable and encouraged agencies to take responsibility for media planning, negotiation and execution. However, as advertising shifted toward digital platforms, social media, OTT environments and programmatic buying, the commission-only system became less adequate, leading to newer and more flexible remuneration models.

2. Fee-Based or Retainer Models

Many organisations today prefer fee-based compensation, where payment is linked to the agency's time, professional expertise and resource allocation rather than media volume. Under retainer arrangements, clients pay a fixed monthly or quarterly fee in return for continuous creative support, digital and social media work, campaign planning, content development or strategic consulting. This model allows agencies to dedicate specific accounts and creative teams to the brand, while providing clients with predictable budgeting and ongoing service continuity. It is commonly used by brands that run year-round or always-on communication programmes.

3. Project-Based or Assignment-Specific Fees

Some clients engage agencies only for specific campaigns or creative tasks such as producing a television commercial, developing a rebranding exercise, executing a festive digital campaign, or creating an influencer-collaboration project. In such cases, the agency charges a project-based fee determined by the scope, time requirement, talent involvement and production complexity. This approach is widely used by smaller firms, start-ups and organisations that do not require continuous advertising support but seek professional execution for selected activities.

4. Performance-Linked and Outcome-Based Models

With the growth of digital and performance marketing, certain clients structure compensation partly around measurable outcomes such as leads generated, app installs, website visits, engagement levels, conversion rates or campaign ROAS (Return on Advertising Spend). In these arrangements, a base fee or retainer may be supplemented with incentives tied to agreed performance indicators. While this model promotes accountability and result-orientation, it also requires careful definition of metrics because market conditions, pricing, competition and distribution factors may influence outcomes beyond the agency's control. Some Indian D2C and start-up brands increasingly adopt such hybrid performance-linked agreements with specialised performance agencies.

5. Hybrid and Value-Based Compensation Systems

In practice, many organisations follow combined payment structures rather than relying on a single model. A client may, for instance, retain an agency on a monthly fee for creative and strategy work, while paying additional project fees for large campaigns and incentive-based bonuses for exceptional outcomes. In some cases, value-based pricing is adopted, where remuneration reflects the scale of strategic impact or brand uplift delivered by the campaign. Subscription-style models have also emerged in areas such as social media content, influencer coordination and always-on digital brand management, particularly among start-ups and mid-sized brands.

6. Compensation in Digital, Programmatic and Influencer Contexts

Modern agency compensation has also expanded to cover newer activities such as programmatic advertising fees, data-analytics retainers, platform-management charges, and influencer campaign coordination costs. For example, in influencer-led campaigns, agencies may charge a management fee for creator sourcing, negotiation, content supervision and performance tracking, separate from the payments made to individual creators. Similarly, programmatic desks and performance teams may operate on optimisation fees or platform-handling charges in addition to campaign budgets.

A transparent and well-defined compensation framework strengthens trust, clarifies expectations and prevents misunderstandings regarding workload, responsibilities and performance evaluation. It enables clients to plan advertising budgets realistically while ensuring that agencies are rewarded fairly for creative thinking, strategic contribution and executional effort. When both parties understand how remuneration is structured, the relationship becomes more collaborative, stable and future-oriented, supporting stronger campaigns and sustained brand growth.

Recap

- ◊ Advertising Agencies are specialised professional organisations that plan, create and manage campaigns across traditional and digital media, functioning as strategic communication partners rather than only creative suppliers.
- ◊ Organisations depend on agencies for specialised talent, creative insight, media planning expertise, performance analytics, technological tools, and objective strategic perspective.
- ◊ Agency models have evolved from classical full-service and creative boutiques to include digital-first agencies, performance-marketing firms, programmatic advertising agencies, influencer and creator-management agencies, and hybrid in-house–agency partnerships.
- ◊ Full-service agencies provide end-to-end IMC support, whereas creative boutiques focus on idea development, media agencies specialise in planning and buying, and performance agencies emphasise KPI-based and ROI-driven outcomes.
- ◊ Modern agency structure includes account management, creative teams, media planning and buying, production, research and insights, digital and content teams, performance marketing and programmatic desks, influencer collaboration units, and analytics dashboards.
- ◊ Core functions extend beyond creative development to include strategic planning, media optimisation, multi-format execution, research, social listening, brand-lift studies, KPI tracking, and post-campaign evaluation.
- ◊ Agency selection involves identifying capability needs, preparing a structured brief, shortlisting suitable agencies, evaluating credentials and strategy proposals, checking references, and negotiating engagement terms and compensation.

- ◊ Client–agency relationships succeed through clear communication, mutual trust, defined roles, collaborative feedback, long-term partnership orientation, and shared accountability through performance review mechanisms.
- ◊ Relationships increasingly operate through hybrid collaboration models such as in-house + external agency partnerships, creator-collaboration networks, and data-sharing dashboards for campaign monitoring.
- ◊ Agency compensation now includes retainers, project fees, commissions, hybrid models, subscription-style content retainers, performance-linked remuneration, programmatic and analytics fees, and influencer-coordination charges.

Objective Questions

1. What type of agency provides end-to-end IMC and brand strategy support?
2. Which type of agency focuses mainly on idea development and creative concepts?
3. What is the department that acts as the link between the client and the agency?
4. Which agency model works primarily on CPC/CPA and ROI-driven outcomes?
5. What is the team responsible for automated bidding and data-driven media optimisation?
6. Which agency type manages collaborations with social-media creators and influencers?
7. What is the key research activity that measures recall and awareness uplift?
8. Which function converts approved creative concepts into final advertisements?
9. What is the compensation model where the agency is paid a fixed periodic fee?
10. What type of partnership model combines in-house brand teams with external agencies?

Answers

1. Full-service agency
2. Creative boutique
3. Account management department
4. Performance-marketing agency
5. Programmatic and performance desk
6. Influencer / creator-management agency
7. Brand-lift study
8. Production function
9. Retainer / fee-based model
10. Hybrid collaboration model

Assignments

1. A growing e-commerce brand plans to expand its digital presence and is considering hiring a performance-marketing agency instead of a traditional full-service agency. Discuss any four reasons why the brand may prefer this type of agency model.
2. Many modern brands work with multiple agencies at the same time such as a creative agency, a media agency, and an influencer-marketing agency. Explain any four advantages and challenges of this multi-agency collaboration approach.
3. Explain why modern organisations increasingly prefer working with specialised or hybrid advertising agency models instead of relying only on traditional full-service agencies.
4. Describe how the roles of the creative department and performance-marketing team differ, and explain why both are important in contemporary advertising campaigns.
5. Discuss how client–agency relationships evolve in digital and influencer-driven environments compared to classical advertising partnerships.

6. Examine the relevance of analytics, brand-lift studies, and KPI dashboards in strengthening accountability in agency performance.

7. Compare commission-based compensation with performance-linked and hybrid remuneration models. Why are modern brands shifting toward flexible compensation systems?

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Unit - 2
Measuring Advertising Effectiveness

L Learning Outcomes

After completing this unit, learners will be able to:

- ◊ explain the meaning of advertising effectiveness and identify why it is essential in modern marketing
- ◊ describe major techniques used to measure advertising effectiveness, including both pre-testing and post-testing methods
- ◊ analyse the strengths and limitations of various tools used to measure advertising effectiveness
- ◊ distinguish between pre-testing and post-testing and understand the purpose of each in improving campaign performance

P Prerequisite

SilkWave's collaboration with the advertising agency had finally begun to show results. The posters looked professional, the social media creatives were polished, and the new campaign theme felt far more aligned with the brand's identity. For the first time, the team felt confident that their message would reach the right audience. But a few weeks after the campaign launched, familiar doubts returned. The marketing head looked at the weekly report and asked, "Are these ads actually working? Are people noticing us? Is this campaign improving sales?"

The agency had delivered the creatives, planned the media schedule, and executed the campaign but something was still missing. Without proper evaluation, SilkWave had no way of knowing whether their investment was giving returns.

The team realised that creating and releasing advertisements is not the final step. In modern marketing, every campaign must answer essential questions:

- ◊ Did the audience notice the advertisement?

- ◊ Did they understand the message clearly?
- ◊ Did it influence their perception or buying decision?
- ◊ Was the money spent on advertising justified?

Without measuring these aspects, even the most attractive campaigns may fail silently.

As SilkWave prepared for their next round of promotions, they understood that advertising effectiveness, knowing *what worked, what didn't, and why*, was essential for making smarter decisions. It would help them improve their messages, choose better media, use resources wisely, and avoid repeating the same mistakes. Just like SilkWave, organisations need to evaluate the performance of their advertisements, both before and after release. Doing so ensures that the effort, time, and money invested in advertising truly contribute to brand growth.

In this unit, we explore how advertising effectiveness is measured, why it matters, its limitations, and the major techniques used by companies to evaluate both pre-tested and post-tested campaigns.

K Keywords

Advertising effectiveness, campaign objectives, accountability, brand recall, brand attitude, consumer behaviour, pre-testing, post-testing, focus group discussion, in-depth interview, consumer jury, recall tests, recognition tests, tracking studies, sales analysis

D Discussion

In the previous unit, we examined how advertising agencies plan, design and execute campaigns across different media platforms. However, even the most creatively impressive advertisement must ultimately answer one fundamental question:

In today's highly competitive and digitally connected marketplace, organisations can no longer rely on intuition, personal judgment or assumptions about campaign success. Advertising budgets now extend across television, print, OTT platforms, social media, influencer collaborations and performance-marketing channels and every rupee spent needs to demonstrate value. This is where advertising effectiveness becomes essential. Measuring effectiveness helps organisations understand whether their advertisements achieved the intended communication, behavioural or sales-related outcomes. It allows marketers to see not only whether consumers noticed the advertisement, but also whether they remembered the brand, understood the message, engaged with the content, or were influenced in their purchase decision.

Modern advertising effectiveness is therefore not limited to classical recall or attitude-change studies. It also includes digital-era indicators such as engagement rate, click-through rate, brand-lift results, conversions, app installs, website visits, influencer-content response, sentiment patterns and return on advertising spend. Together, these measures provide a clearer picture of how campaigns perform across platforms. By evaluating effectiveness, organisations can identify what worked well, what failed to connect, and which aspects of the campaign require refinement. Without such evaluation, advertising becomes guesswork rather than a structured marketing investment.

This unit explains the meaning of advertising effectiveness, the reasons for measuring it, its limitations, and the major pre-testing and post-testing techniques used in traditional as well as digital and performance-marketing environments.

4.2.1 Advertising Effectiveness

Advertising effectiveness refers to the extent to which an advertisement or campaign achieves its intended objectives. These objectives may involve creating awareness, shaping brand attitudes, generating interest, encouraging enquiries, or influencing consumer behaviour including trial, purchase or repeat usage. An advertisement may be visually appealing or emotionally engaging, but it is considered effective only when it produces the desired response from the target audience. In simple terms, advertising effectiveness shows how well the advertisement performed either in the minds of consumers or in the market.

In contemporary practice, effectiveness may be assessed through:

i. recall and recognition studies,

ii. consumer attitude and perception feedback,

iii. behavioural indicators such as enquiries or store visits,

iv. and digital measures such as engagement, clicks, conversions and brand-lift outcomes.

Together, these measures help advertisers evaluate both brand-building impact and short-term performance results.

4.2.1.1 Importance of Measuring Advertising Effectiveness

Measuring advertising effectiveness is essential for several reasons.

1. It ensures accountability. Advertising involves significant financial investment, and effectiveness studies help justify spending by indicating whether campaigns delivered meaningful outcomes — such as awareness uplift, improved engagement or measurable conversions.

2. Measurement improves decision-making. Insights drawn from effectiveness studies guide choices related to creative messaging, media selection, campaign duration, platform mix and future budget allocation. In digital environments,

such findings also support real-time optimisation through A/B testing and performance adjustments.

3. Effectiveness analysis helps identify strengths and weaknesses in campaigns. It shows whether audiences found the message clear, whether visuals or storytelling resonated, and whether particular formats such as reels, OTT ads or influencer content perform better than others.

4. It reduces advertising waste. Without evaluation, organisations may continue investing in campaigns that fail to create impact. Effectiveness assessment prevents repetitive mistakes and encourages smarter use of resources.

5. It deepens consumer understanding. Pre-testing, post-testing and digital listening tools reveal how consumers interpret messages, what emotions they associate with brands, and how content influences behaviour across regions and demographics.

6. Measuring effectiveness supports long-term brand-building goals. It shows whether campaigns strengthen brand recall, shape brand image, enhance trust and sustain customer loyalty, linking day-to-day advertising decisions with broader strategic objectives.

4.2.2 Techniques of Measuring Advertising Effectiveness

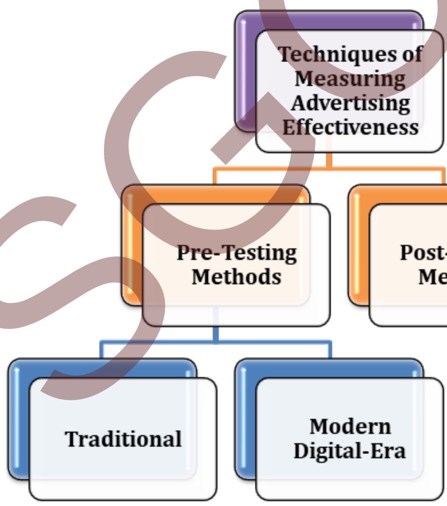

Fig. 4.2.1 Techniques of Measuring Advertising Effectiveness

4.2.2.1 Pre-Testing Methods

Pre-testing methods are applied before an advertisement is officially released. Their purpose is to check whether the advertisement communicates the right message, appeals to the target audience, and avoids confusion or misinterpretation. By testing advertisements early, organisations are able to refine ideas, improve clarity, and reduce the risk of campaign failure — saving time, money, and creative effort.

4.2.2.1.1 Traditional Pre-testing Techniques

Traditional pre-testing techniques continue to remain highly relevant and are widely used in advertising research.

1. Focus Group Discussion

In this method, a small group of consumers from the target audience is brought together to share their reactions to the advertisement. Participants discuss what they understood from the message, what they liked, what they found confusing, and whether the advertisement seemed believable or relevant. This method helps advertisers understand whether the idea connects well with real viewers and whether the communication tone, visuals and message are interpreted in the intended way.

2. In-Depth Interview

An in-depth interview is a one-to-one discussion between the researcher and the respondent. It allows deeper exploration of individual thoughts, emotions, doubts, and brand associations, especially when people may hesitate to express opinions openly in a group. This method is useful for understanding personal motivations, emotional reactions and subtle perceptions that strongly influence how an advertisement is received.

3. Projective Techniques

Projective techniques are used when consumers may not be fully aware of their true feelings or may find it difficult to express them directly. Methods such as word association, sentence completion and storytelling encourage respondents to project their hidden attitudes and subconscious impressions. These exercises reveal deeper feelings, symbolic meanings and emotional associations that influence how people interpret an advertisement beyond surface-level responses.

4. Checklist-Based Evaluation

In this method, evaluators review the advertisement using a structured checklist. They examine whether the message is clear, whether visuals are appealing, whether the brand is easily recognisable, and whether the call-to-action is strong and convincing. Checklist evaluation ensures that all key elements such as clarity, credibility, visual appeal and message relevance are reviewed systematically before the advertisement is approved.

5. Consumer Jury Method

Under this method, a panel of consumers compares two or more versions of an advertisement. Participants rate each version on attractiveness, message clarity, creativity and persuasive strength. This helps advertisers identify which version appeals most to the audience and has a higher chance of performing well in the marketplace.

6. Sales-Area or Test-Market Exposure

In this technique, the advertisement is released only in a limited market or region before a full-scale launch. The advertiser observes early indicators such as enquiries, store visits or trial purchases. This method helps estimate how the advertisement may perform at a larger scale while reducing the risk of large financial loss if the campaign fails.

7. Questionnaire-Based Pre-View Survey

Here, consumers answer structured survey questions after viewing the advertisement. The survey measures how clearly they understood the message, whether the ad caught their attention, whether it seemed believable, and whether it increased their willingness to buy. Since responses are numeric, this method provides measurable data that assists in objective decision-making.

8. Readability Test

Readability tests are mainly used for print advertisements and static digital layouts. They assess the ease of reading of the text by analysing vocabulary difficulty, sentence structure, paragraph flow and layout arrangement. The purpose is to ensure that readers can understand the message smoothly without effort or confusion.

9. Eye-Movement / Eye-Tracking Test

In this scientific method, special devices track where and how long viewers look when viewing an advertisement. It helps determine whether people notice key design elements such as the headline, product image, brand logo, price offer or call-to-action button. Insights from eye-tracking help improve layout design and ensure that important elements receive maximum visual attention.

4.2.2.1.2 Modern Digital-Era Pre-Testing Techniques

With the growth of digital and mobile advertising, many advertisements are now pre-tested through platform-based tools and small experimental releases before full-budget campaigns.

1. A/B Testing: Two versions of the same advertisement, such as different headlines, visuals or captions, are shown to different audience groups. The version that performs better in terms of engagement or clicks is selected for wider release.
2. Pilot-Run Campaign Testing: A campaign is run for a short time or a small audience segment to observe behaviour patterns before committing full spend. This helps advertisers test effectiveness in real-time conditions.
3. Heat-Mapping and UX Pre-Tests: These techniques examine user behaviour on landing pages to see whether viewers notice key offers, product details or action buttons linked to the ad.
4. Thumbnail and Title Testing (Video Platforms): Different thumbnails and titles are tested on platforms such as YouTube to identify which version attracts more clicks and views.
5. Influencer-Content Preview Validation: Sample influencer content is reviewed in advance to ensure brand-fit, tone consistency and audience relatability before public release.

These modern techniques make pre-testing more evidence-based, practical and performance-oriented, especially in digital and social-media environments.

4.2.2.2 Post-Testing Methods

Post-testing methods are used after an advertisement has been released in the market. They help organisations evaluate whether people noticed the campaign, understood the message, remembered it over time, and whether their behaviour or attitude changed in any meaningful way.

Classical post-testing techniques continue to play an important role in campaign evaluation.

1. Recall Tests (Aided and Unaided)

Recall tests measure how well consumers remember an advertisement after exposure. In unaided recall, respondents name advertisements they remember without help, indicating strong impact. In aided recall, small cues or brand hints are provided, and recognition indicates moderate recall. These tests help assess memorability, clarity and message retention.

2. Recognition Tests

In recognition tests, consumers are shown the advertisement again and asked whether they have seen it earlier. This method is widely used for print and static digital ads and helps determine whether the advertisement successfully stood out among competing messages.

3. Attitude and Preference Measurement

These studies evaluate whether the advertisement improved brand liking, emotional connection, trust, or purchase intention. They are particularly useful for campaigns aimed at brand image building rather than immediate sales.

4. Sales Analysis

Sales figures before and after advertising are compared to observe changes in demand. While useful, results must be interpreted cautiously because many other factors, such as competition, pricing and availability, also influence sales.

5. Consumer Panels

In this method, selected households provide feedback over a longer time period. Their purchasing and viewing patterns reveal gradual behavioural changes rather than short-term reactions.

6. Single-Source Data Systems

This method links advertising exposure data with purchase data. It helps marketers understand whether consumers who viewed an ad actually went on to buy the product later.

7. Diary-Based Studies

Consumers maintain written or digital diaries recording media usage and advertisement exposure in their daily lives. This method captures natural behavioural patterns outside controlled research environments.

8. Tracking Studies

Tracking studies are conducted at intervals during and after the campaign. They measure awareness, recall, brand attitude and purchase intention over time, showing whether campaign impact is sustained.

9. Modern Digital and Performance-Marketing Post-Testing

In contemporary campaigns, post-testing increasingly integrates digital analytics and platform-based indicators. Brand-lift studies measure improvement in recall, awareness and purchase consideration. Engagement indicators such as likes, comments, shares, watch-time and view-completion rate reflect content relevance and emotional response.

Performance metrics such as CTR, CPC, CPA, conversions, and ROAS evaluate campaign success in digital and e-commerce environments. Attribution and dashboard analytics help track how multiple touchpoints — ads, reels, search, influencers — jointly influence behaviour. Social-listening tools analyse consumer reactions and public sentiment. During large Indian festive-season campaigns, advertisers often compare results with previous sale periods to assess improvement in campaign impact.

