

Chapter 13

Advertising Decision

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Chapter Id: ASU/NSP/EB/PMM/2022/Ch-13

doi: <https://doi.org/10.52458/9789391842666.nsp2022.eb.asu.ch13>

INTRODUCTION

Advertising is any form of sponsored non-personal communication and promotion of ideas, products, or services by a sponsor who is identifiable. Although some advertising (such as direct mail) is addressed at specific persons, the vast majority of advertising uses mass media such as radio, television, newspapers, magazines, and outdoor advertising. Advertising is described by the American Marketing Association as "any type of paid, non-personal presentation and promotion of ideas, goods, or services by an identified sponsor." It is impersonal, as opposed to personal selling, and it is paid for by a sponsor, as opposed to publicity.

"Advertising is any paid form of non-personal presentation and promotion of goods, services, or ideas by an identified sponsor" by **Philip Kotler**

Advertising is used to promote products or services to big audiences. In fact, it is commonly known as mass marketing. The great degree of control that can be kept over advertising's promotional activities is a key distinction between it and personal selling.

There are various ways that advertisements can be displayed. Newspapers, direct mail, television, magazines, and radio are the most expensive forms of media. However, the influence of media such as football game programmes and outdoor signs may be comparable to that of the aforementioned five.

The degree to which advertising is utilised in a company's promotional mix will be largely determined by the product's characteristics. Extremely expensive and

intricate products are not well-suited to advertising as a key form of promotion. In general, advertising is an effective basic promotional strategy for mass-produced, low-cost goods.

Various factors need to be considered during decision of advertising are shown in **Figure 13.1**



Figure 13.1: Main advertising decision

CHARACTERISTICS OF ADVERTISING

- **Tool for Market Promotion:** There are a variety of tools used for market communication, including advertising, sales promotion, personal selling, and publicity. Advertising is a potent, costly, and popular component of the marketing mix.
- **Non-personal:** Advertising is a form of mass or impersonal contact with the target audience. Multiple people are addressed simultaneously. It is referred to as impersonal selling.
- **Paid Form:** Advertising is not cost-free. The advertiser, often known as the sponsor, must spend money on message preparation, media purchases, and monitoring advertising activities. It is the most expensive form of marketing promotion. Company must establish a marketing budget to account for advertising expenses.
- **Wide Applicability:** Advertising is a common and commonly utilised method of interacting with the target audience. It is utilised by museums, charitable foundations, government agencies, educational institutions, and others in order to inform and attract diverse target audiences.
- **Diverse Objectives:** Advertising seeks to accomplish a variety of goals. It aims to generate sales, create and strengthen company image, face competition, cultivate public relations, or educate individuals.
- **Forms of Advertising:** The majority of messages are communicated in a combined format, such as oral-visual, audio-visual, etc.
- **Use of Media:** The advertiser may use any of the available advertising channels print media (newspapers, magazines, pamphlets, booklets, letters, etc.), outdoor media (billboards, sign boards, wall-printing, vehicle, banners, etc.), audio-visual media (radio, television, film, the Internet, etc.), and any other media used to reach the target audience are widely employed.
- **Advertising as an Art:** Creation and delivery of messages involve a great deal of information, imagination, skills, and experience. Therefore, advertising is an art. It is an artistic endeavour.
- **Element of Truth:** In many instances, advertisements contain inflated information. However, thanks to a number of legal provisions, the element of veracity can be reasonably guaranteed. However, there is no assurance that the

assertion expressed in advertising is entirely accurate. The vast majority of commercials are sexual, materialistic, deceptive, and producer-focused.

- **One-way Communication:** advertising is a one-way communication medium. The message travels from the corporation to the customers and the sponsor to the audience. It is impossible for consumers to communicate with marketers. The marketer cannot determine the extent of the advertisement's impact on the audience.

THE SIGNIFICANCE OF ADVERTISING

It is not sufficient to just produce a product. People must be made aware of its existence and given compelling reasons to purchase it. This is a task that must be accomplished through advertising. Without advertising, consumers would be unaware of the product's characteristics and price. Let's now discuss the function and significance of advertising.