Together, these classical and modern post-testing methods provide a balanced and comprehensive evaluation of campaign effectiveness, combining brand-building indicators with measurable digital performance outcomes.

4.2.3 Limitations of Measuring Advertising Effectiveness

Even though advertising effectiveness studies are essential for understanding whether a campaign has performed well, they are not perfect. Every method, whether pre-testing or post-testing, traditional or digital, has certain limitations that advertisers must recognise. These challenges arise because advertising operates through human emotions, culture, memory, technology systems and market forces, all of which cannot be measured with complete precision.

1. Advertising Is Only One of Many Influences

Advertising rarely works in isolation. Sales and consumer responses are also shaped by price changes, competitor promotions, distribution availability, seasonal trends, economic conditions and even word-of-mouth. When sales increase or decrease after a campaign, it becomes difficult to determine how much of that change was caused purely by advertising and how much was influenced by these other market forces.

2. Consumer Behaviour Is Complex

Consumers do not respond to advertisements in a uniform manner. People belonging to different regions, age groups, lifestyles and cultural backgrounds may interpret the same message differently. What appeals strongly to one segment may fail to influence another. Because emotions, attitudes and personal experiences vary widely, no evaluation method can fully predict how millions of consumers will behave in the real marketplace.

3. Testing Environments Are Artificial

Many pre-testing techniques such as focus groups, interviews, mock-magazine tests and laboratory-based eye-tracking experiments take place in controlled environments. In such settings, consumers are aware that they are being observed, which may influence their responses. Their reactions in a research room may differ from how they naturally respond while scrolling social media, watching OTT content or browsing online stores, making the results less reflective of real-world behaviour.

4. Difficulty in Measuring Long-Term Effects

Not all advertisements aim to generate immediate sales. Some campaigns strengthen brand image, trust, emotional connection or cultural relevance over a longer period. These long-term effects develop gradually through repeated exposure across TV, digital, influencer content and offline touchpoints. Because their impact emerges slowly and is influenced by many variables, it is difficult to precisely measure or attribute such outcomes through short-term evaluation studies.

5. Limitations of Memory-Based Tests

Classical methods such as recall and recognition tests assume that an advertisement is effective only when consumers consciously remember it. However, many advertisements influence behaviour subconsciously through familiarity, mood or subtle preference formation, even when people cannot recall specific details of the ad. As a result, memory-based scores may underestimate the true psychological effect of advertising.

6. Cost and Time Constraints

Several advanced measurement techniques — including single-source data systems, brand-lift studies, heat-map analysis, eye-tracking and attribution modelling — require sophisticated tools, expert analysts and significant financial investment. Large brands and national campaigns may be able to afford such systems, but smaller firms and local businesses often rely on simpler indicators, which provide only partial or approximate insights.

7. Challenges in Digital and Multi-Touch Attribution

In digital and performance-marketing environments, consumers are exposed to multiple advertisements across search platforms, social-media reels, OTT videos, influencer posts, remarketing ads and website visits before making a purchase decision. This makes it difficult to identify which specific message or platform contributed most to the final outcome. Over-reliance on short-term metrics such as clicks, impressions or likes may also cause marketers to undervalue long-term brand-building effects.

8. **Platform Dependency and Data-Access Limitations**

Effectiveness measurement increasingly depends on platform dashboards and algorithms provided by Google, Meta, YouTube, OTT networks and influencer platforms. Each platform follows its own reporting system, which reduces comparability across channels. Changes in algorithms or privacy policies can alter performance metrics and limit the availability of user-level data, making longitudinal evaluation more challenging.

9. **Subjectivity in Interpretation of Results**

Even when detailed numerical data is generated from surveys, dashboards and analytics reports, interpretation does not become fully objective. Researchers, agency teams and marketers may draw different conclusions from the same data depending on their assumptions and priorities. AI-enabled dashboards may assist in pattern detection, but human judgement remains essential to understand what truly worked and why.

Measuring advertising effectiveness therefore remains both necessary and imperfect. While its methods provide valuable learning and strategic direction, advertisers must interpret findings with caution, balancing data with professional judgement and recognising the difference between short-term performance metrics and long-term brand impact.

Recap

- ◊ Advertising Effectiveness: Refers to how far an advertisement or campaign achieves its objectives such as awareness, recall, attitude change, engagement, enquiries or purchase behaviour.
- ◊ Need for Measuring Effectiveness: Ensures accountability of advertising spend, improves decision-making, identifies strengths and weaknesses, reduces wastage, deepens consumer insight, and supports long-term brand-building.
- ◊ Techniques of Measuring Effectiveness: Measurement is carried out through two major approaches — pre-testing (before release) and post-testing (after release) across traditional and digital media environments.
- ◊ Pre-Testing — Meaning: Conducted before the advertisement is launched to refine ideas, ensure clarity, test audience response, and avoid campaign failure.
- ◊ Traditional Pre-Testing Method: Include focus group discussions, in-depth interviews, projective techniques, checklist evaluation, consumer jury tests, sales-area testing, questionnaire surveys, readability tests and eye-tracking analysis.

◊ Modern Digital Pre-Testing: Includes A/B testing, pilot-run campaigns, heat-mapping, thumbnail and title testing, and influencer-content preview validation.

◊ Post-Testing — Meaning: Conducted after campaign release to assess real-world audience response, message recall, attitude change and behavioural outcomes.

◊ Traditional Post-Testing Methods: Include recall tests, recognition tests, attitude and preference studies, sales analysis, consumer panels, single-source data, diary studies and tracking studies.

◊ Modern Digital & Performance Post-Testing: Uses brand-lift studies, engagement indicators, CTR, CPC, CPA, conversions, ROAS, attribution dashboards and social-listening analytics.

◊ Role of Effectiveness Studies: Helps advertisers refine creative strategy, optimise media planning, improve future campaigns and ensure better utilisation of marketing budgets.

◊ Limitations of Measurement: Difficult to isolate advertising impact, consumer behaviour is complex, research settings may be artificial, long-term effects are hard to measure, memory-based tests have limits, advanced tools are costly, and interpretation may remain subjective.

O Objective Questions

1. What does advertising effectiveness measure?
2. What is the primary purpose of pre-testing?
3. What is the main aim of post-testing?
4. Which pre-testing method involves small group discussions?
5. Which method evaluates multiple ad versions using a consumer panel?
6. What does an aided recall test measure?
7. Which post-testing method tracks consumer behaviour over time?
8. Name one digital performance-marketing metric used in effectiveness evaluation.
9. Which tool links ad exposure data with purchase data?
10. What is one major limitation of advertising effectiveness studies?

Answers

1. Achievement of advertising objectives
2. To evaluate and refine ads before release
3. To assess real-world campaign performance
4. Focus group discussion
5. Consumer jury method
6. Memory recall with cues/prompts
7. Consumer panels
8. CTR / CPC / CPA / Conversions / ROAS (any one)
9. Single-source data system
10. Difficulty in isolating advertising impact

Assignments

1. A company launches a digital-first advertising campaign on YouTube, Instagram, and OTT platforms. Explain how the organisation can use both classical post-testing techniques and modern digital performance indicators to evaluate the effectiveness of this campaign.
2. "Pre-testing reduces the risk of campaign failure, whereas post-testing improves future advertising decisions." Discuss this statement with suitable examples, highlighting how both approaches complement each other in modern advertising practice.
3. Why is it important for organisations to measure advertising effectiveness instead of relying only on intuition or creative judgment?
4. How does pre-testing help advertisers reduce the risk of campaign failure before large-scale release?
5. In what ways do modern digital indicators (such as engagement rate, CTR, conversions, or brand-lift studies) complement classical recall-based effectiveness measures?

6. Why is it difficult to link changes in sales directly and completely to advertising campaigns?

7. How do tracking studies and consumer panels help organisations understand long-term advertising impact compared to short-term post-campaign surveys?

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BLOCK - 05

Sales Management

Unit - 1
Sales Personnel Management

Learning Outcomes

After completing this unit, learners will be able to:

- ◊ explain the principles and functions of sales management within diverse organisational contexts
- ◊ narrate the structure, roles, and performance metrics of a sales force to enhance operational effectiveness
- ◊ familiarise yourself with the recruitment and selection strategies for building a competent and motivated sales team
- ◊ make them aware of the key responsibilities of a sales manager in planning, directing, and controlling sales activities
- ◊ compare quantitative and qualitative methods for setting and assessing sales targets across industries

Prerequisite

Zenith Appliances, a mid-sized home electronics company, faced declining sales across its northern region, despite offering strong products. The newly appointed Sales Manager, Ms Kavita Rao, initiated a strategic overhaul of the sales force structure. She began by conducting a performance audit, identifying gaps in territory coverage and customer engagement. Kavita revised the recruitment criteria to prioritise consultative selling skills and introduced a competency-based selection process. Within three months, the team was reshaped with a blend of experienced hires and fresh graduates who had been trained in solution-oriented sales techniques.

To drive performance, Kavita implemented dual-layered sales targets, comprising both quantitative goals, such as monthly revenue and unit sales, and qualitative benchmarks, including customer satisfaction scores and lead conversion rates. She held weekly review meetings to monitor progress and coached her team on handling objections and building relationships. The results were evident: sales increased by 18% in the following quarter, and customer retention improved substantially. This unit examines the strategic aspects of sales management, force structuring, recruitment, managerial roles, and target-setting methodologies that are essential for achieving sales success.

Keywords

Sales Force Management, Job Analysis, Job Specifications, Recruitment, Selection, Sales Manager, Sales Targets

Discussion

Sales management is a crucial function within any organisation that aims to drive revenue, foster customer relationships, and maintain a competitive edge in the market. It encompasses planning, directing, and controlling the personal selling activities of a business, including recruiting, training, and supervising the sales force. The key components of sales management, including setting sales targets, analysing job roles, and managing the sales team, ensure that the organisation's sales objectives align with its broader strategic goals. For instance, a well-structured sales job analysis helps define clear responsibilities and expectations, which in turn support effective recruitment and performance evaluation.

A strong sales organisation is the backbone of successful sales force management. By establishing a clear organisational structure for recruitment and selection, companies can leverage both internal and external sources to build a capable and motivated sales team. Consider a company experiencing high sales personnel turnover. By analysing the causes and implementing targeted recruitment strategies, such as leveraging personal recruitment methods or refining job specifications, the company can improve both retention and performance. Ultimately, effective sales management not only boosts sales productivity but also enhances customer satisfaction and long-term business growth.

5.1.1 Introduction

5.1.1.1 Basic Concepts of Sales

The sales concept is a business philosophy which holds that consumers will not buy enough of a company's products unless the company undertakes aggressive selling and promotional efforts. It assumes that customers must be persuaded and motivated to purchase through strong sales techniques such as advertising, personal selling, discounts, and promotions, especially for unsought or competitive products. The main focus of the sales concept is on selling what the company produces, rather than producing what the market wants, with the primary objective of increasing sales volume and achieving short-term profits.

5.1.1.2 Digital / Tech-Driven Sales Concepts

1. CRM Platforms (Zoho CRM, Salesforce, HubSpot)

Customer Relationship Management (CRM) platforms are digital systems used to store, manage, and analyze customer data across the sales cycle. They help sales teams track leads, record interactions, schedule follow-ups, and measure conversion rates.

Example: A real estate firm uses Zoho CRM to track enquiries from website forms, assign leads to agents, and send automated follow-up emails until the deal is closed.

2. Call-Tracking & Pipeline Dashboards

Call-tracking tools record and analyze inbound and outbound sales calls, while pipeline dashboards visually show the stage of each deal—from lead generation to closure. These tools help managers monitor salesperson performance and identify bottlenecks in the sales funnel.

Example: An insurance company tracks customer calls to see which advertisements generate the most enquiries and uses pipeline dashboards to forecast monthly policy sales.

3. WhatsApp Business Selling (WhatsApp Business)

WhatsApp Business enables companies to communicate directly with customers using catalogs, automated replies, labels, and payment links. It supports conversational selling by providing instant, personalized interaction.

Example: A fashion boutique shares product photos, prices, and order confirmations via WhatsApp Business, converting chats directly into sales without a physical store visit.

4. Inside Sales Teams & Virtual Selling

Inside sales teams sell remotely using phone calls, video meetings, emails, and chat platforms instead of face-to-face meetings. Virtual selling reduces travel costs, expands market reach, and increases sales efficiency.

Example: A SaaS company's inside sales team conducts product demos through Zoom and closes international clients without meeting them in person.

5. AI-Assisted Forecasting

AI-assisted forecasting uses machine learning algorithms to analyze historical sales data, customer behavior, and market trends to predict future sales performance. It improves accuracy in demand planning and revenue estimation.

Example: An e-commerce company uses AI forecasting to predict festive-season demand and adjusts inventory levels to avoid stockouts or excess inventory.

5.1.2 Sales Management

Initially, the term sales management referred specifically to overseeing the activities of sales personnel. Over time, its scope expanded to encompass a broader range of marketing functions, including advertising, promotions, market research, distribution logistics, pricing strategies, and product merchandising. As academic and business practices evolved, the broader concept came to be known as marketing management, replacing the earlier usage of sales management in many contexts.

The American Marketing Association later clarified the definition of sales management as the planning, direction, and control of personal selling activities. This includes tasks such as recruiting, selecting, training, assigning, supervising, compensating, and motivating members of the sales force. While this definition equates sales management with managing the sales team, contemporary sales managers often shoulder broader responsibilities. Their core role remains the management of personal selling, but the personnel-related aspects are now more accurately described as sales force management.

A. Definitions of Sales Management

◊ According to the AMA, sales management is "the planning, direction, and control of personal selling, including recruiting, selecting, equipping, assigning, routing, supervising, paying, and motivating as these tasks apply to the personal sales force."

◊ In contemporary business practice, sales management encompasses not only the management of the sales force but also strategic involvement in marketing decisions, such as budgeting, sales forecasting, territory design, pricing, and promotional planning.

B. Meaning of Sales Management

In every organisation, specific individuals are tasked with engaging potential and existing customers to promote and sell products or services. These individuals form the sales force and are commonly referred to as salesmen, though many organisations designate them as sales executives, technical executives, or marketing executives. Regardless of their titles, their primary aim is to enhance sales performance, expand market share, and boost profitability within their assigned territories. Sales personnel are a vital human asset, possessing significant potential for professional growth. Effectively managing this workforce is a central responsibility of sales management.

The term Sales Management combines two key concepts: Sales, which involves persuading customers to purchase goods, services, or commercially valuable ideas; and Management, which refers to the systematic execution of planning, organising, staffing, leading, and controlling functions. Together, sales management encompasses a broader scope of activities.

C. Key components of sales management include

1. **Managing the Sales Force :** This involves recruiting, selecting, training, motivating, compensating, and supervising sales personnel to ensure optimal performance and productivity.

2. **Organising the Sales Effort :** This entails designing a suitable organisational structure and fostering coordination between the sales department and other units such as HR, distribution, and product management. It also involves managing relationships with external stakeholders, including dealers, distributors, direct customers, and influencers. The sales department provides critical insights, including sales forecasts, competitor analysis, and product performance, to support broader organisational functions.

D. Objectives of Sales Management

◊ **Maximising Sales Output:** Ensuring the organisation meets its targeted sales volumes and revenue figures through effective selling strategies.

◊ **Enhancing Profitability:** Contributing to the company's overall profit by managing sales operations efficiently and aligning them with financial goals.

◊ **Driving Sales Expansion:** Facilitating continuous improvement and upward trends in sales performance over time.

◊ **Increasing Market Share:** Strengthening the company's competitive position by capturing a larger portion of the market relative to competitors.

◊ **Core Organisational Goals:** Sales management aims to achieve three primary objectives: maximising sales volume, contributing to overall profitability, and ensuring sustained business growth.

◊ **Impact of the Sales Function:** The success of these objectives is closely tied to how effectively and efficiently the sales function is managed, which in turn influences market share and financial outcomes.

◊ **Role of Sales Executives:** While top management holds ultimate accountability, sales executives play a crucial role in driving these objectives through strategic and operational contributions.

◊ **Delegation of Authority:** Top management delegates responsibility to marketing management, which in turn empowers sales management to pursue these goals through structured planning and execution.

◊ **Goal Setting Process:** General objectives are refined into specific, achievable targets. Sales executives contribute market forecasts, sales potential estimates, and assessments of team capabilities during this phase.

◊ **Implementation Leadership:** Once goals are set, sales executives are responsible for guiding sales personnel and intermediaries to execute the selling strategies effectively.

- ◊ **Strategic Influence:** Sales management plays a crucial role in shaping the future business direction by providing data and insights that inform marketing decisions and financial planning.

- ◊ **Target Formulation:** Based on sales management's evaluation of market opportunities, targets are set for sales volume, gross margin, and net profit, both in terms of product units and monetary value.

- ◊ **Performance Dependency:** The achievement of these targets relies heavily on the performance of the sales team and other marketing staff involved in execution.

E. Modern Advancements in Sales Management

I. Sales Tech Stack

1. CRM (Customer Relationship Management)

CRM systems store and manage customer data, track interactions, and monitor the entire sales cycle from lead generation to closure. They enable coordination between sales, marketing, and service teams.

Example: A B2B company uses Salesforce to track leads, schedule follow-ups, and generate monthly sales performance reports.

2. Sales Acceleration Tools

Sales acceleration tools help salespeople close deals faster by automating outreach, tracking customer engagement, and prioritizing high-intent prospects.

Example: A SaaS firm uses email tracking tools to identify prospects who open pricing emails multiple times and assigns them for immediate follow-up.

3. Lead Scoring Automation

Lead scoring automation ranks leads based on behaviour, demographics, and engagement using predefined rules or AI models. High-scoring leads are passed to sales teams first.

Example: An ed-tech company scores leads higher if users attend demo classes and download brochures, increasing conversion efficiency.

4. Email Sequencing Tools

Email sequencing tools send automated, personalized follow-up emails at scheduled intervals based on customer responses or actions.

Example: A recruitment firm sends a sequence of emails, introduction, service benefits, and case studies, over two weeks to nurture potential clients.

5. AI Sales Assistant Tools

AI sales assistants support sales teams by suggesting next-best actions, predicting deal outcomes, and generating sales insights.

Example: An AI assistant alerts a salesperson when a deal shows signs of delay and recommends offering a discount or scheduling a call.

6. WhatsApp API for Sales

WhatsApp Business API enables large-scale, automated, and personalized customer communication for sales and support.

Example: An e-commerce brand sends order confirmations, payment links, and product recommendations via WhatsApp, improving conversion rates.

II. Data-Driven Sales Management

1. Forecasting Using CRM Data

Sales forecasting uses historical CRM data such as deal size, win rates, and pipeline stages to predict future revenue.

Example: A manufacturing company forecasts quarterly sales based on active leads and past conversion trends stored in CRM.

2. Territory Heat Maps

Territory heat maps visually represent high- and low-performing sales regions using geographic data analytics.

Example: A pharmaceutical company identifies high-prescription districts through heat maps and reallocates sales representatives accordingly.

3. KPI Dashboards

KPI dashboards display key performance indicators like lead conversion rate, average deal size, and sales cycle length in real time.

Example: A sales manager monitors daily targets and salesperson performance through an online dashboard.

4. Funnel Analysis

Funnel analysis examines customer movement through different sales stages to identify drop-offs and optimization opportunities.

Example: An online subscription service discovers that most customers drop out at the pricing stage and redesigns its pricing page.

5. CAC (Customer Acquisition Cost)

CAC measures the total cost of acquiring a new customer, including marketing, sales salaries, and technology expenses.

Example: A startup calculates CAC to ensure that customer lifetime value exceeds acquisition cost.

6. ROAS (Return on Ad Spend)

ROAS evaluates the effectiveness of advertising by comparing revenue generated to ad spending.

Example: A retail brand spends ₹1,00,000 on digital ads and generates ₹5,00,000 in sales, achieving a ROAS of 5:1.

III. Digital Prospecting

1. LinkedIn Selling

LinkedIn selling uses professional networking features to identify prospects, share thought leadership, and initiate sales conversations.

Example: A B2B consultant connects with HR managers on LinkedIn and offers free webinars to generate leads.

2. Inbound Lead Management

Inbound lead management focuses on handling leads generated through content marketing, SEO, webinars, and online forms.

Example: A company captures leads from blog subscriptions and assigns them automatically to sales teams through CRM integration.

3. Social Listening for Sales

Social listening involves monitoring social media platforms to identify customer needs, complaints, and buying signals.

Example: A software company tracks tweets requesting CRM recommendations and contacts users with tailored offers.

5.1.3 Sales Force Management

Sales force management, a specialised branch of human resource management, faces unique challenges as salespeople work independently in the field with limited supervision and organisational interaction, relying on remote communication tools while coping with rejection and extended absences that demand strong motivation. It follows personnel management principles, beginning with job analysis to define roles and standards, leading to job descriptions, recruitment, and selection, followed by training and structured compensation. As sales staff enter fieldwork, managers must provide motivation, time management support, and performance evaluation. Since the system is highly interconnected, inefficiencies in recruitment, training, or supervision can disrupt operations, reduce productivity, and increase turnover, making precise execution of each component essential for overall effectiveness.

Activities Involved in Sales Personnel Management

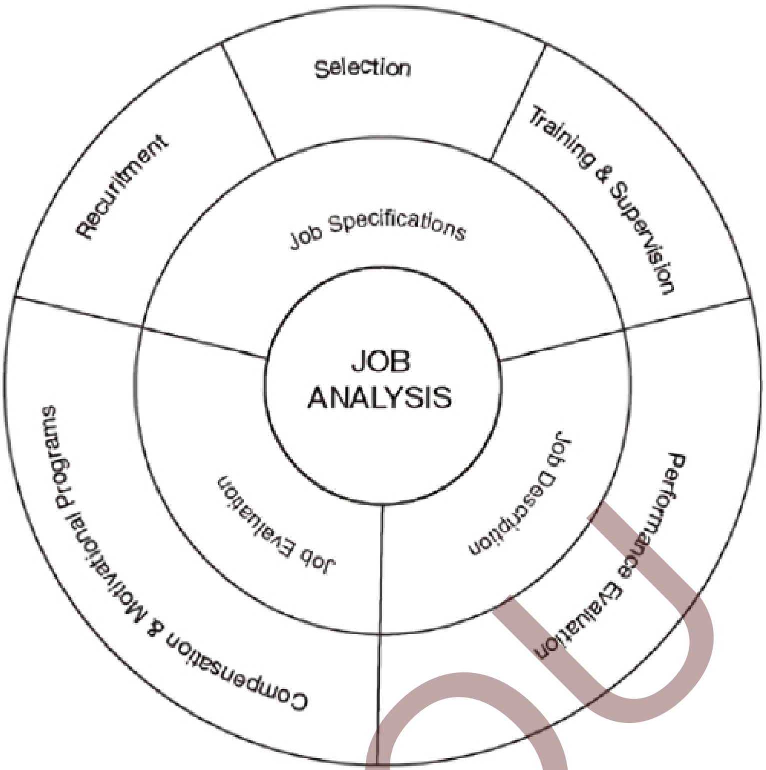

Fig. 5.1.1 Activities Involved in Sales Personnel Management

A. Economies of Effective Sales Force Management

Effective sales force management drives cost efficiency and performance gains by maximising productivity and morale. For instance, if ten salespeople each make five calls daily, totalling fifty calls, and four out of five calls result in sales averaging ₹40,000 each, the company earns substantial revenue. With improved management, if each salesperson increases to six calls daily, the total rises to sixty calls, yielding eight additional sales and an extra ₹3,20,000 in daily revenue, equivalent to hiring two more salespeople at the earlier rate. Commission-based staff benefit from higher earnings, boosting motivation, while expenses fall into fixed costs (salaries, travel, equipment, promotional materials) and variable costs (commissions, training, supervision, motivation). Variable costs are more efficient when directed at high performers, as they generate greater returns per unit sold, making effective sales force management a crucial driver of financial and operational success.

B. Rate of Sales Personnel Turnover

Sales personnel turnover, measured as separations per 100 staff, is a vital indicator of sales force management effectiveness, with high turnover driving up recruitment, advertising, agency fees, and interview costs, alongside training expenses that can exceed ₹8,00,000 per recruit and hidden costs of around ₹2,80,000 per new salesperson due to underperformance in their first year. For example, a company with 400 salespeople and a 25% turnover rate may spend nearly ₹8 crore annually on replacements, while also facing indirect losses such as increased supervision, missed sales opportunities, and reduced customer goodwill. Though some turnover is beneficial when underperformers exit, excessively low rates may signal stagnation, making a balanced benchmark of around 5% ideal. Effective management requires analysing age distribution to avoid mass retirements, setting realistic service averages (e.g., 20 years), and conducting exit interviews to identify controllable causes, ensuring recruitment, training, and support systems sustain a dynamic and competitive sales force.

5.1.4 Job Analysis

Job analysis involves gathering and examining factual details about specific roles, serving as the cornerstone of effective personnel management. It provides the essential information needed to create formal job descriptions, which are then used to develop job specifications that outline the qualifications and attributes required for successful job performance. Together, the job analysis, job description, and job specification form the factual basis for making informed decisions regarding recruitment, transfers, promotions, training, and terminations.

A. Sales Job Analysis

Sales job analysis is a fundamental component of contemporary sales force management, and its importance has grown in India, particularly after the implementation of labour and equality-related legislation such as the Equal Remuneration Act, 1976, the Industrial Employment (Standing Orders) Act, 1946, and provisions under the Labour Codes. These frameworks emphasise fairness, transparency, and accountability in employment practices, prompting sales leaders to substantiate personnel decisions with objective evidence rather than intuition. The process involves a structured investigation of specific sales roles, such as that of a territorial salesperson, focusing on defining job goals and the actions required to achieve them. Key questions addressed include:

- ◊ Who does the salesperson report to?
- ◊ Who reports to them?
- ◊ What products are they responsible for selling?
- ◊ Who are their customers?
- ◊ What information must they collect?
- ◊ What reports are they expected to submit, and to whom?

Sales job analysis also examines the individual's tasks, client interactions, and relationships with colleagues within the sales team and the wider organisation, resulting in a comprehensive understanding of their functions. Typically, a sales role blends the four primary selling styles, trade, missionary, technical, and new business, which often transcend industry and organisational boundaries. By rooting job analysis in Indian labour and employment laws, organisations ensure compliance, fairness, and efficiency while strengthening the credibility of their sales force management practices.

B. Sales Job Description

The primary outcome of a sales job analysis is the job description, a structured and factual document that outlines the reporting structure, objectives, key duties, responsibilities, and performance criteria of the role. It specifies who the salesperson reports to, what tasks they must perform, how these tasks should be carried out, and the rationale behind them, while also defining benchmarks for evaluating performance.

C. Steps in Sales Job Analysis and Job Description Preparation

Although methods vary across organisations, well-managed companies in India typically follow four key steps, aligned with labour and employment frameworks such as the Equal Remuneration Act, 1976, the Industrial Employment (Standing Orders) Act, 1946, and provisions under the Labour Codes (2020), which emphasise fairness, transparency, and accountability in workforce management:

1. Collect Job Information

◊ Clarify reporting lines by consulting both sales staff and their supervisors.

◊ Distribute questionnaires to sales personnel, asking them to outline job objectives, major tasks, and what effective performance entails.

◊ Seek input from sales managers and executives on objectives, responsibilities, and appropriate duties.

◊ Gather customer feedback on what they expect from company salespeople.

2. Analyse the Data

◊ Organise and summarise the collected information.

◊ Resolve discrepancies between perspectives, draft a clear statement of job objectives, and compile a comprehensive list of duties.

◊ Group duties into broad categories such as sales, customer service, territory management, promotional activities, administrative tasks, and relationship-building.

3. Draft the Job Description

◊ Clearly define reporting relationships.

◊ Include job objectives.

◊ Detail responsibilities and tasks.

◊ Specify performance standards and evaluation criteria.

4. Review and Update as Needed

◊ Reassess and revise the job description when significant changes occur in the market, customer expectations, product offerings, competitive landscape, or economic conditions.

In India, companies often use standardised checklists developed by industry associations (e.g., FICCI, CII, NASSCOM) or guidelines from government bodies such as the Ministry of Labour and Employment to draft duties and responsibilities for newly established sales roles.

D. Sales Job Specifications

Creating a job specification in the Indian sales context is more complex than drafting a job description, as it requires identifying the qualifications necessary to perform the duties outlined. For instance, if a salesperson is expected to train dealer staff in India's diverse retail and distribution networks, they must possess knowledge of product usage, customer behaviour across varied cultural segments, dealer operations, and effective training techniques. This may call for specific educational backgrounds, such as a degree in commerce, marketing, or management, or prior experience in FMCG, automobile, or pharmaceutical sales where dealer training is common.

Sales management must carefully distinguish between:

- ◊ Pre-existing qualifications that candidates bring, such as formal education or prior industry experience.
- ◊ Skills that can be developed through training, including digital sales tools, CRM systems, and region-specific promotional strategies.
- ◊ Competencies gained through on-the-job experience, such as handling diverse customer expectations, managing rural and urban markets, and adapting to India's multi-channel distribution systems.

Organisations must decide which qualifications are essential at the point of hiring and which can be nurtured later. Companies demanding higher entry-level qualifications may reduce their training burden but risk limiting their talent pool, especially in tier-2 and tier-3 cities. Conversely, hiring less-qualified individuals may ease recruitment but increase training needs, particularly in areas like digital literacy and structured sales techniques.

It is equally important to define personal attributes suited to Indian sales roles, as these cannot easily be instilled through training. Candidates must already demonstrate:

- ◊ Empathy and interpersonal skills to connect with diverse customers across regions and languages.
- ◊ Integrity and strong moral character, vital in building trust with dealers and customers in competitive markets.
- ◊ Maturity and self-awareness to handle the pressures of fieldwork and independent decision-making.
- ◊ Motivation and resilience, especially in roles involving routine dealer visits, rural travel, and frequent rejection.

This India-focused framing ensures that job specifications reflect the realities of the country's heterogeneous markets, distribution structures, and workforce diversity, making recruitment and training more effective.

Table 5.1.1 Duties and Responsibilities of a Section of a Sales Job Description

Checklist for Compiling the "Duties and Responsibilities" Section of a Sales Job Description	
Sales Activities	
◊	Conduct regular visits to customers.
◊	Implement marketing plans directly in the field.
◊	Promote and demonstrate product offerings.
◊	Address and resolve customer objections.
◊	Monitor inventory levels and identify potential applications for products.
◊	Communicate key product features and benefits to clients.
◊	Assess the likely needs and purchasing potential of customers.
◊	Highlight product quality and value.
◊	Clarify company policies regarding pricing, delivery schedules, and credit terms to ensure consistency and transparency.
◊	Secure customer orders.
Customer Service Responsibilities	
◊	Set up products or promotional displays at customer sites.
◊	Report any product issues or customer complaints.
◊	Manage product returns, adjustments, and financial allowances.
◊	Process credit requests.
◊	Handle customised or special-order requests.
◊	Determine and manage service priorities.
◊	Evaluate local market conditions affecting customer needs.
Territory Management Tasks	
◊	Plan travel routes to maximise coverage and efficiency.
◊	Allocate time and effort based on customer potential and sales volume.
◊	Maintain and organise sales tools such as portfolios, samples, and kits.
Sales Promotion Duties	
◊	Identify and develop new leads and client accounts to drive growth.
◊	Distribute promotional materials, brochures, and catalogues from the head office.
◊	Accompany and support customer sales representatives during joint calls.
◊	Train the staff of wholesalers, distributors, and similar partners.
◊	Present findings, layout plans, and proposals to clients.

Executive Functions	
◊	Prepare a daily work schedule each evening for the following day.
◊	Coordinate field operations to minimise travel and maximise client engagement.
◊	Submit detailed reports on market trends and competitor activity.
◊	Provide statistical data as requested by the head office.
◊	Investigate reasons behind lost sales.
◊	Report on new developments, achieved objectives, and innovative approaches to handling objections.
◊	Participate in internal sales meetings.
◊	Compile and maintain a list of potential clients.
◊	Follow up on overdue payments and report problematic accounts.
◊	Gather and report customer credit information.
Goodwill and Relationship Building	
◊	Advise customers on business challenges and offer solutions.
◊	Foster customer loyalty and uphold the company's reputation.
◊	Attend customer-organised local sales meetings to strengthen relationships.

5.1.5 Recruitment And Selection Of Sales Personnel

Recruiting and selecting sales staff is a vital component of executing a personal selling strategy, but it is only part of the process. Recruits require initial training to reach expected productivity levels, while ongoing training is essential to sustain the performance of experienced salespeople. Motivation and supervision also play key roles in encouraging staff to apply their skills effectively. Knowing what to do is one thing; getting sales personnel to apply their knowledge consistently is another.

Once job analysis has been completed, job descriptions written, and job specifications defined, the recruitment and selection process typically follows three main steps:

- ◊ Identify viable sources for attracting candidates with strong potential.
- ◊ Engage those sources to build a pool of prospective applicants.
- ◊ Select the most promising candidates with the highest likelihood of success.

A. Organisational Structure for Recruitment and Selection

The structure for managing recruitment and selection varies across organisations, influenced by factors such as company size, leadership styles, and departmental arrangements. In smaller firms, it is rare for the personnel manager to handle recruitment alone. More commonly, the personnel department manages certain aspects, such as initial screening, while the sales department oversees other elements and makes final hiring decisions.

In companies with regional or district sales offices, responsibility for recruitment may be either centralised or decentralised. Centralisation is more typical when hiring for specialised roles, such as technical sales positions. However, decentralised recruitment can reduce the costs and time associated with interviews, making it easier to hire local candidates.

B. The Pre-Recruiting Reservoir

Due to the unpredictability of staffing needs, many companies maintain a pre-recruiting reservoir, a database of potential candidates who may be approached when vacancies arise.

Names in this reservoir come from various sources:

◊ Online CV submissions

◊ Shortlisted candidates from previous recruitment rounds

◊ Informal encounters such as conversations at industry events, customer meetings, social gatherings, or during travel

Centres of influence - individuals who regularly interact with high-potential candidates and can refer them for suitable roles. These may include:

◊ University lecturers in marketing and sales

◊ Trade association officials

◊ University or college placement officers

◊ Vocational guidance professionals

This reservoir should be reviewed regularly, and outdated entries should be removed to keep the pool current and relevant.

5.1.6 Sources Of Sales Force Recruits

A. Evaluating Recruitment Sources

A practical method for assessing recruitment sources is to analyse those previously used. This involves both quantitative and qualitative evaluation, examining the number of recruits each source produced and the proportion of successful hires. For instance, one source may yield many candidates but few successes, while another may produce fewer applicants but a higher success rate.

Consider an example: a source that generated the most significant number of recruits had a success rate only slightly above the overall average, yet it accounted for ten of the thirty-five successful hires. This may justify continued use. Conversely, three sources demonstrated above-average success ratios and should be further explored to increase recruitment from them. Meanwhile, sources with consistently low success rates should be used more cautiously.

Important caveats:

- ◊ These findings are based on the experience of a single company and may not apply to all companies.
- ◊ The definition of "success" influences the analysis. In this case, success was defined as meeting or exceeding sales targets in two out of three years; other organisations may use different criteria.
- ◊ The reliability of such evaluations depends on sample size. A source with twenty-two recruits offers more dependable insights than one with only three. Nonetheless, even limited data can provide helpful guidance when identifying promising recruitment channels.

B. Internal Recruitment Sources

Company Sales Personnel

Applicants often apply because they know existing sales staff, making employee referrals a valuable source of information. These candidates may already be familiar with the company's policies and demonstrate a positive attitude towards the organisation. Salespeople typically have extensive networks and interact with many individuals who may be suitable for sales roles, including those currently employed by competitors. However, not all salespeople are selective in their recommendations, so referrals should be carefully assessed. Sales staff are beneficial when recruiting for remote regions, as they often have a better understanding of local conditions and talent pools than head office personnel.

Company Executives

Sales managers and other senior staff can also provide strong recommendations. Sales executives, in particular, are likely to refer high-quality candidates due to their understanding of role requirements. Other executives may base referrals on personal relationships, which can be less objective. Over time, companies can evaluate the reliability of each executive's recommendations using similar analytical methods.

Internal Transfers

Employees from other departments or non-sales roles within the sales division may seek transfers. These individuals are already familiar with the company's operations, and HR departments typically maintain detailed records on them. While their sales aptitude may be unknown, they often possess strong product knowledge. This can be assessed through formal testing or trial field assignments. Internal transfers are especially suitable when product expertise is a significant component of sales training, as they may be ready for quicker deployment in the field.

C. External Sources Of Sales Force Recruitment

Direct Unsolicited Applications

Companies regularly receive unsolicited applications, whether in person or online, for sales roles. Some sales managers view such initiative as a sign of strong motivation and favour immediate hiring, while others dismiss these applicants due to perceived low qualification levels. The most balanced approach is to treat unsolicited applications like any other: screen them against job specifications and proceed only with those who meet the criteria. However, this source is inconsistent, with application volume varying according to economic conditions.

Placement Consultants

Placement consultants are often viewed as a last resort by sales managers, who believe that capable salespeople rarely require such services. Frequent mismatches between consultant referrals and job requirements reinforce this perception. Sometimes the issue lies with the consultant's eagerness to earn placement fees; other times, employers may set unrealistic expectations or fail to communicate job needs clearly.

To improve outcomes, companies should:

- ◊ Provide consultants with detailed job objectives and specifications
- ◊ Maintain regular communication to ensure mutual understanding
- ◊ Periodically review consultant performance using structured analysis
- ◊ Build long-term relationships to enhance consultant familiarity with company needs

Some consultants now proactively seek out high-potential candidates, including those already employed, and offer services such as aptitude testing and preliminary screening to support their recruitment efforts.

Salespeople Visiting the Company

Purchasing directors often interact with sales representatives from other firms and are well-placed to assess their performance. In well-managed organisations, these directors act as "centres of influence," contributing names of promising candidates to the pre-recruiting pool.

Employees of Customer Organisations

Some companies recruit from their customer base, relying on recommendations for individuals who have reached their growth ceiling in current roles. Such moves can boost morale within the customer's organisation, but recruitment should only proceed with the customer's consent.

Sales Forces of Noncompeting Firms

Salespeople from noncompeting companies are often strong candidates due to their existing sales experience and, in some cases, familiarity with related product lines. Their skills may be easily transferable to the recruiting company's context.

Sales Forces of Competing Firms

Recruiting from competitors offers the advantage of minimal training, as these individuals already have a solid understanding of the market and products. However, this source is costly, and premium salaries are often needed to attract such talent. Some sales managers avoid hiring directly from competitors, fearing future disloyalty. Nonetheless, many are open to hiring individuals who previously worked for competitors but are now employed elsewhere or seeking new opportunities.

When considering such candidates, it is essential to understand their reasons for leaving their current roles. If the move does not offer better pay, status, or prospects, underlying issues such as personality conflicts or instability may be involved. However, dissatisfaction may also stem from legitimate concerns, presenting an opportunity to recruit a capable and motivated individual.

Educational Institutions

Universities and colleges are key sources of sales and management trainees. Graduates often receive multiple job offers, making recruitment a competitive process. Companies without strong ties to academic institutions may struggle to secure campus interview slots or attract top talent. Even well-known firms face challenges in hiring the best graduates.

Some organisations offer internships to students in their penultimate year, allowing both parties to assess suitability. Successful interns are often offered full-time roles upon graduation.

5.1.7 Recruitment Process For Sales Personnel

The approach to recruiting sales staff varies across organisations, mainly depending on the sources and methods used, which are shaped by management's assessment of the required selling styles. Each selling style demands different levels of education, training, and experience:

◊ Trade selling typically requires candidates with basic or general education and minimal experience.

◊ Missionary selling calls for more qualified individuals, often with specialised education (e.g., in science or pharmacy) or relevant experience, especially when dealing with professionals like doctors or hospitals.

◊ Technical selling demands even higher qualifications, such as engineering or scientific backgrounds.

◊ New-business selling requires individuals with the aptitude to initiate and develop new client relationships.

◊ Contemporary-Selling Methods

  - **SPIN Selling:-** SPIN Selling is a structured questioning technique based on Situation, Problem, Implication, and Need–Payoff questions. It focuses on understanding customer problems deeply before proposing solutions, especially effective in complex and high-value sales.

- **Challenger Model:-** The Challenger Model emphasizes teaching, tailoring, and taking control of the sales conversation. Instead of simply responding to customer needs, salespeople challenge customer thinking by offering new insights and pushing for change.
- **Consultative Selling: -** Consultative Selling focuses on building long-term relationships by acting as an advisor rather than a seller. The salesperson diagnoses customer needs and recommends customized solutions rather than pushing a standard product.
- **Insight Selling: -** Insight Selling involves providing customers with valuable market, operational, or strategic insights that help them recognize problems they were not previously aware of. It positions the salesperson as a knowledge partner.
- **Key Account Management (KAM):-** Key Account Management is a strategic approach where important, high-value customers are managed individually through dedicated account managers. The goal is to maximize long-term value through customized service and partnership.

When specific technical knowledge is essential (e.g., engineering or pharmacy), companies often focus on educational institutions and personal referrals. In contrast, for trade selling, a broader range of sources is used, with an emphasis on indirect methods such as job advertisements in newspapers or trade journals.

Factors Influencing Recruitment Scope

The scale of recruitment depends on several factors:

◊ The number of recruits needed, which is influenced by the size and maturity of the sales team

◊ The rate of staff turnover

◊ Projected sales volumes

◊ Distribution channels

◊ The company's promotional strategy

Larger sales teams naturally require more frequent recruitment to maintain operational strength. Two companies with similar sales volumes may have different-sized sales forces due to differing distribution models or promotional approaches. High turnover rates also necessitate more frequent hiring.

Personal Recruitment Methods

Company Website

Most companies maintain a "Careers" section on their websites listing current vacancies. This is a cost-effective method for building an extensive applicant database.

These pages typically include:

- ◊ Company background and product information
- ◊ HR policies
- ◊ Job requirements, responsibilities, and career progression opportunities
- ◊ Success stories of current or former sales staff
- ◊ Visual aids such as images, charts, and diagrams Some even provide a hotline number for further enquiries.

Campus Placements

Recruiting from educational institutions is often coordinated across departments to avoid duplication. The personnel department oversees planning, including:

- ◊ Sending job requirement details to placement officers ahead of the recruitment season
- ◊ Updating the list of target institutions based on experience
- ◊ Confirming interview dates and sending job-related information (e.g., role description, salary, training, start date)
- ◊ Conducting interviews on campus and offering roles to top candidates

Direct-to-Consumer Sales Recruitment

This sector often struggles with high turnover due to the nature of the work and the uncertainty of income. Many companies rely on their existing salespeople to refer recruits and offer incentives or bonuses for successful referrals.

Recruitment Consultants

Specialist agencies in many cities assist companies in recruiting sales staff. These consultants:

- ◊ Maintain networks with various organisations and job seekers
- ◊ May conduct initial screening through interviews, aptitude tests, and background checks
- ◊ Require clear job descriptions and specifications from client companies They are beneficial for accessing a broader talent pool.

Advertisements

Sales vacancies are commonly advertised in newspapers, both in classified sections and as display ads. Open ads (which reveal the company name) are generally preferred over blind ads (which use anonymous box numbers). Well-known companies should highlight their name to attract quality applicants.

Ad placement matters; ads in sports or financial sections tend to be more effective, though costlier, as they reach both active job seekers and employed individuals open to better opportunities. Additionally, companies are increasingly using online job portals, such as naukri.com, monster.com, and timesjobs.com, which offer a broader reach at a lower cost compared to traditional print media.

5.1.8 Selection Process Of Sales Personnel

The selection process for sales staff can range from a simple, single-stage informal interview to a complex, multi-stage system involving various tools to gather detailed information about applicants. These systems function as a series of filters, where candidates may be eliminated at any stage. For example, in a seven-step system, a candidate must successfully pass through each stage to receive a job offer. The sequence of these steps is typically determined by the value of the information they provide, rather than their cost.

Each company tailors its selection process to suit its specific information needs and budget. The primary goal is to enhance management's ability to predict which candidates are most likely to succeed in sales roles. As applicants progress through each stage, the additional data collected allows for more accurate predictions of their potential success or failure. However, no system is perfect; some capable individuals may be overlooked, while others who are selected may not perform as expected.

A. Pre-Interview Screening and Initial Interview

The purpose of pre-interview screening is to filter out clearly unsuitable candidates early, saving time for both the company and the applicants. This stage typically involves providing basic information about the company and the sales role, often through a recruitment brochure or other similar materials. Applicants are usually asked to complete a short application form, ideally no longer than two pages, which collects essential details such as education, work experience, and health status. This form helps determine whether candidates meet the minimum qualifications. Those who are not invited will not be considered for further interviews.

The preliminary interview is brief, usually lasting around 20 minutes. During this time, the interviewer answers questions about the role and assesses whether the applicant meets the basic criteria. If the candidate is deemed suitable and remains interested, they are asked to complete a formal application and are scheduled for one or more in-depth interviews.

B. Formal Application

Most companies require candidates to complete a formal application, often available online. This document serves as a central record of all relevant information gathered during the selection process. It is typically filled out by the applicant and supplemented by the interviewer's notes. The form functions as a standardised written interview, capturing details that might otherwise be obtained through conversation. It may also include sections for recording outcomes of reference checks, credit assessments, aptitude tests, and medical evaluations.

Each company should design its own application form to reflect its unique information needs. Common fields include:

- ◊ Current employment and job history
- ◊ Educational background
- ◊ Number of dependents
- ◊ Employment status and tenure with previous employers
- ◊ Organisational memberships
- ◊ Earnings history and reasons for leaving previous roles
- ◊ Financial details such as net worth and living expenses
- ◊ Duration of job search

The decision on which items to include should be informed by an analysis of the current sales team. Rather than focusing on individual factors, the overall profile is more predictive of success. For instance, while one company found that most top performers were aged 30–35, successful hires also included individuals aged 21 to 52. Thus, age and other factors should be viewed in context, not as rigid criteria.

Some larger firms use a scoring system to assess an individual's personal history objectively. Each factor is assigned a maximum score, often 10 points, with a total possible score (e.g., 150). A minimum threshold (e.g., 100 points) is set, below which applicants are automatically disqualified. This method, pioneered by life insurance companies with large sales teams, allows for the development of reliable benchmarks. However, the accuracy of such scoring systems tends to decrease when based on smaller sample sizes.

C. The Interview in Sales Personnel Selection

The interview remains the most commonly used method in selecting sales staff, and in some organisations, it constitutes the entire selection process. While some HR professionals question its reliability, the interview is uniquely effective in assessing qualities such as verbal communication skills, personal appearance, manners, attitude towards sales and life, ability to handle face-to-face challenges, and overall personal impact.

Skilled interviewers avoid repeating information already gathered through other selection tools. They review the completed application form beforehand and focus their questions on areas needing further clarification.

Although it's essential to promote the company to applicants, this can be done more efficiently through recruitment brochures or group briefings, especially during campus recruitment, where general company policies are clearly explained. Nonetheless, individual queries must still be addressed during interviews.

Managing Interview Dynamics

Job interviews can be stressful, even for seasoned sales professionals. The significance of changing jobs and the unfamiliar setting may cause anxiety. To ease tension, interviewers often begin with questions about the applicant's family or education, topics that are generally easy to discuss. A key objective is to present the company as an attractive employer, and maintaining a friendly rapport throughout the interview is essential.

Who Conducts the Interviews?

Typically, multiple individuals are involved in interviewing and evaluating each candidate. In large sales organisations, initial interviews are conducted by district or branch sales managers or their assistants. Candidates who pass this stage may be invited to the head office or a regional office for further interviews.

Number of Interviews

The number of interviews depends on the nature of the sales role:

- ◊ A steel company requiring highly specialised sales staff conducts four interviews, involving two assistant sales managers, the general sales manager, and the marketing vice-president, all of whom must approve the hire.
- ◊ A manufacturer of office supplies, which typically conducts routine trade sales, hires for the position by conducting two interviews: one with a branch manager and another with an assistant.

Interviewing Techniques

Many companies train interviewers in structured methods and use tools such as rating scales and interview record forms to guide discussions and improve the quality of information gathered. Traditional informal interviews are increasingly being replaced by more systematic approaches, including:

1. Patterned Interview

Uses a pre-set list of questions to gather core information. Interviewers may refer to the outline during the session or memorise it and record responses afterwards to maintain a natural flow.

2. Nondirective Interview

Encourages applicants to speak freely about their background and aspirations. The interviewer intervenes minimally, allowing more profound insights into the candidate's attitudes and personality. While this method can be revealing, it requires expert interpretation and specialised training.

3. Interaction (Stress) Interview

Simulates real-life selling pressures to observe how applicants respond to them. A classic example involves asking the candidate to sell an unexpected item. More advanced versions involve two interviewers: one creates psychological scenarios, and the other observes reactions. These require careful planning and should be conducted by trained mental health professionals.

4. Rating Scales

Help reduce subjectivity by guiding interviewers to choose from predefined descriptors (e.g., "very neat" to "slovenly" for appearance). While this improves consistency across interviewers, it may limit nuanced evaluation. Written explanations of ratings are encouraged to add context.

5.1.9 References

References offer insights about applicants that are not obtainable through other selection methods. While some employers question their usefulness, believing referees are reluctant to criticise friends or former employees, experienced recruiters can often detect subtle omissions or lack of enthusiasm that signal weak candidates.

Preferred Method:

◊ Face-to-face contact is ideal, as tone and expression reveal more than written words.

◊ Telephone calls are a suitable alternative when in-person meetings aren't feasible.

◊ Written references are the least effective and should be used only when necessary.

Applicants usually list referees who will speak favourably of them. To counteract this bias, employers often seek feedback from individuals not listed by the applicant but who are familiar with them. These sources fall into four categories:

1. **Current or former employers** : They've observed the applicant in real work settings. Permission is usually required before contacting current employers.
2. **Former customers** : Especially valuable for assessing sales ability; best contacted independently.
3. **Respected public figures** : Well-known individuals are unlikely to endorse someone they don't trust.
4. **Mutual acquaintances** : Those who know both the applicant and the employer can provide honest feedback, which the employer can better interpret.

5.1.10 Credit Checks

Many organisations conduct credit checks for sales roles. These are sourced from local credit bureaus or reputable agencies, such as Dun & Bradstreet. A high level of personal debt may indicate financial stress that could impact job performance, or, conversely, serve as a motivator.

Red flags include:

◊ Persistent late payments

◊ Long-standing debts

◊ Bankruptcy history

However, financial irresponsibility doesn't always equate to poor job performance. A holistic view of the applicant's behaviour, both economic and non-financial, is essential.

5.1.11 Psychological Testing

Psychological assessments are increasingly used in sales recruitment, typically as one of the final steps due to their cost. Validating these tests is complex, as different traits can lead to success in various roles. Therefore, separate validation studies are often necessary.

Cautions:

◊ Some tests lack relevance or were designed for unrelated purposes.

◊ Tests may favour conformity, potentially excluding creative or dynamic individuals.

◊ Overreliance on test objectivity can lead to unrealistic expectations.

Despite these limitations, well-designed tests can be helpful if their constraints are understood and acknowledged. It's advisable to involve a qualified psychologist to select, administer, and interpret tests. Key evaluation criteria include cost, time efficiency, and ease of use.

Three main types of psychological tests:

1. Ability Tests

◊ Include intelligence and aptitude tests.

◊ Assess a person's ability to perform tasks effectively under pressure.

◊ Useful for screening when other evidence of ability (e.g., academic qualifications) is lacking.

2. Habitual Characteristics Tests

◊ Include attitude, personality, and interest tests.

◊ Attitude tests assess views on work-related topics but may lack validity due to social desirability bias.

◊ Interest tests assume a link between interest and motivation, but they are prone to manipulation and are better suited for career guidance than for selection.

3. Achievement Tests

- ◊ Measure knowledge gained through education or experience.
- ◊ Rarely standardised due to job-specific requirements.
- ◊ Useful when custom-designed to assess knowledge in areas like product details, marketing, or customer service.
- ◊ Must be developed and interpreted by experts, based on accurate job specifications.

Psychological testing should be viewed as one component of a broader selection process, not a standalone solution.

5.1.12 Medical Examination

Given the physical demands of sales roles, good health is essential. Most companies require a medical check-up, typically near the end of the selection process, due to its cost. However, if physical fitness is crucial, for example, the ability to carry a 20-kilogram sales kit, the medical exam may be conducted earlier.

5.1.13 Sales Manager

A sales manager is a key figure in any organisation's sales function, responsible for leading and coordinating the sales team to achieve business targets. A sales manager oversees the planning, execution, and monitoring of sales activities. Their primary goal is to ensure that the sales team meets or exceeds revenue targets while maintaining customer satisfaction and operational efficiency.

A. Nature of Work of a Sales Manager

Sales managers play diverse roles depending on the size and structure of the organisation. Their responsibilities can be broadly categorised into three functional areas:

Administrative Sales Manager

In large companies, the Administrative Sales Manager oversees the strategic and organisational aspects of the sales function. Key responsibilities include:

- ◊ Designing the structure of the sales department
- ◊ Establishing policies, procedures, and operational guidelines
- ◊ Leading and directing the sales team
- ◊ Organising and conducting sales meetings
- ◊ Coordinating sales and marketing efforts with other departments
- ◊ Planning and controlling overall marketing activities

This role is primarily focused on planning, policy-making, and coordination, ensuring that the sales function aligns with broader organisational goals.

Field Sales Manager (Operating Role)

The Field Sales Manager is a frontline leader who reports to either the Marketing Manager or the Administrative Sales Manager. This role is more hands-on and execution-oriented. Responsibilities include:

◊ Implementing the sales strategy and achieving targets

◊ Managing and developing the sales team

◊ Overseeing recruitment, selection, and training of sales personnel

◊ Supervising daily activities and evaluating performance

◊ Controlling and motivating the salesforce

Often, high-performing salespeople are promoted into this role. In smaller firms, a single Sales Manager may handle both administrative (strategic) and operational (execution) duties.

Staff Functions (Advisory Role)

Some sales managers or specialists serve in staff roles, acting as advisors or support personnel. Their function is to:

◊ Provide expert guidance to senior executives

◊ Offer services that help achieve sales objectives

◊ Analyse performance data and suggest improvements

◊ Contribute to policy development and strategic planning

These individuals are often referred to as *"thinkers"*, focusing on analysis, insight, and advisory support rather than direct management.

5.1.14 Duties and Responsibilities of a Sales Manager

1. Sales Planning

A sales manager is responsible for developing comprehensive sales strategies, policies, and annual programmes. This includes preparing the sales budget, setting clear objectives, and outlining the methods to achieve them. Effective planning ensures that the sales team operates with direction and purpose throughout the year.

2. Driving Growth and Managing Change

In today's fast-paced and competitive markets, the sales manager plays a crucial role in fostering business growth and guiding the organisation through change. They must anticipate market shifts, adapt strategies accordingly, and ensure the sales team remains agile and responsive to evolving customer needs.

3. Implementing Sales Plans

Once plans are formulated, the sales manager is tasked with mobilising the necessary resources, human, financial, and technological, to implement them. This involves coordinating activities, assigning responsibilities, and ensuring that the sales programmes are executed effectively and efficiently.

4. Monitoring and Control

The sales manager oversees all selling operations, ensuring that activities align with organisational goals. They evaluate the performance of the sales team, monitor progress against targets, and take corrective actions when necessary. Importantly, they must strike a balance between profit objectives and high standards of customer service and satisfaction.

5. Coordinating Marketing Research

To make informed decisions, the sales manager collaborates with the marketing research team. By leveraging up-to-date and reliable data, they can identify market trends, customer preferences, and potential challenges, enabling more accurate forecasting and strategic planning.

6. Managing the Sales Budget

The sales manager prepares and manages the sales budget, which is essential for financial planning and cost control. Through sales cost analysis, they monitor expenditures and ensure that selling activities remain within budget. This financial oversight is vital for achieving profitability.

7. Managing Distribution Channels

Selecting the proper distribution channels is another key responsibility. The sales manager must select suitable intermediaries, such as wholesalers, retailers, or agents, and foster strong relationships with them. Effective channel management ensures smooth product flow and market coverage.

8. Overseeing Sales Promotion and Advertising

Working alongside the advertising and promotional teams, the sales manager helps design and implement campaigns that stimulate consumer demand. These efforts support personal selling by creating awareness, generating interest, and encouraging customer engagement.

9. Leading the Sales Force

As the leader of the sales team, the sales manager handles all aspects of salesforce management. This includes recruiting, selecting, training, promoting, compensating, supervising, motivating, and evaluating sales personnel. They also allocate sales territories, set quotas, and establish performance benchmarks for each team member.

10. Structuring the Sales Organisation

The sales manager is responsible for building and maintaining the internal structure of the sales department. This involves defining roles and responsibilities, establishing reporting lines, setting procedures, conducting sales meetings, and ensuring that administrative tasks, such as record-keeping and office routines, are carried out efficiently.

11. Financing Sales Operations

Sales activities require financial support, and the sales manager ensures that adequate funds are available. This includes financing advertising, promotions, credit sales, and inventory. They may also provide financial assistance to distribution partners and manage cash and credit flows to support sales efforts.

12. Supporting Promotional Activities

Beyond direct involvement in advertising and sales promotion, the sales manager also supplements these efforts by aligning sales strategies with promotional campaigns. Their role ensures that all marketing initiatives are integrated and reinforce the company's sales objectives.

5.1.15 Sales Targets: Meaning and Purpose

Sales targets, also known as quotas, are measurable objectives assigned to various units within the sales organisation, such as individual salespeople, sales districts, or intermediaries like agents and retailers. These targets serve as benchmarks for evaluating sales performance and may relate to sales volume, expenses, profit margins, return on investment, or a mix of selling and non-selling activities. Targets are often set at higher organisational levels and then broken down into smaller units to guide individual efforts. Importantly, every target is time-bound, indicating what is expected to be achieved within a specific period.

Setting targets is a strategic method for directing and managing sales operations. Their effectiveness depends not only on the quality and accuracy of marketing data—such as forecasts, market potential, and cost estimates, but also on the judgement and administrative skills of those responsible for implementing the quota system. When targets are well-informed and properly managed, they become powerful tools for steering sales efforts.

A. Objectives of Using Sales Targets

1. Controlling the Sales Effort

The primary aim of setting targets is to regulate and guide the sales function. By assigning specific goals, management can monitor performance across different units and ensure alignment with broader business objectives. Targets also help control costs and profitability, and when clearly communicated, they serve as motivational tools that encourage effort and accountability.

2. Establishing Quantitative Performance Standards

Targets serve as performance indicators, enabling management to identify which salespeople, teams, or outlets are performing above, below, or at average levels. For example, territorial sales quotas allow for comparison across regions. However, deeper analysis is often needed to understand the reasons behind performance differences. A well-structured quota system, supported by detailed sales analysis, ensures that poor performance in one product or area isn't masked by success in another.

3. Enhancing Control Over Sales and Expenses

Targets also help tighten control over costs and profitability. Some companies limit expense reimbursements to a fixed percentage of sales, while others set specific monetary limits. Profit-based targets shift the focus from simply increasing sales to improving efficiency and profitability. These are especially useful when higher sales volumes come with increased costs, making it essential to optimise selling effectiveness.

4. Motivating Sales Performance

Targets can be powerful motivators when set appropriately. While some managers use aspirational targets based on what they believe individuals can achieve, overly ambitious goals may backfire and demotivate staff. Most experts agree that targets should be challenging yet attainable, inspiring salespeople to strive for success without feeling overwhelmed. Unrealistically high targets, such as a sudden 50% increase, can discourage effort, so gradual increases are often preferred to maintain morale and drive.

5. Supporting Sales Contests

Sales contests often use target achievement as the basis for awarding prizes. To ensure fairness, contests typically measure performance as a percentage of the target achieved, allowing all participants a reasonable chance of success. Adjustments are made for differences in territory conditions and individual experience. Contest-specific targets are designed to encourage extra effort and help average performers deliver exceptional results.

B. Relationship Between Sales Target, Sales Forecast, and Sales Budget

The connection between sales targets, forecasts, and budgets varies across organisations, depending on how each process is conducted and integrated. The more closely these elements are aligned, the more effective sales targets become in guiding and controlling sales efforts.

Sales planning typically begins with a sales forecast, which is an estimate of expected sales based on a marketing strategy and certain environmental assumptions. Once the forecast is established, management calculates the costs involved in achieving the projected sales and determines the expected net profit. These figures are consolidated into a sales budget, which sets financial goals for the organisation.

Following this, management allocates portions of the forecasted sales volume to specific territories, assigns expense limits, and defines profit expectations for each area.

This leads to the creation of sales targets, which are quantitative goals assigned to individual salespeople, teams, or distribution partners. However, setting targets is not simply a matter of dividing the overall forecast; it requires strategic consideration of market conditions and operational capabilities.

5.1.16 Quantitative and Qualitative Techniques of Sales Targets

Sales targets can be set using both quantitative and qualitative techniques, each offering distinct advantages depending on the nature of the product, market conditions, and the availability of data. Quantitative methods rely on measurable data, while qualitative approaches draw on expert judgement and contextual insights.

A. Quantitative Techniques

1. Time Series Analysis

Time series analysis involves examining historical sales data to identify patterns such as trends, seasonality, and cycles. This method assumes that past behaviour can help predict future outcomes. For example, if a company consistently sees a spike in sales during the festive season, it can use this pattern to set higher targets for those months. This technique is handy for mature products with stable demand patterns.

2. Regression Analysis

Regression analysis explores the relationship between sales and influencing variables such as advertising spend, pricing, or economic indicators. By quantifying the impact of changes in these variables on sales, companies can more accurately forecast future performance. For instance, if data shows that every ₹1 lakh increase in advertising leads to a ₹4 lakh increase in sales, this relationship can guide target setting when planning marketing budgets.

3. Moving Averages and Exponential Smoothing

These techniques help smooth out short-term fluctuations in sales data, revealing underlying trends. A moving average calculates the average of sales over a fixed number of past periods, while exponential smoothing gives more weight to recent data. For example, a three-month moving average can help set a realistic monthly target by reducing the impact of irregular spikes or drops in sales.

4. Sales Funnel Metrics

Sales funnel analysis tracks the conversion rates at each stage of the sales process, from lead generation to closing deals. This helps estimate the number of leads required to meet a sales target. For example, if a salesperson typically converts 10% of leads into sales and the target is 50 sales, they would need to generate 500 leads to meet the target. This method is advantageous in B2B and consultative selling environments.

5. Market Share Projections

This technique establishes sales targets based on the company's desired market share. If the total market size is ₹100 crore and the company aims for a 10% share, the sales target would be ₹10 crore. This method is strategic, aligning targets with competitive positioning and growth ambitions.

6. CRM and ERP Data Modelling

Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP) systems provide rich data on customer behaviour, purchase frequency, and order size. By analysing this data, companies can set personalised targets for each salesperson or territory. For example, if a salesperson's top 20 accounts typically order ₹50,000 each quarter, the target can be set accordingly, taking into account expected growth or churn.

B. Qualitative Techniques

1. Executive Judgement

This approach relies on the experience and intuition of senior managers to set targets, especially when data is scarce or the product is new. For example, when launching a new service in an untested market, executives may draw on their understanding of similar past launches to estimate achievable sales figures. While subjective, this method can be effective when used with caution and cross-checked with other inputs.

2. Sales Force Composite

In this method, individual salespeople estimate their own targets based on their knowledge of the territory and customer base. These estimates are then reviewed and adjusted by management. For instance, a salesperson might forecast ₹15 lakh in quarterly sales based on expected orders from key clients. This bottom-up approach increases buy-in and often results in more realistic targets.

3. Delphi Method

The Delphi method involves a panel of experts who provide forecasts anonymously over several rounds. After each round, a facilitator shares the group's responses, and experts revise their estimates until a consensus is reached. This technique is helpful for complex or uncertain markets, such as forecasting demand for a new technology product, where expert opinion is more reliable than historical data.

4. Scenario Planning

Scenario planning involves setting multiple targets based on different future conditions, such as best-case, worst-case, and most likely scenarios. For example, a company might prepare three sales targets depending on whether the economy grows, stagnates, or contracts. This method helps organisations remain agile and prepared for uncertainty.

5. **Customer Intent Interviews**

This technique gathers qualitative insights directly from key customers about their future purchasing plans. For example, if a major client indicates they plan to increase orders by 30% next year, this information can be used to adjust the salesperson's target accordingly. It plays a crucial role in key account management and fostering long-term B2B relationships.

6. **Territorial Potential Assessment**

This method assesses the sales potential of a territory by taking into account factors such as customer demographics, competition, infrastructure, and market maturity. For instance, a salesperson covering a metropolitan area with high demand and dense population may be assigned a higher target than one in a rural region with limited access. This ensures targets are equitable and aligned with market realities.

5.1.17 Types of Sales Targets and Setting Procedures

Sales targets differ across companies due to variations in forecasting methods, budgeting practices, management styles, and operational challenges. Despite these differences, targets generally fall into four categories:

1. Sales Volume Targets
2. Budget Targets
3. Activity Targets
4. Combination Targets

The most noticeable differences arise in how sales volume and budget targets are set.

1. **Sales Volume Targets**

Sales volume targets are the most traditional and widely used type of target. They serve as key benchmarks for evaluating the performance of sales staff, teams, and distribution channels. These targets specify the quantity that should be sold within a given timeframe and can be set for regions, product lines, or marketing channels, either individually or in combination.

Targets are more effective when applied to smaller units, such as individual territories or specific products, as this allows for more precise control and clearer performance insights. For example, setting a target for each territory within a region provides better oversight than setting one for the entire area. Similarly, short-term and product-specific targets offer more actionable guidance than broad, long-term goals.

Sales volume targets are essential because achieving a certain level of sales is a prerequisite for generating profit. While they are easy for sales personnel to understand and pursue, management must also consider profitability and cost control; sales volume alone is not enough for sustainable success.

a. Dollar-Based Sales Volume Targets

Companies with diverse product ranges often set targets in monetary terms rather than units. This approach simplifies performance evaluation across varied products and aligns easily with financial metrics such as selling expenses. It also helps prevent excessive price reductions by sales staff aiming to boost unit sales, as dollar-based targets maintain a focus on revenue.

b. Unit-Based Sales Volume Targets

Targets based on product units are helpful in two scenarios:

1. When prices fluctuate significantly, Unit targets offer a more stable measure of performance than monetary targets, which can be distorted by price changes.
2. When selling high-value, stable-priced items, unit targets are more psychologically manageable in such cases. For instance, a quota of 40 units priced at $25,000 each may seem more achievable than a $1 million sales target, even though they represent the same value.

2. Budget Targets

Budget targets are established across sales units to manage expenses, gross margins, and net profits, reinforcing the principle that sales roles encompass more than just volume generation. These targets promote financial discipline and align individual performance with organisational profitability.

a. Expense Targets

◊ **Purpose:** Expense targets serve as supplementary standards, used in conjunction with sales volume targets, to ensure that costs remain proportionate to sales efforts.

◊ **Incentives:** Sales personnel may receive bonuses or compensation adjustments for maintaining expenses below target levels.

◊ **Expression:** Targets are typically set as a percentage of sales rather than fixed monetary values, to simplify administration and focus attention on cost efficiency.

◊ **Challenges:**

- Uniform expense percentages across territories are impractical due to differences in market conditions, product mixes, and sales potential.
- Selling expenses do not always scale linearly with sales volume, which can potentially discourage additional sales efforts.

◊ **Best Practice**: Expense targets should be based on a thorough analysis of territorial factors and product-specific cost structures, and administered with flexibility to accommodate operational changes.

◊ **Impact**: Well-managed expense targets foster cost awareness and discourage misuse of expense accounts. However, overly rigid targets may lead to excessive frugality, undermining customer engagement and professional standards.

b. Gross Margin and Net Profit Targets

◊ **Use Case**: These targets are often adopted when sales volume targets are absent, shifting focus to profitability rather than sheer sales growth.

◊ **Strategic Value**:

- Encourages balanced product sales, mainly when the product line includes both high- and low-margin items.
- Discourages over-reliance on easy-to-sell, low-margin products.

◊ **Alternative Approach**: Similar outcomes can be achieved by setting differentiated sales volume targets for individual products based on their profit contribution.

◊ **Limitations**:

- Sales personnel typically lack control over pricing and production costs, making it challenging to attribute gross margin targets reasonably.
- Net profit targets may include fixed costs (e.g., branch operations) beyond the salesperson's influence.

◊ **Solution:** Use expected contribution margins to isolate controllable factors and avoid arbitrary cost allocations.

◊ **Administrative Burden:**

- Requires complex calculations and clear communication to avoid misunderstandings.
- Demands additional record-keeping and may lead to disputes over uncontrollable expenses.
- Increases clerical and administrative overhead.

3. Activity Targets

Organisations employ activity targets to guide how sales personnel distribute their time and effort across various tasks. The process begins with identifying key activities, such as total sales calls, calls to specific customer segments, prospecting, acquiring new accounts, conducting product demonstrations, placing displays, and handling collections. Once these are defined, management sets frequency-based targets for each of them. Ideally, this requires detailed time-and-duty studies for every salesperson and territory to understand current practices and determine the optimal allocation of effort. However, such a comprehensive analysis is rarely feasible.

These targets are advantageous when sales roles involve significant nonselling responsibilities. For instance, in insurance sales, representatives must constantly generate new leads, while in pharmaceutical detailing, they regularly visit medical professionals to introduce new products and applications. Activity targets help management monitor these efforts and acknowledge the value of maintaining relationships with clients who purchase infrequently but in large volumes.

Despite their benefits, implementing activity targets involves considerable clerical work and record-keeping. The primary challenge lies in motivating the sales force to engage meaningfully with these activities. If used in isolation, activity targets may encourage superficial compliance, sales personnel might focus on ticking boxes rather than delivering quality interactions. This risk is mitigated when activity targets are integrated with sales volume or expense targets. Nonetheless, effective administration demands close supervision and regular engagement with the sales team to ensure both quantity and quality of performance.

4. Combination And Point System Targets

Combination and point system targets are designed to evaluate both selling and nonselling activities within a unified framework. By assigning weights to different performance components, such as sales volume, prospecting, or display placements, management can calculate an overall performance score as a percentage of the total target achieved. This method helps overcome the challenge of using varied measurement units and provides a single, balanced indicator of effectiveness. However, the accuracy of this system depends heavily on how appropriately the weights are assigned, as misjudged weightings can distort performance comparisons.

While combination targets offer a comprehensive view of sales personnel's contributions, they can be challenging to interpret and may lead to unintended behaviours. Sales staff might focus excessively on one component, such as exceeding display targets, while neglecting others like prospecting, in an attempt to "game" the system. Therefore, these targets require careful design and ongoing supervision to ensure that all aspects of the role are performed with quality and balance.

A related point system is the full-line target, which promotes balanced sales across different products. This is particularly useful when products vary in margin and difficulty of production. For example, a salesperson who prioritises high-margin, harder-to-sell items may receive a higher performance score than one who achieves the same total sales volume by focusing on easier, low-margin products. By weighting product targets according to strategic value, companies can encourage more profitable and effort-aligned selling behaviour.

5.1.18 Drawbacks of Sales Target Systems

Some companies, especially in the industrial goods sector, avoid using sales targets due to difficulties in accurate forecasting, reliance on subjective judgment, and the high cost of data analysis. While well-designed targets can improve efficiency, concerns persist over complex statistical methods, fairness in evaluating market conditions and salesperson capabilities, and the potential for undue pressure or lack of motivation. Some managers prefer the term "objectives" to soften the perceived rigidity of targets. In sellers' markets with limited product availability, firms may favour equitable customer allocation over performance quotas, reserving traditional targets for competitive, buyer-driven environments.

Sales Ethics & Mis-selling

Sales ethics refers to the moral principles and standards that guide fair, honest, and responsible behaviour in selling activities. Ethical selling requires transparency in pricing, truthful communication about product features, and respect for customer interests. Mis-selling occurs when a salesperson provides false, incomplete, or misleading information to close a sale, often ignoring customer suitability. Such practices can lead to customer dissatisfaction, legal penalties, and long-term damage to brand reputation. Example: Selling a high-risk investment product to a senior citizen by hiding potential losses is mis-selling, while clearly explaining risks and suitability reflects ethical sales behaviour.

Diversity & Inclusion in Sales Teams

Diversity and inclusion in sales teams involve recruiting and empowering people from different genders, cultures, ages, and backgrounds while ensuring equal opportunities and respect. Diverse teams bring varied perspectives that improve customer understanding and creative problem-solving. Inclusion ensures that all team members feel valued, heard, and supported in decision-making and career growth. Organisations with inclusive sales cultures often achieve better customer engagement and market reach. Example: A multinational company employing multilingual sales representatives to serve customers across regions demonstrates diversity, while fair promotion and team participation policies reflect inclusion.

Recap

- ◊ Sales management is the strategic process of planning, directing, and controlling sales activities through a structured organisation, with key components such as planning and force management, aimed at maximising sales, market share, profitability, and customer satisfaction.
- ◊ Effective sales force management enhances productivity, coverage, and morale, while reducing costs; conversely, high turnover undermines continuity, escalates expenses, and reflects poor retention.
- ◊ Recruitment and selection in sales may follow a centralised or decentralised structure, supported by a pre-recruiting reservoir to ensure timely access to talent.

- ◊ Candidates are sourced internally through promotions and referrals or externally via agencies, campuses, and networks, with each source evaluated based on cost, quality, speed, and retention.
- ◊ The recruitment process involves planning, sourcing, screening, and onboarding, utilising both formal channels and informal methods, such as networking and direct outreach.
- ◊ The Selection Process involves screening, testing, interviewing, reference checks, and a final job offer.
- ◊ A sales manager's role combines strategic leadership, team supervision, and customer engagement, with responsibilities that include setting targets, mentoring staff, analysing trends, and coordinating across functions.
- ◊ Sales targets are quantitative goals designed to drive performance, align team efforts, and support planning through volume, value, activity, or profit-based metrics set using SMART criteria.

Objective Questions

1. What is the primary goal of sales management?
2. Mention any one aims of sales management.
3. Why is a sales organisation important?
4. What is the benefit of having effective sales force management?
5. List any one limitation of high sales personnel turnover?
6. What is the primary purpose of sales job analysis?
7. What does a sales job description include?
8. What is the correct sequence in job analysis preparation?
9. What is sales job specifications?
10. What are the types of recruitment structure?
11. What is the pre-recruiting reservoir?
12. Mention any one internal source of recruitment.
13. Name the basis of evaluation of recruitment sources.

14. List any two steps in recruitment process.
15. What are some of the methods of personal recruitment?
16. Mention the nature of a sales manager's work.
17. What are sales targets?
18. Sales targets should be set using which criteria?

Answers

1. To achieve business objectives through planning, directing, and controlling sales activities.
2. To maximise sales volume and profitability
3. It ensures role clarity, coordination, accountability, and strategic alignment.
4. Effective sales force management leads to improved morale and coverage
5. Disrupted continuity and increased costs
6. To identify tasks, tools, environments, and competencies required for sales roles.
7. Reporting relationships and duties
8. Data Collection → Task Identification → Drafting → Validation → Finalisation
9. Sales job specifications define qualifications, skills, experience, and attributes needed for performance
10. Centralised and decentralised
11. A pool of potential candidates is maintained for quick access
12. Employee referrals
13. Cost, quality, speed, and retention
14. Sourcing and screening
15. Referrals, networking, and direct outreach
16. Strategic leadership, team management, and customer engagement
17. Quantitative goals that drive performance, planning, and accountability
18. SMART – Specific, Measurable, Achievable, Relevant, Time-bound

Assignments

1. Explain sales management and its strategic role in achieving business objectives.
2. Discuss the key components of sales management and their interrelationship in driving sales performance.
3. Evaluate the economies of effective sales force management with practical examples.
4. Differentiate between sales job analysis and sales job description with suitable illustrations.
5. Describe the steps involved in preparing a sales job analysis and job description.
6. What is a pre-recruiting reservoir? Discuss its role in improving recruitment efficiency.
7. Compare and contrast internal and external sources of sales force recruitment.
8. Describe the recruitment process for sales personnel and highlight key challenges.
9. Explain the selection process of sales personnel and its impact on organisational success.
10. Analyse the duties and responsibilities of a sales manager in the context of team leadership and market dynamics.
11. Define sales targets and explain their purpose in sales planning and control.
12. Explain the types of sales targets and the procedures for setting them effectively.

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Unit - 2
Sales Training and Motivation

Learning Outcomes

After completing this unit, learners will be able to:

- ◊ describe effective methods for planning and delivering sales force training programs
- ◊ inform them about key motivational techniques to boost sales force engagement and productivity
- ◊ evaluate various sales compensation objectives and methods to align with organisational goals
- ◊ familiarise with design and execute fair and effective performance appraisal systems for sales personnel
- ◊ explain the determinants influencing individual salesperson performance and recommend improvement strategies

Prerequisite

GreenLeaf Organics, a fast-growing FMCG company specialising in eco-friendly products, has noticed inconsistent sales performance across its regions. The leadership team decided to revamp their sales training strategy by introducing a blended learning model, combining classroom sessions, e-learning modules, and field mentoring. The training focused on product knowledge, customer relationship management, and ethical selling practices. Sales managers were also trained to coach their teams regularly, ensuring knowledge retention and practical application.

To boost morale and drive results, GreenLeaf introduced a motivation program that included quarterly recognition awards, wellness benefits, and team-based incentives. The compensation structure was redesigned to include a mix of fixed pay, performance-based bonuses, and non-monetary benefits such as additional leave and professional development opportunities. These changes fostered a sense of ownership and healthy competition among the sales force.

Performance appraisal was made more transparent and data-driven, incorporating KPIs such as conversion rates, customer feedback, and territory growth. The company also conducted a study to understand the key determinants of salesperson performance, such as adaptability, communication skills, and market knowledge. Insights from this analysis were used to personalise coaching and career paths. This unit makes them aware of how integrated training, motivation, compensation, and performance evaluation strategies can elevate sales force effectiveness and organisational success.

Keywords

Sales Training, Training Aids, Motivation, Compensation, Bonuses, Fringe Benefits, Performance Appraisal.

Discussion

Effective sales management hinges on a well-structured training and motivation framework that equips personnel with essential skills, sustains their performance, and aligns their efforts with organisational goals. This involves defining clear training aims, identifying both initial and ongoing training needs, and selecting relevant content areas such as product knowledge, selling techniques, market dynamics, and company policies. Appropriate training methods, ranging from lectures and role plays to simulations and online modules, support programme execution, aided by instructional materials and evaluation mechanisms. Motivating sales personnel is equally vital, drawing on psychological theories like Maslow, Herzberg, McClelland, and Vroom to enhance engagement through communication and managerial support. Compensation planning, including salary structures, bonuses, and fringe benefits, further reinforces motivation, while performance appraisal systems help assess and improve individual contributions based on key determinants of salesperson effectiveness.

5.2.1 Sales Training

The primary aim of sales training is to enhance job performance. While experience alone can lead to improvement over time, training accelerates this process by equipping sales personnel with the necessary skills and knowledge from the outset. Recruits often struggle to meet job expectations, which can lead to discouragement and high turnover rates. Practical training enables them to perform competently from the outset, thereby reducing attrition, lowering recruitment and selection costs, and enhancing the overall efficiency of the sales function.

Despite its potential, sales training is frequently overlooked in many organisations, especially when compared to the emphasis placed on recruitment and selection systems.

Most companies invest heavily in hiring processes but neglect ongoing development. Ironically, this imbalance presents a greater opportunity for improvement through training, as the marginal gains from enhancing training programmes often surpass those from refining recruitment methods. Strengthening training initiatives can significantly elevate the effectiveness of the sales force.

Sales personnel play a vital role in shaping relationships with clients and prospects, which directly affects the success of the selling operation. Experienced staff tend to maintain stronger connections with existing customers and make more favourable impressions on new ones. Training supports this by fast-tracking the experiential learning process for new hires. Additionally, some organisations use training as a motivational tool, incorporating team-building activities and confidence-building sessions to align the sales team with company objectives. Such programmes not only improve morale but also reduce turnover and enhance productivity.

5.2.2 Defining Training Aims

The first and most crucial step in planning any sales training initiative is to define its specific objectives. A general aim, such as improving sales productivity, is not sufficient on its own. It must be broken down into actionable, measurable goals. This process begins with a review of the broader aims and the current strategies used to achieve them. Sales management must then identify the specific training needs that underpin these goals. These needs form the basis for setting precise training objectives, whether for initial training of recruits or for ongoing development of existing sales personnel.

5.2.2.1 Identifying Initial Training Needs

To design an effective initial sales training program, three main factors must be analysed: job requirements, the trainee's background, and the company's marketing policies.

a. Job requirements

The qualifications outlined in the job description highlight the skills needed for success. Since most new hires lack some of these skills, the specifications help pinpoint areas where training is most necessary. Managers should also consider how salespeople allocate their time, which tasks are prioritised and which are overlooked, and which selling techniques yield the best results. These insights guide the identification of training priorities for recruits.

b. Trainee's background and experience

Each recruit brings a different mix of education and work experience. The gap between their existing skills and the job requirements defines the scope of training needed. While tailoring programs to each individual is often impractical, many organisations run standardised training programs to save time and cost. However, companies with flexible training systems can adapt content to meet individual needs, thereby improving both employee satisfaction and effectiveness. In all cases, accurately assessing recruits' training needs is crucial for maximising benefits to both the company and the trainee.

c. Sales-related marketing policies

Training must align with the company's marketing practices, which vary depending on products and markets. For example, selling complex machinery requires in-depth product knowledge and application expertise, whereas selling simple consumer goods emphasises effective sales techniques. Policies on promotion, pricing, distribution, and advertising also shape training needs. If advertising is minimal, salespeople must be prepared to handle more promotional responsibilities; if advertising is extensive, they must learn to coordinate their efforts with marketing campaigns.

5.2.2.2 Identifying Continuing Training Needs

For experienced sales personnel, ongoing training programs are shaped by changes in products, markets, policies, and organisational procedures.

◊ New product launches or the adoption of new technologies often require specialised training.

◊ Sales managers must closely monitor performance to identify areas for improvement and define targeted training goals.

◊ This involves reviewing sales reports for signs of skill gaps, analysing sales records for performance issues, and observing salespeople directly to spot deficiencies.

◊ Comparing job descriptions with the actual qualifications of each salesperson provides further clarity.

◊ A structured chart or evaluation tool can be used to map out the training needs of each team member, ensuring targeted and effective development.

5.2.3 Deciding Training Content

Management's goals shape sales training programs after assessing training needs. Initial training is broad, covering all aspects of a salesperson's role, while continuing training focuses on specific weaknesses of experienced staff.

5.2.3.1 Key Areas of Initial Training

Every initial program should address four main areas:

◊ Product knowledge

◊ Selling skills

◊ Markets

◊ Company information

i. **Product Knowledge**

◊ Essential for building confidence and effective performance.

◊ Depth of training depends on product type:

  - Technical products → require extensive training.
  - Standardised products → need only basic instruction.

◊ Training emphasises understanding customer problems and how products meet their needs.

◊ Often includes time at production facilities to observe manufacturing and testing, which strengthens product knowledge and demonstration skills.

◊ Avoid excessive technical detail—focus only on what aids selling.

◊ Knowledge of competitors' products is also essential, enabling salespeople to highlight their company's advantages. This training must be ongoing as products evolve.

ii. **Selling Skills**

◊ Most new salespeople require structured training in selling techniques.

◊ Some managers assume personality, intelligence, and product knowledge are enough, but the dominant view is that formal skill training is essential.

◊ In today's competitive environment, strong selling skills can turn an average sales call into a highly profitable one that builds lasting customer relationships.

iii. **Markets**

◊ Salespeople must understand who their customers are, what they buy, why they buy, and how they make their purchasing decisions.

◊ Without proper training, new hires often take years to learn this through trial and error, resulting in low productivity.

◊ Market knowledge must be continually updated, as customer behaviour and market conditions are constantly evolving.

iv. **Company Information**

◊ Salespeople need to know company policies (pricing, services, credit, customer relations) to answer client questions confidently.

◊ Training should cover practical tasks like order processing, reporting, handling inquiries, and follow-ups.

◊ Personnel policies (selection, compensation, promotion, benefits) should be explained to boost morale and reduce turnover.

◊ General company background (history, industry role, reputation) helps build confidence in the brand, but training time should be balanced—too much focus on prestige can be counterproductive.

5.2.4 Selecting Training Methods

Training methods must align with program content and effectively convey the intended learning. Common approaches include lectures, demonstrations, role-playing, Case Discussions, Impromptu Discussions, Gaming (Simulation), on-the-job Training, and Online Courses and Modern training methods.

1. Lecture

◊ Widely used, economical for covering large amounts of material quickly.

◊ Best suited for large groups, short programs, or introductory sessions.

◊ Often combined with other methods for summaries or updates.

◊ Effectiveness improves with the use of multimedia (visuals, charts, sound effects) to boost attention and retention.

2. Demonstrations

◊ More impactful than lectures for showing product use or selling techniques.

◊ Especially effective for teaching practical skills, such as closing sales.

◊ Often paired with lectures or discussions to make training lively and memorable.

◊ Principle: "Showing is more effective than telling."

3. Role Playing

◊ Trainees act out sales scenarios (e.g., handling objections, customer interactions).

◊ Provides realistic practice and immediate feedback through group critique.

◊ Variants include "sweat sessions" where trainees improvise solutions.

◊ Challenges include maintaining seriousness, avoiding distractions, and keeping the audience engaged.

◊ Benefits:

- Encourages acceptance of constructive criticism.
- Builds self-awareness and introspection (enhanced by videotaping).
- Sparks creativity and reveals flaws in routine approaches.
- Allows juniors to learn from seniors while keeping experienced staff sharp.

- Develops confidence and acting skills applicable in real selling situations.

4. Case Discussion

◊ Uses written accounts of real or realistic selling problems for group analysis.

◊ Trainees read short cases (1–2 pages) and then discuss issues, facts, alternatives, and solutions.

◊ The focus is on understanding the problem deeply rather than rushing to a solution.

◊ Sessions should conclude with a summary of key lessons learned.

5. Impromptu Discussion

◊ Also called sales seminars or buzz sessions.

◊ The session begins with a brief presentation of the problem, followed by an open group discussion.

◊ Encourages active participation, informal learning, and problem analysis over fixed rules.

◊ Works best with experienced salespeople.

◊ Requires a skilled moderator, good room setup, and clear conclusions.

◊ Typically scheduled for half-day or full-day sessions.

6. Gaming (Simulation)

◊ Structured, reality-based scenarios where trainees act as decision-makers.

◊ Players receive feedback after each round, often via computer calculations.

◊ Advantages: engaging, develops decision-making skills, demonstrates analytical tools, and shows dynamic problem interrelationships.

◊ Limitations: time-consuming (3–4 hours), may restrict creative solutions, risk of poor design leading to false learning.

◊ Effective when carefully designed and administered.

7. On-the-Job Training

◊ "Coach-and-pupil" method combining explanation, demonstration, practice, and feedback.

◊ Trainees observe the coach's sales calls and then practice under supervision.

◊ Success depends on the coach's skill and willingness.

◊ Incentives (bonuses or commissions) are often used to recruit coaches.

◊ Most effective for practising presentations, handling objections, and closing sales.

8. Online Courses

◊ Used in both initial and continuing training.

◊ Helpful for geographically dispersed teams or technical product training.

◊ Often, supplements include in-person methods like seminars or role-playing.

◊ Challenges include motivating trainees, maintaining discipline, addressing questions, and evaluating work.

◊ Requires incentives and periodic face-to-face sessions.

◊ Valuable as a flexible, cost-effective supplement, but rarely used alone.

9. Modern Training Formats

a. E-learning Platforms

E-learning platforms deliver sales training through online courses, modules, quizzes, and certifications that can be accessed anytime and anywhere. They help organisations train large sales teams consistently without geographical constraints. Salespeople can learn at their own pace and revisit content when needed, improving retention. These platforms often include analytics to track progress and performance.

Example: A telecom company uses an online e-learning portal to train its sales force on new tariff plans and competitive selling techniques.

b. Sales Simulations

Sales simulations recreate real-life selling situations in a controlled learning environment. They allow salespeople to practice prospecting, pitching, objection handling, and closing without risking actual customer relationships. Simulations improve decision-making, confidence, and problem-solving skills. Feedback is provided instantly, helping learners correct mistakes.

Example: A B2B sales team practices simulated client meetings to learn how to handle price negotiations and contract discussions.

c. LMS-based Microlearning

LMS-based microlearning delivers training content in short, focused learning units such as 5 to 10-minute videos, quizzes, or infographics. It is designed to fit into busy sales schedules and improve knowledge retention. Microlearning supports just-in-time learning, allowing salespeople to quickly refresh product or process knowledge before client meetings. It is cost-effective and easy to update.

Example: A retail brand shares short LMS modules on product features that sales staff can review before store hours.

d. Video Role-play Assessments

Video role-play assessments require salespeople to record themselves responding to simulated customer scenarios. This method helps evaluate communication skills, body language, confidence, and persuasion ability. Trainers can review recordings and provide detailed, personalised feedback. It also encourages self-assessment and continuous improvement.

Example: A sales trainee records a video pitching a product to a "virtual customer," which managers later assess for clarity and effectiveness.

e. AR/VR Product Demos (Used in Pharma, Automotive, Real Estate)

AR (Augmented Reality) and VR (Virtual Reality) product demos offer immersive and interactive training experiences. They help salespeople visualize complex products, features, and usage scenarios more effectively than traditional methods. This format is especially useful for products that are expensive, technical, or difficult to physically demonstrate. AR/VR enhances engagement and learning accuracy.

Example: In the automotive industry, sales executives use VR to demonstrate car interiors and features, while pharma companies use AR to explain drug mechanisms to doctors.

5.2.5 Executing the Training Program

Successful execution requires strong instructional skills, careful coordination, and a learning-friendly environment. Four key decisions guide implementation: who will be trained, who will conduct training, when it will occur, and where it will be held.

1. Who Will Be the Trainees?

◊ Initial training: Trainees are identified when job descriptions are finalised and new hires are made.

◊ Continuing training → selection is based on criteria such as:

- Reward for good performance
- Punishment for poor performance
- Convenience of scheduling
- Seniority (more senior staff get more opportunities)

◊ Transparency about selection criteria is essential.

2. Who Will Conduct the Training?

◊ Initial training → usually handled by the training department with support from marketing and sales teams.

- ◊ Continuing training → overseen by senior executives and training staff.
- ◊ Sales trainers must be experts in company policies, products, customers, and selling techniques, as well as skilled teachers. Many firms train their trainers formally.
- ◊ Outside experts (consultants, professors) are often hired for specialised topics like advanced selling techniques.

3. When Will Training Take Place?

- ◊ Group vs. individual training:
  - Group training is cost-effective for large batches of new hires.
  - Individual field training (on-the-job) is best for practical selling skills.
- ◊ Initial training: scheduled based on recruitment cycles, turnover, and sales force size, often before the start of a financial year.
- ◊ Continuing training: ongoing, adapting to new products, techniques, customer needs, or market changes. Formal retraining may be tied to sales meetings or conventions.
- ◊ Motivation improves when training is shown to increase earnings and job satisfaction.

4. Where Will Training Be Held?

- ◊ Centralised programs: better product training but higher travel costs.
- ◊ Decentralised programs: allow training near sales territories, reducing travel time and exposing trainees to field realities early.
- ◊ Retraining: The location depends on cost efficiency and the availability of trainers; it may be national (conventions) or regional.
- ◊ Companies typically select sites that minimise travel and lodging expenses while maximising convenience.

5.2.6 Instructional Materials and Training Aids

Practical sales training relies heavily on well-prepared materials and aids, which differ across companies depending on program goals and methods.

- ◊ **Manuals (Workbooks):** These are widely used in group training. Good manuals include outlines of sessions, objectives, cases, role-play instructions, and company policies. They serve as both study guides during training and as reference tools afterwards. To remain useful, they should avoid unnecessary details and often come in loose-leaf format for easy updates.

◊ **Other Printed Materials:** Companies provide bulletins, handbooks, and industry journals to keep salespeople updated. Texts and trade books supplement training but are usually intended for later reference rather than intensive study during sessions.

◊ **Advance Assignments:** Trainees may be asked to read cases or prepare plans before sessions. Written instructions and feedback strengthen motivation. These assignments save time during training, encourage discipline, and keep participants focused and engaged. They also help build readiness and productivity. Timing is crucial—training should be scheduled to avoid the busiest periods of sales cycles, such as month-end closings or early-month reporting. Many firms schedule training between the 4th and 22nd of each month.

5.2.7 Evaluation of Training Programs

Assessing the effectiveness of training is challenging but essential, as programs require significant investment.

◊ **Measurement Approaches:** Companies compare program goals with results, such as how quickly new hires reach the productivity levels of experienced staff, or performance differences between trained and untrained staff. Sales records before and after training are sometimes analysed, although external factors such as advertising or market conditions make precise evaluation difficult.

◊ **Other Methods:** Written tests can measure product knowledge, while field observations and customer feedback reveal how well trainees apply skills. None of these methods is exact, but they provide useful indicators.

◊ **Ongoing Evaluation:** Effectiveness is measured both during and after programs to inform future training improvements. Role-play performance and demonstrations often serve as better evaluation tools than written exams for selling skills. Trainers may rate trainees, and trainees may rate trainers, though opinions differ on the value of such feedback. Some companies also gather evaluations from trainees after they return to the field.

5.2.8 Motivating Sales Personnel

A sales executive's success hinges on the collective performance of the sales team, as their role involves making decisions and ensuring their execution through others. Individual salesperson performance is shaped by innate ability, acquired skills through education and experience, and the effort they invest in their work. However, even with the necessary capabilities and knowledge, it is motivation, defined as goal-oriented behaviour driven by the desire for rewards, that compels individuals to exert effort. While a few salespeople are naturally driven, most require external motivation to consistently perform at high levels, making it a critical focus for sales executives aiming to boost productivity.

5.2.8.1 Meaning of Motivation

Motivation refers to behaviour driven by specific goals, rooted in internal needs or desires. Needs imply a deficiency that achieving a goal can fulfil, whereas desires reflect a strong enthusiasm or emotional drive. These internal forces prompt individuals to take action to satisfy them. In the context of sales personnel, motivation is reflected in the level of effort they are willing to invest in tasks such as approaching new clients, preparing sales pitches, and completing administrative duties. The energy devoted to these activities directly influences various aspects of job performance, including overall sales, profitability, new client acquisition, and meeting sales targets.

5.2.8.2 Motivational Help from Management

Most salespeople need support from management to stay motivated and perform well. Motivation is required at both the individual level (through personalised encouragement) and at the group level (to foster team spirit). Four aspects of the sales job highlight why extra motivation is necessary.

1. Inherent Nature of the Sales Job

Sales work is full of highs and lows. While some customer interactions are pleasant, others are discouraging or rude. Long hours and time away from family can also lead to frustration, low morale, or even career changes. Due to these challenges, salespeople often require additional motivation to remain engaged and productive.

2. Boundary Position and Role Conflicts

Salespeople operate at the boundary between the company and customers, balancing expectations from multiple groups, management, internal departments, customers, and fellow sales staff. This creates conflicts:

◊ **Identification conflict:** shifting loyalty between customer and company.

◊ **Advocacy conflict:** representing customer needs within the company can be challenging.

◊ **Dual-role conflict:** balancing short-term sales goals with long-term customer relationships.

Experienced salespeople tend to handle these conflicts more effectively, suggesting that both experience and effective training can reduce the stress of role conflict.

3. Tendency Toward Apathy

Over time, some salespeople lose enthusiasm, mainly when covering the same territory repeatedly. Their calls may become routine order-taking rather than active selling. This complacency opens the door for competitors who employ more effective techniques to win business. Continuous motivation is needed to keep salespeople creative, energetic, and proactive.

4. Maintaining Group Identity

Salespeople often work alone, making it hard to feel part of a team. Without team spirit, enthusiasm and performance suffer. When management fosters a sense of belonging and collective effort, individuals strive to meet group standards and avoid being perceived as underperformers. Building this cooperative atmosphere is challenging but essential for sustained success.

5.2.9 Need Gratification and Motivation

Human behaviour, including sales performance, is driven by the desire to satisfy needs or reach goals. Since individuals have different sets of needs and backgrounds, their motivational patterns and efforts vary, explaining why some salespeople perform better than others. Actions are essentially attempts to reduce tensions created by unmet needs.

Needs are classified as primary (basic physiological requirements, such as food, rest, and safety) and secondary (developed through maturity and environment, including security, belonging, esteem, and self-respect). Primary needs must be met before secondary ones exert influence.

5.2.9.1 Maslow's Hierarchy of Needs

Psychologist A.H. Maslow proposed that people strive to fulfil needs in a hierarchy: physiological → safety → belonging → esteem → self-actualisation. As lower-level needs are satisfied, higher-level needs become more potent motivators. However, individuals may prioritise differently; for example, some salespeople may value esteem over social belonging.

Needs are never fully satisfied; once one is met, others emerge, keeping motivation dynamic and ongoing. The strongest motivational pull comes from unmet needs.

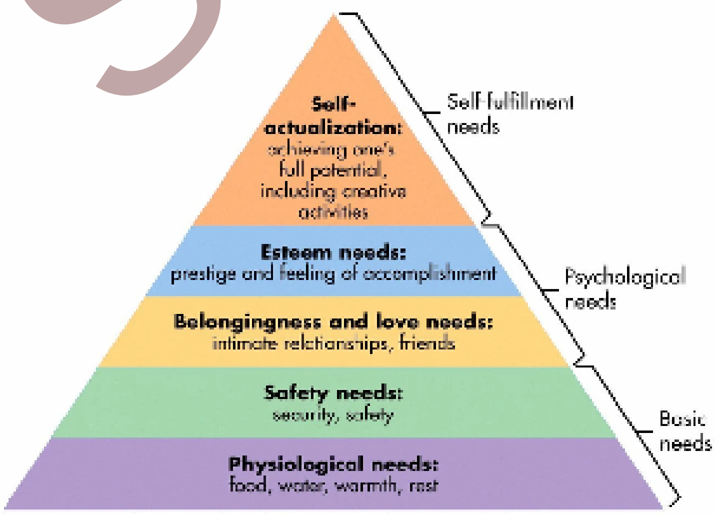

Fig. 5.2.1 Maslow's Hierarchy of Needs

a. Motivation in Salespeople

Salespeople's motives vary depending on which needs remain unfulfilled:

◊ Some work primarily for financial support to support their family (physiological/ safety).

◊ Others seek recognition and respect (esteem).

◊ Still others pursue achievement and personal growth (self-actualisation).

If management understands the unsatisfied needs of salespeople, it can design incentives that align personal goals with organisational objectives. For instance, offering higher earnings to those seeking financial security can also drive larger orders for the company.

b. Incentives and Motivation

Money is a powerful motivator at lower levels of need, but its strength wanes once basic and security needs are met. At higher levels, opportunities for promotion, recognition, and personal growth become more effective incentives. Still, the threat of reduced income can remain a strong motivator.

5.2.9.2 Motivation-Hygiene Theory (Herzberg)

Herzberg's research revealed that the factors contributing to job satisfaction differ from those contributing to job dissatisfaction.

◊ **Hygiene factors (extrinsic):** work environment, pay, benefits, supervision, company policies. If absent, they create dissatisfaction, but their presence only brings employees to a neutral "fair day's work" level, not true motivation.

◊ **Motivator factors (intrinsic):** achievement, recognition, responsibility, advancement, and growth. These drive genuine job satisfaction and higher performance.

◊ **Implication for sales management:** ensure hygiene needs are met to prevent dissatisfaction, then provide motivators to inspire performance beyond the minimum.

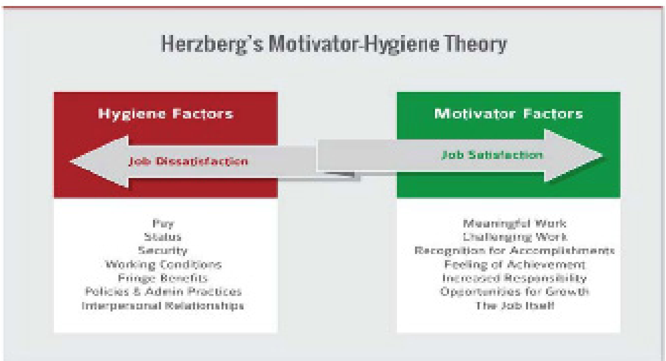

Fig. 5.2.2 Motivation-Hygiene Theory (Herzberg)

5.2.9.3 Achievement-Motivation Theory (McClelland)

McClelland emphasised the need for achievement (nAch) as a key driver.

◊ High nAch individuals enjoy solving problems, set realistic but challenging goals, and seek feedback.

◊ They are self-starters, motivated internally, and thrive in jobs that require personal responsibility, risk, and quick results, such as commission-based sales roles.

◊ Implication: Sales managers should recruit individuals with high nAch and create environments that foster their growth and development. Tools like the Thematic Apperception Test (TAT) can help identify such candidates.

Fig. 5.2.3 Achievement-Motivation Theory

5.2.9.4 Expectancy Model (Vroom)

Vroom's model views motivation as a process of expectations and perceived outcomes.

◊ Motivation depends on:

   1. The belief that effort will lead to improved performance.
   2. Belief that performance will lead to rewards/punishments.
   3. The attractiveness of those rewards in meeting personal goals.

◊ Sales management must ensure reward systems align with what salespeople value, help them realistically assess their abilities, and provide support to build skills.

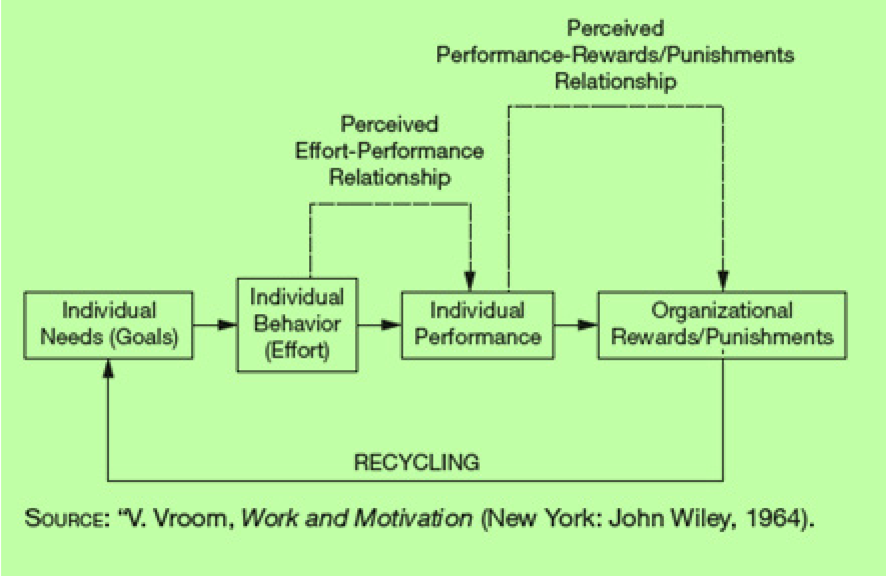

Fig. 5.2.4 Vroom Expectancy Model

5.2.9.5 Latest Influencers in Motivation

1. Gamification

Gamification involves using game-like elements such as points, badges, levels, and rewards in the workplace to motivate employees. It makes routine tasks more engaging and encourages participation through fun and competition. Employees feel a sense of achievement as they progress through levels or earn rewards. Gamification also provides instant feedback, which improves performance. Example: A sales team earns points for every successful lead conversion, and top scorers receive gift vouchers at the end of the month.

2. Leaderboards

Leaderboards are digital or physical displays that rank employees or teams based on performance metrics. They promote healthy competition by making performance transparent and visible. Employees are motivated to improve their ranking and gain recognition. Leaderboards also help managers quickly identify top performers. Example: A call center displays a daily leaderboard showing the number of customer issues resolved by each agent.

3. Digital R&R (Rewards and Recognition) Platforms

Digital R&R platforms are online systems used to recognize and reward employee achievements in real time. They allow organisations to appreciate performance through points, certificates, badges, or redeemable rewards. Recognition becomes more frequent and inclusive with these platforms. Such systems improve morale, engagement, and retention. Example: An employee receives digital reward points for exceeding monthly targets, which can be redeemed for shopping vouchers.

4. Sales Hackathons

Sales hackathons are short-term competitive events where sales teams work together to create innovative sales ideas or strategies. They encourage creativity, collaboration, and problem-solving under time pressure. Hackathons break routine work patterns and re-energize employees. Winning teams receive rewards and recognition from leadership. Example: A company organises a weekend sales hackathon where teams design new customer acquisition strategies, and the best idea is implemented.

5. Peer-to-Peer Recognition

Peer-to-peer recognition allows employees to appreciate and recognize their colleagues for good work or support. It builds a culture of trust and teamwork rather than top-down appreciation alone. Recognition from peers feels more genuine and motivating. It also encourages positive workplace behaviour. Example: An employee publicly thanks a colleague on the company's internal platform for helping close an important client deal.

5.2.10 Interdependence and Motivation

In organisations, salespeople report to supervisors or managers, who hold formal authority. However, authority does not always translate into actual power; orders may be followed easily for simple tasks, but are less effective when they require long-term behavioural change.

The acceptance of directions depends on the relationship between the salesperson and their superior. At one extreme is blind obedience (rare in business), and at the other is complete interdependence, where both rely equally on each other and goals align completely. Most relationships fall somewhere in between, with partial dependence: salespeople accept some direction, and managers rely on salespeople to achieve organisational goals.

Each party has a "zone of acceptance," within which cooperation ranges from reluctant compliance to enthusiastic support. Effective managers expand this zone by practising good supervision, recognising achievements, reinforcing the importance of the salesperson's role, building trust, and treating employees as individuals rather than mere workers. This approach motivates salespeople to strive for recognition, esteem, and self-respect.

5.2.11 Motivation and Leadership

Strong sales executives act as leaders, not drivers. They inspire voluntary cooperation by understanding the ambitions and motivations of their team and guiding them toward organisational goals. Leadership is most effective when executives set a personal example—working with the same dedication they expect from their staff. Subordinates naturally emulate leaders who embody success.

Fair treatment is crucial. Effective leaders commend good performance, address weaknesses privately, and consult employees before making changes to avoid damaging morale. They ensure salespeople feel supported, even carrying their concerns to top management when necessary. Above all, leaders "sell" their plans and policies to the sales force, using persuasive communication and fairness. When salespeople feel respected and included, they are more committed to their jobs and motivated to perform at higher levels.

5.2.12 Motivation and Communications

Strong communication between salespeople and their superiors is essential for morale and productivity. Without it, grievances and personal problems, such as family illness or financial stress, can lower performance. Effective communication enables salespeople to openly discuss issues, allowing managers to identify problems and provide necessary support.

a. Interpersonal Contact

Personal contact is the most effective way to motivate and evaluate sales staff. Supervisors, district managers, and executives use visits, meetings, or conferences to detect problems and encourage performance. While top executives may not be able to meet every salesperson individually, opportunities to interact with them at conventions or regional meetings can be highly motivating.

Face-to-face or phone communication is often more effective than written communication, especially for sensitive issues such as family troubles or reprimands. Written communication can supplement personal contact, but it should be specific and constructive, rather than generic. Letters of commendation are particularly valuable because they provide lasting recognition, though they cannot replace promotions or pay increases.

b. Motivational Interviews

Progressive companies conduct planned interviews to understand the needs and motivational patterns of their salespeople. Over time, these interviews help managers design appropriate incentives and build empathy with their staff.

c. Written Communications

Emails, bulletins, and announcements keep salespeople informed; however, excessive or routine messages can reduce their impact. Effective written communication focuses on practical suggestions and encouragement. For example, explaining how a colleague secured a significant order is more motivating than simply urging others to do the same. Well-crafted letters can boost morale and provide long-term recognition.

5.2.13 Compensation Planning

When designing or revising a sales compensation plan, executives must follow a structured process to ensure no critical step is overlooked. Firm plans are built on clear job definitions, fair evaluation systems, and awareness of industry practices.

a. Defining the Sales Job

The first step is to review and update sales job descriptions. These should accurately reflect objectives, responsibilities, and activities. Sales goals, such as volume targets, distribution policies, pricing, credit terms, and promotional programs, must be translated into what is expected from salespeople individually and collectively.

b. Company's Compensation Structure

Many firms use job evaluation systems to determine fair pay relationships among jobs. These methods include:

Non-Quantitative Job Evaluation Methods

- ◊ **Simple ranking:** jobs are ordered by worth, often used in small firms.
- ◊ **Classification/grading:** Jobs are grouped into grades based on their responsibilities, skills, and working conditions.

Quantitative Job Evaluation Methods

- ◊ **Point system:** assigns points to factors like skills, responsibility, and education, then totals them to classify jobs.
- ◊ **Factor-comparison method:** more complex, using dollar values for factors and comparing key jobs to establish compensation scales.

Sales executives often resist formal evaluations, arguing that sales pay is shaped more by external supply and demand than internal comparisons. Still, representation in evaluation committees or informal benchmarking ensures sales roles remain competitive with other company jobs.

c. Job Evaluation and Sales Positions

Job evaluation involves assessing the relative worth of different roles within an organisation, whether formally or informally. In sales, executives have traditionally resisted formal evaluations for determining compensation, arguing that external market forces have a greater influence on pay due to the high mobility and visibility of sales personnel. However, if a company includes sales roles in its formal evaluation system, it's essential to involve sales department representatives in the process. Even without formal systems, sales executives should regularly assess the value of sales positions compared to other roles to ensure competitive compensation and prepare for the likely future inclusion of sales jobs in formal evaluation frameworks.

d. Community and Industry Compensation Patterns

Because sales positions are highly mobile and influenced by market forces, compensation must be aligned with community and industry standards. Management should ask:

1. What systems are competitors using?

2. What is the average pay for similar roles?
3. How effective are the plans of other companies?
4. What risks exist in deviating from industry norms?

Executives must monitor external pay trends to avoid falling behind competitors and ensure sales jobs remain attractive.

e. Determining Compensation Level

Management must carefully decide the average pay for salespeople rather than relying on arbitrary judgment or individual bargaining. This involves:

◊ Assessing whether the current sales force meets desired standards.

◊ Estimating the market value of salespeople at the required calibre.

◊ Calculating the potential loss in sales and profits if key personnel resign.

◊ Considering what the company can afford to pay.

Break-even charts are often used to compare compensation costs with sales volume goals, helping to set realistic pay levels. Formal job evaluation programs may also be used to check fairness, though discrepancies should be reconciled. Differences in pay between companies with similar conditions often arise from poor evaluation of worth, managerial bias, or inertia in adjusting pay to new situations.

f. Compensation Elements

A sales compensation plan typically includes four components:

1. Fixed pay (salary or drawing account) for income stability.
2. Variable pay (commissions, bonuses, profit-sharing) to incentivise performance.
3. Fringe benefits (vacations, insurance, pensions).
4. Expense reimbursements or allowances.

Not all companies use all four, but most adopt a mix, commonly a 70:30 split between fixed and variable pay.

g. Addressing Special Company Needs

Compensation plans can be tailored to solve specific marketing problems:

◊ **Low-margin focus:** Adjust commission rates to encourage the sale of more profitable products.

◊ **Small-order problem:** Use graduated commission rates to reward larger orders, supported by account classification systems.

◊ **Retail displays/advertising:** Offer incentives for securing point-of-purchase displays or local promotions.

Other uses include motivating salespeople to acquire new customers, improving reporting, reducing unnecessary expenses, or avoiding price cutting. However, frequent changes to compensation plans can make them overly complex and demanding to administer.

h. Consulting the Sales Force

Management should involve current salespeople when revising compensation plans, since many grievances stem from pay structures. Sales staff should be encouraged to share likes, dislikes, and suggestions. However, the value of their input depends on the quality of the workforce; opinions from high-performing or desired-grade salespeople carry more weight than those from less suitable employees.

i. Writing and Pretesting the Plan

A tentative plan must be documented clearly to avoid inconsistencies, then tested before adoption. Pretesting typically involves revisiting past payrolls with the new plan to compare results against those from the old system. Tests should cover various business conditions (average, strong, and weak) and utilise sales forecasts to predict future outcomes. Pilot tests in selected territories help identify practical issues and deficiencies under real conditions.

j. Revising the Plan

Based on the test results, the plan has been revised to address the identified problems. Extensive changes require additional pretests or pilot runs, while minor adjustments may not. The goal is to refine the plan until it operates smoothly.

k. Implementing and Following Up

When the plan is finalised, it must be thoroughly explained to the sales force. Management should emphasise fairness, objectives, and logic, while providing written copies and examples of how earnings are calculated. If the plan is complex, training sessions are held to ensure salespeople understand quotas, commissions, and other features. Misunderstanding often leads to low morale, so clarity is essential.

Follow-up is equally essential. Periodic reviews assess whether the plan is achieving its goals and identify areas that require adjustment. Continuous monitoring ensures the plan remains effective and fair over time.

5.2.14 Types of Compensation Plans

Sales compensation plans typically combine four key elements: salary, variable pay, benefits, and expense reimbursement. Ignoring benefits and expense allowances, the three basic types are: straight salary, straight commission, and combination plans.

i. Straight-Salary Plan

The straight-salary plan is the simplest form, where salespeople receive fixed payments at regular intervals. Once widely used, it has declined in popularity, with fewer than 20% of organisations relying on it today. Many firms now prefer combination plans that mix salary with incentives.

This plan is most suitable when sales roles involve non-selling tasks, such as promotional work, technical advice, or product servicing. It is also common in trade selling, wholesale distribution, and among driver-salespeople handling routine consumer goods, such as beverages or bread.

Advantages

◊ Provides income stability and freedom from financial uncertainty.

◊ Gives management firm control over sales activities, allowing tasks to be reassigned easily.

◊ Encourages cooperation in non-sales duties, such as reporting or lead follow-ups.

◊ Simple to administer and easy for salespeople to understand.

◊ Lower accounting costs compared to commission-based systems.

Weaknesses

◊ Lacks direct monetary incentives, often leading to average rather than outstanding performance.

◊ Risk of pay inequities: productive workers may feel underpaid, while weaker performers are overpaid, leading to turnover.

◊ Fixed selling expenses make it hard to adjust during downturns or capitalise on upturns.

◊ Morale issues may arise over salary adjustments for ability, cost of living, or tenure.

Administration Considerations

To make the plan effective, management must define clear performance standards and evaluate salespeople on total job performance, not just sales volume. Performance reviews should combine ratings on all duties, weighted by importance. Salaries are then adjusted upward for improvement or downward for declining performance.

ii. Straight-Commission Plan

This plan pays salespeople entirely based on productivity, usually measured by sales volume. While simple in theory, many commission systems become complex due to the inclusion of progressive or regressive rates, product-specific commissions, or seasonal adjustments.

Two primary forms exist:

1. Salespeople pay their own expenses (with or without advances).

2. The company pays expenses (with or without advances).

It is most common in industries that emphasise order-getting, such as clothing, shoes, hardware, insurance, and office supplies.

Advantages

◊ Provides a strong monetary incentive; high performers earn more, while low performers are weeded out.

◊ Selling costs vary directly with sales volume, making expenses flexible.

◊ Commission rates can be adjusted to encourage focus on high-margin products.

Weaknesses

◊ Limited financial control over salespeople's activities.

◊ Risk of neglecting reports, leads, or customer goodwill.

◊ Salespeople may push easy, low-margin items unless differential rates are used, which increases record-keeping costs.

◊ Income uncertainty can lower morale and efficiency.

◊ Higher auditing and payroll costs compared to salary systems.

Commission Base

Companies may base commissions on total sales, collections, shipments, gross margins, or net profits, depending on their policies and specific needs.

Drawing Accounts

A modification allows salespeople to withdraw against future commissions. While this resembles a salary, overdrawing can discourage performance or lead to job dissatisfaction and potential quitting. Some firms use guaranteed drawing accounts that don't require repayment, effectively blending wage and commission.

iii. Combination Salary-and-Incentive Plan

Most companies use a combination of salary and commission to strike a balance between control and motivation. A salary provides stability, while a commission drives effort.

Strengths

◊ Combines income security with financial incentives.

◊ Gives management control over non-selling tasks while motivating sales.

◊ Selling costs include both fixed and variable elements, offering flexibility.

◊ Improves morale and reduces disputes compared to a pure commission system.

◊ Encourages cooperation, as salespeople see the company sharing financial risks.

Weaknesses

- ◊ Higher clerical and administrative costs.
- ◊ Risk of complexity and misunderstanding among salespeople.
- ◊ If commission rates are too low, motivation suffers; if too high, non-incentivised tasks may be neglected.
- ◊ The salary-to-incentive ratio is critical; most firms use a 70:30 split.

5.2.15 Use of Bonuses

Bonuses differ from commissions in that they reward specific tasks rather than overall sales volume. They may be given for meeting quotas, gaining new accounts, setting up displays, or performing promotional activities. In essence, a bonus is an extra financial reward for exceeding minimum expectations.

Bonuses are never used alone; they are always combined with salary, commission, or a mix of both. When added to salary, they resemble a combination plan; when added to commission, they introduce managerial control; and when added to a salary-plus-commission plan, they become part of the incentive package.

For bonuses to be effective, conditions must be clearly explained, records maintained, and progress communicated to salespeople. Any misunderstandings or grievances should be handled fairly to sustain trust and motivation.

5.2.16 Fringe Benefits

Fringe benefits make up 25–40% of total compensation but are not directly tied to performance. Some are legally required (e.g., Social Security, unemployment insurance, workers' compensation), while others are offered to remain competitive, retain employees, or meet expectations.

In terms of motivation theories, fringe benefits mainly satisfy safety and security needs (Maslow) and act as hygiene factors (Herzberg), preventing dissatisfaction but not creating motivation.

The range of benefits has expanded to include medical insurance, pensions, paid leave, educational support, counselling, and even perks such as company housing or discounts. Different benefits appeal to different groups depending on age, family status, or personal circumstances.

Cafeteria Approach

Many companies now use a cafeteria-style benefits system, offering a core package of essentials (such as vacations, medical coverage, and retirement plans) plus credits that employees can use to select optional benefits that suit their needs. This flexibility enables employees to adjust their benefits as their circumstances evolve. Awareness programs are often run to ensure employees understand the options available.

5.2.17 Performance Appraisal of Sales Personnel

a. Importance of Evaluating Sales Performance

Salespeople have immense potential for growth if they are provided with the right environment, guidance, and support. Performance appraisal is built on the belief that human resources can be developed and improved. A well-structured evaluation system ensures enhanced performance, benefiting both the individual and the organisation.

There are three primary purposes of evaluating salespeople:

1. Measuring performance against planned sales and marketing objectives.
2. Distributing rewards fairly based on performance.
3. Guiding the development of the sales force for future improvement.

b. Targets for Evaluation

Sales performance is assessed against specific targets such as:

◊ Sales quotas (volume or revenue goals).

◊ Expense control (managing costs effectively).

◊ Personal development objectives (growth in skills, knowledge, and efficiency).

Evaluations should be forward-looking, focusing on improvement rather than fault-finding. Managers should avoid blaming salespeople for past shortcomings and instead help them understand the reasons behind poor performance. A supportive and human-centred approach to supervision and evaluation fosters morale and long-term commitment.

Periodic evaluations are essential, and deserving salespeople should be rewarded with promotions, pay raises, or other incentives. This motivates them to strive for self-development and career advancement. One effective method is Management by Objectives (MBO), where salespeople and managers jointly set clear, measurable goals that align personal and organisational objectives.

Effective Measures of Sales Performance

Sales performance can be measured using multiple criteria, not just sales volume. Key measures include:

◊ Ability to generate satisfactory sales volume.

◊ Ability to sell profitably (not just increasing revenue but ensuring margins).

◊ Ability to sell at low cost (efficient use of resources).

◊ Planning and organising skills (time management and effort allocation).

◊ Knowledge of products, company policies, customers, and competitors.

◊ Ability to attract new customers and retain existing ones.

Sales reports, records, and quotas are practical tools for evaluating these aspects. They provide data-driven insights into how well salespeople are performing relative to expectations.

Evaluation is not just about measuring numbers; it is about developing people. A sales manager's role is to use evaluation as a constructive tool, helping salespeople identify areas of weakness and guiding them toward improvement. When evaluation is positive and supportive, it motivates salespeople to grow, enhances their confidence, and strengthens their loyalty to the company.

By combining quantitative measures (such as sales volume, profit margins, and expense ratios) with qualitative measures (including customer relationships, product knowledge, and planning ability), managers can gain a holistic view of performance. This balanced approach ensures that salespeople are not judged solely on numbers, but also on their contributions to long-term customer satisfaction and organisational growth.

Performance Evaluation on two major categories: Quantitative Bases and Qualitative Bases.

5.2.18 Quantitative Bases

These are measurable, data-driven indicators that reflect the salesperson's productivity and efficiency. They are divided into Output Factors and Input Factors.

A. Output Factors

1. Sales Quotas

Sales quotas are predetermined targets set for each salesperson, often based on revenue or units sold. They serve as benchmarks to evaluate individual performance over a specific period. Meeting or exceeding quotas demonstrates a strong sales ability and alignment with company goals. Falling short may suggest inefficiencies or external challenges. Quotas also help in planning incentives and forecasting future sales.

2. Orders

Orders refer to the actual transactions secured by the salesperson, including both quantity and value. They reflect the salesperson's ability to convert prospects into paying customers. A high number of orders suggests effective persuasion and product positioning. The size of orders also matters, larger orders may indicate deeper customer trust or successful upselling. Tracking orders helps assess consistency and sales momentum.

3. Accounts

Accounts represent the number of customers or businesses a salesperson manages or acquires. This metric measures the effectiveness of the salesperson in building and maintaining relationships. A growing account base suggests strong networking and customer retention skills are in place. Managing multiple accounts efficiently also reflects an organisation's and an individual's time management capabilities. It's a key indicator of long-term business development.

B. Input Factors

1. Calls per Day

This measures the number of customer interactions a salesperson initiates daily, including visits and phone calls. It reflects the salesperson's activity level and outreach efforts. More calls often lead to more opportunities, though quality matters as much as quantity. Tracking this helps identify work habits and time utilisation. It's a foundational metric for evaluating effort and engagement.

2. Direct Selling Expenses as a Percentage of Sales Volume

This ratio compares the cost of selling activities (like travel, samples, or entertainment) to the revenue generated. It helps determine how efficiently a salesperson operates. Lower percentages suggest cost-effective selling, while higher ones may signal inefficiencies. This metric is crucial for budgeting and profitability analysis. It also guides decisions on resource allocation and expense control.

3. Non-Selling Activities

These are supportive tasks that enhance sales but don't directly result in transactions.

Display: Involves setting up promotional materials at retail or distributor locations to attract customer attention. It helps boost product visibility and brand recognition.

Meetings with Dealers/Distributors: These interactions strengthen partnerships and ensure smooth product flow in the market. They also help gather feedback and align strategies. Together, these activities contribute to long-term sales success and market presence.

5.2.19 Qualitative Bases

These are subjective, personality-driven factors that influence long-term success and customer satisfaction. They focus on the salesperson's knowledge, behaviour, and interpersonal skills.

1. Knowledge of Product, Firm, and Competition

A salesperson must have a thorough understanding of the company's products, services, and internal policies. This knowledge enables them to answer customer questions and handle objections with confidence. Awareness of competitors' offerings helps in positioning the company's products more effectively. It also allows the salesperson to highlight unique selling points and advantages. Overall, strong product and market knowledge builds trust and enhances the salesperson's credibility.

2. Relations with Customers, Dealers, and Public

Building strong relationships is essential for customer retention and long-term success. Salespeople must communicate effectively, listen actively, and respond to customer needs with empathy. Good relations with dealers and distributors ensure smoother operations and better market coverage. Positive public interactions contribute to the company's reputation and brand image. Relationship-building is a key factor in generating repeat business and referrals.

3. **Personality and Attitudes**

Traits like enthusiasm, adaptability, and cooperativeness influence how salespeople interact with others and handle challenges. A resourceful salesperson finds creative solutions and remains persistent in difficult situations. Positive attitudes foster teamwork and improve collaboration with colleagues and clients. These traits also influence how salespeople respond to feedback and learn from their experiences. Overall, personality and attitude shape the salesperson's approach and effectiveness in the field.

4. **Personal Appearance and Health**

Professional appearance creates a strong first impression and reflects the salesperson's commitment to their role. Good grooming and attire help build confidence with clients and reinforce the company's image. Physical health is essential for maintaining energy, stamina, and consistency in performance. Sales roles often involve travel and long hours, so good health supports reliability and resilience. Together, appearance and health contribute to the salesperson's overall effectiveness and presence.

5.2.20 Determinant of Sales Person Performance

A. Individual-Level Determinants

These are personal attributes that directly influence how well a salesperson performs.

1. Cognitive Abilities

◊ Includes intelligence, analytical thinking, and problem-solving.

◊ Helps in understanding customer needs, adapting to complex products, and crafting persuasive arguments.

2. Personality Traits

◊ **Extraversion:** Energised by social interaction, which is vital for client engagement.

◊ **Conscientiousness:** Organised and goal-oriented, leading to consistent follow-through.

◊ **Emotional Stability:** Handles rejection and stress better, maintaining performance under pressure.

3. Motivation

◊ **Intrinsic:** Driven by personal growth, achievement, and mastery.

◊ **Extrinsic:** Motivated by rewards, recognition, and competition.

◊ High motivation leads to persistence, resilience, and proactive behaviour.

4. Sales Skills

◊ Includes prospecting, presenting, negotiating, and closing.

◊ Skilled salespeople tailor their pitches, effectively handle objections, and build trust.

5. Experience and Education

◊ Experience builds intuition and confidence.

◊ Education enhances product knowledge and strategic thinking.

B. Organisational-Level Determinants

These are factors provided or influenced by the company.

1. Training and Development

◊ Regular training updates skills and product knowledge.

◊ Coaching improves technique and confidence.

2. Leadership and Supervision

◊ Supportive managers provide guidance, feedback, and motivation.

◊ Transformational leaders inspire innovation and commitment.

3. Compensation and Incentives

◊ Commission, bonuses, and recognition drive effort and goal achievement.

◊ Fair and transparent systems increase trust and motivation.

4. Sales Technology and CRM Tools

◊ Tools like Salesforce or HubSpot streamline tasks and improve customer insights.

◊ Automation frees time for relationship-building and strategic selling.

5. Role Clarity and Autonomy

◊ Clear expectations reduce confusion and increase focus.

◊ Autonomy empowers decision-making and fosters ownership.

C. Environmental and Contextual Determinants

These are external factors that shape opportunities and challenges.

1. Market Conditions

◊ Economic trends, competition, and demand affect sales potential.

◊ A booming market makes selling easier; downturns require resilience.

2. Product Characteristics

◊ Simpler, well-differentiated products are easier to sell.

◊ Complex or undifferentiated products require more effort and skill.

3. Customer Relationships

◊ Trust and rapport lead to repeat business and referrals.

◊ Relationship selling is essential in B2B and high-value sales.

4. Territory Potential

◊ Geographic and demographic factors influence lead quality and volume.

◊ High-potential territories offer more opportunities and better conversion rates.

D. Interaction Effects and Moderators

These explain how different factors combine or vary in impact.

1. Contingency Factors

◊ The importance of each determinant varies by industry, product type, and sales model.

◊ For example, technical knowledge may be more critical in software sales than in retail.

2. Performance Metrics

◊ Performance can be measured by revenue, customer satisfaction, retention, or quota attainment.

◊ The chosen metric affects which determinants are emphasised.

3. Synergistic Effects

◊ Combinations of traits (e.g., high motivation + strong leadership) often outperform isolated strengths.

◊ Alignment between individual and organisational factors boosts overall effectiveness.

E. Psychological Skills or Emotional Intelligence

Psychological skills, often described as emotional intelligence (EI), are vital for enhancing a salesperson's performance because selling involves constant interaction with customers and handling emotional situations such as rejection, pressure, and negotiation. Emotional intelligence includes self-awareness, self-control, motivation, and confidence, which help salespeople manage stress, stay optimistic, and remain persistent in achieving targets. A salesperson with strong psychological skills can control emotions during difficult situations, learn from failures, and maintain a positive attitude, leading to consistent and improved performance.

1. EI (Emotional Intelligence)

Emotional Intelligence refers to a salesperson's ability to understand, control, and use emotions effectively during sales interactions. High EI helps salespeople remain calm under pressure, handle rejection positively, and stay motivated despite repeated setbacks. It also improves self-awareness, allowing salespeople to adjust their tone and behavior based on customer reactions. Salespeople with strong EI can build rapport faster and maintain long-term customer relationships.

Example: A sales executive who stays composed and polite when a customer becomes angry about pricing is more likely to regain trust and close the deal.

2. Empathy

Empathy is the ability to understand and relate to the customer's feelings, needs, and challenges. An empathetic salesperson listens actively and focuses on solving customer problems rather than just selling products. This approach helps customers feel valued and understood, which builds trust and credibility. Empathy also allows salespeople to customize their pitch according to customer expectations.

Example: A financial advisor recommending a low-risk investment plan to a cautious client instead of pushing high-return products demonstrates empathy.

3. Objection-Handling Psychology

Objection-handling psychology involves understanding the emotional and logical reasons behind a customer's resistance. Effective salespeople treat objections as expressions of concern rather than rejection. They acknowledge the objection, provide reassurance, and reframe the issue positively. This psychological approach reduces customer anxiety and increases confidence in the product.

Example: When a customer says a product is too expensive, a salesperson explains long-term benefits and cost savings instead of immediately offering a discount.

4. Negotiation Frameworks

Negotiation frameworks provide structured methods for reaching mutually beneficial agreements in sales. They help salespeople prepare, identify customer priorities, and communicate value clearly. Using frameworks reduces emotional decision-making and increases confidence during discussions. They also help maintain professionalism and fairness in negotiations.

Example: A salesperson offering flexible payment terms instead of reducing the price to close a corporate deal applies an effective negotiation framework.

Recap

- ◊ Sales training begins by defining clear training aims and identifying initial learning needs to ensure targeted, effective skill development.
- ◊ Identifying both initial and continuing training needs ensures that sales personnel receive timely, relevant development to address skill gaps from onboarding through ongoing performance.
- ◊ Deciding training content involves selecting key areas such as product knowledge, selling skills, market insights, and company information to build a strong foundation for sales personnel.
- ◊ Selecting appropriate training methods, such as lectures, role plays, simulations, and online courses, ensures that sales instruction aligns with diverse learning styles and practical skill development.
- ◊ Executing the training programme effectively involves using appropriate instructional materials and aids, followed by evaluating outcomes to measure learning impact and improve future sessions.
- ◊ Motivating sales personnel requires proactive support from management to foster enthusiasm, confidence, and sustained performance.
- ◊ Maslow's Hierarchy of Needs and Herzberg's Motivation-Hygiene Theory both emphasise the importance of fulfilling psychological and workplace factors to drive employee motivation and satisfaction.
- ◊ McClelland's Motivation Theory and Vroom's Expectancy Model highlight how individual achievement drives and anticipated rewards influence sales personnel's motivation and performance.
- ◊ Compensation planning involves selecting suitable pay structures, such as straight salary, commission, or combination plans, to align with sales roles and performance goals.
- ◊ Performance appraisal of sales personnel involves evaluating key determinants such as individual skills, effort, and external factors that influence overall sales effectiveness.

Objective Questions

1. What is the primary aim of sales training?
2. Which method involves acting out real-life sales scenarios?
3. Which training method is best for experiential learning?
4. What is the purpose of evaluating a training program?
5. According to Maslow, which need is at the top of the hierarchy?
6. Which theory distinguishes between motivators and hygiene factors?
7. Briefly explain Vroom's Expectancy Theory.
8. Which compensation plan offers fixed income regardless of sales?
9. Which plan is most motivating for high performers?
10. When do salespeople receive bonus?
11. What is the purpose of performance appraisal?
12. Which factor is considered an individual-level determinant?

Answers

1. Improve salesperson performance
2. Role playing
3. On-the-job training
4. To assess its effectiveness
5. Self-actualization
6. Herzberg's Theory
7. Vroom's model views motivation as a process of expectations and perceived outcomes
8. Straight salary
9. Straight commission

10. Salespeople receive bonus when they achieve more than their target
11. Performance appraisal evaluating salesperson effectiveness
12. Sales skills

A Assignments

1. Explain the process of identifying initial and continuing training needs for sales personnel.
2. Discuss the various training methods used in sales training and their effectiveness.
3. Describe the key areas of initial training for a new salesperson.
4. How can instructional materials and training aids enhance the effectiveness of a sales training program?
5. Evaluate the role of management in motivating sales personnel.
6. Compare and contrast Maslow's, Herzberg's, McClelland's, and Vroom's theories of motivation.
7. Explain the relationship between motivation and communication in a sales environment.
8. Discuss the different types of compensation plans and their impact on salesperson behaviour.
9. What are fringe benefits, and how do they contribute to employee satisfaction and retention?
10. Describe the process and importance of performance appraisal in managing a sales force.
11. Analyse the various determinants of salesperson performance and how they interact.
12. Design a comprehensive sales training program for a new product launch.

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MODEL QUESTION PAPER SETS

SREENARAYANAGURU OPEN UNIVERSITY

Model Question Paper (SET- 1)

QP CODE: ……… Reg. No:....................

Name: ………………

FIFTH SEMESTER BACHELOR OF BUSINESS ADMINISTRATION (BBA) EXAMINATION

DISCIPLINE SPECIFIC ELECTIVE COURSE

B21BB12DE – ADVERTISEMENT AND SALES MANAGEMENT

(CBCS – UG)

2023 - 2024 – Admission Onwards

Time: 3 Hours Max Marks: 70

Section A

(Answer any 10, Each carries 1 mark)

(10×1 = 10)

1. What is meant by persuasive advertising?
2. Who defined advertising according to the American Marketing Association?
3. What does ASCI stand for?
4. What is transit or vehicular media?
5. What is the primary role of media in advertising?
6. Which characteristic of media refers to the number of people exposed to an ad?
7. What is the stage in the creative process where ideas quietly develop before the final insight emerges?
8. Which digital advertising medium involves paid listings on search engines?
9. What type of agency provides end-to-end IMC and brand strategy support?
10. What is the key research activity that measures recall and awareness uplift?
11. Which post-testing method tracks consumer behaviour over time?
12. List any two steps in the recruitment process.
13. Which training method is best for experiential learning?
14. What is the correct sequence in job analysis preparation?
15. Which plan is most motivating for high performers?

Section B

(Answer any 5, Each carries 2 marks)

(5×2 = 10)

16. State any two objectives of advertising.
17. What are the advantages and disadvantages of Non-Broadcast Media?
18. Explain Real-Time Bidding (RTB).
19. Explain the Creative Boutiques agencies.
20. State any two types of post-testing methods.
21. Explain Digital-First Copy.
22. Describe Psychological Testing in sales recruitment.
23. What do you mean by sales volume targets?
24. Explain Maslow's Hierarchy of Needs.
25. What are Fringe benefits?

Section C

(Answer any 4, Each carries 5 marks)

(4×5 = 20)

26. How does media contribute to brand awareness? Illustrate with examples
27. Discuss the characteristics of media with examples.
28. In what ways has the Internet become an emerging advertising medium?
29. Describe the steps in the advertising campaign planning process.
30. What is the purpose of testing advertising copy?
31. Explain the modern advancements in sales management.
32. Describe the modern training formats in sales training.
33. Analyse the importance of the combination and point system targets.

Section D

(Answer any 2, Each carries 15 marks)

(2×15 = 30)

34. Explain the relationship between advertising and marketing mix with suitable examples.
35. Explain the process of media planning with suitable examples
36. Discuss in detail the types of Advertising Copies with suitable examples.
37. Elucidate the structure and functions of an advertising agency in detail.

SREENARAYANAGURU OPEN UNIVERSITY

Model Question Paper (SET- 2)

QP CODE: ………   Reg. No:....................

Name: ………………

FIFTH SEMESTER BACHELOR OF BUSINESS ADMINISTRATION (BBA) EXAMINATION

DISCIPLINE SPECIFIC ELECTIVE COURSE

B21BB12DE – ADVERTISEMENT AND SALES MANAGEMENT

(CBCS – UG)

2023 - 2024 – Admission Onwards

Time: 3 Hours   Max Marks: 70

Section A

(Answer any 10, Each carries 1 mark)

(10×1 = 10)

1. What is non-personal communication?
2. What is meant by brand building?
3. Which media category includes radio and television?
4. Name the four Ps of the marketing mix.
5. What kind of advertising uses false or exaggerated claims to mislead consumers?
6. What is Predictive Audience Modelling?
7. How can media selection models be classified?
8. What is Colloquial Copy?
9. Name the methods of flighting and blitz used in?
10. Which stage of campaign planning involves deciding how much money will be spent on different advertising activities?
11. What is the main purpose of advertising copy testing?
12. What type of budgeting is commonly associated with cost-per-click and other performance-based digital spending models?
13. Which agency model works primarily on CPC/CPA and ROI-driven outcomes?
14. What is the main aim of post-testing?
15. What is the pre-recruiting reservoir?

Section B

(Answer any 5, Each carries 2 marks)

(5×2 = 10)

16. State any two steps in media scheduling
17. List the various types of traditional media.
18. State two Functions of an Advertising Agency.
19. What is meant by the AIDA formula in advertising?
20. What does the term 'agency commission' signify in advertising?
21. State any two Selection Processes of Sales Personnel.
22. Explain the Gross Margin and Net Profit Targets
23. Identify two key areas covered in the initial training phase of sales training programs.
24. State two Qualitative Bases of Performance Evaluation.
25. Explain Individual-Level Determinants of Sales Person Performance.

Section C

(Answer any 4, Each carries 5 marks)

(4×5 = 20)

26. Explain advertising as an element of promotion mix.
27. Discuss the need and importance of media planning
28. Explain the techniques behind effective copywriting.
29. Discuss the elements of a healthy client–agency relationship.
30. Explain the techniques of measuring advertising effectiveness.
31. Describe the Steps in Sales Job Analysis.
32. Explain the Quantitative methods of sales targets.
33. Describe the performance appraisal of sales personnel.

Section D

(Answer any 2, Each carries 15 marks)

(2×15 = 30)

34. Discuss the objectives, functions and benefits of advertising with suitable examples.
35. Explain different types of media in the context of advertising and their significance in modern communication.
36. Critically evaluate the sales targets and explain different types of sales targets and the procedures for setting them effectively.
37. Discuss the various training methods used in sales training and their effectiveness.

സർവ്വകലാശാലാഗീതം

വിദ്യയാൽ സ്വതന്ത്രരാകണം
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SAY NO TO DRUGS

LOVE YOURSELF AND ALWAYS BE HEALTHY

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