- **Disclosure procedure:** Advertising is a method of providing information to consumers that enables them to compare and contrast the available goods and services. Advertising helps consumers to exercise their free will through a range of mediums, including pamphlets, newspapers, magazines, billboards, books, radio, television, and films.
- **Manufacturer concerns:** Advertising is a particularly cost-effective method for a manufacturer or institution to reach a target population in order to sell a product or promote a social welfare cause, such as a community campaign or vaccination programme. This involves a mass communication approach that is distinct from typical communication. Here, there is much interaction between the producer and his or her broader audience. Also connected to new sources. Many listeners provide a variety of reactions. The audience is connected as a group between groups in this instance. A typical grocery store in India offers up to 20 varieties of toilet soap, 10 varieties of toothpaste, 9 varieties of cooking oil, and more than 100 varieties of other packaged goods. In this situation, advertising assists consumers in making more intelligent and deliberate purchases.
- **Fundamental right to freedom of expression:** Advertising is an essential form of communication and an inherent aspect of the right to free expression. Any prohibition of the right to recommend legal services or public opinion would violate the fundamental right to free speech.

- **Enhancing efficiency:** Advertising may stimulate the economies of both wealthy and underdeveloped nations. There is sufficient evidence to support this position. Advertising increases production and, thus, job prospects. It can help stabilise pricing and lead to a broader distribution of commodities and higher availability of services.
- **Global economic expansion:** Advertising is a crucial component of the marketing system. Occasionally, it is asserted that the marketing plan is ineffective without economic and social growth. Advertising increases sales and forces businesses to increase their production and greatly contribute to economic growth. Therefore, advertising and marketing are essential strategies for promoting global development. A well-executed advertising campaign can be a low-cost strategy to reach the market and travel with potential clients, despite the fact that advertising is expensive and its expenses are rising daily. Advertising that fails to create sales is a waste of time.

ADVERTISING OBJECTIVES

Advertising seeks to accomplish a variety of goals. There are both business and social objectives. The following objectives would be considered:

- **To Inform Buyers:** This purpose involves alerting buyers about the product's availability, pricing, characteristics, attributes, services, and performance. In addition, it entails informing customers about modifications made to the existing product and the launch of new ones. Advertising also highlights the company's location, achievements, policies, and performance.
- **To Persuade or Convince Customers:** The company employs advertising to persuade or convince buyers that their product offers superior benefits. To persuade clients to purchase the goods, the company conveys the competitive advantages it offers. Utilizing comparative advertising to demonstrate the added benefits of a product at a certain price.
- **To Remind Buyers:** The marketer utilises advertising to remind buyers about the company, its products, the maintenance of quality, the provision of exceptional services, and the pursuit of customer orientation. Existing businesses generally direct their advertising efforts in this direction. The goal of this section is to tell readers that the company is still operating and providing improved customer service. Customers are more prone to forget a company's identity

and/or the products and/or services it provides as a result of the massive amounts of information they receive from several organisations.

- **To Confront Competition:** Advertising is regarded as the most effective tool for combating competition. Advertising enables the company to respond aggressively to competition. It helps the company differentiate its complete products from those of competitors. Briefly, the company can face competition, prohibit the arrival of competitors, or remove them from the market. In a highly competitive market, the company cannot thrive without an efficient advertising campaign.
- **To Meet Sales Objectives:** Increasing sales volume is one of the primary advertising goals. A corporation can market its products in a variety of media to attract clients from around the globe. The effect of advertising is national and worldwide marketing. Even non-users can be converted into users, hence increasing the usage rate. Thus, the corporation can attain its sales goals through advertising.
- **To Build and Improve Brand Image:** Advertising is utilised to increase brand recognition and acceptability. A corporation can differentiate its brand by emphasising the product's primary benefits. Customers are attracted to the brand by advertising; they try it and eventually accept it. Similarly, a negative brand image can be altered by the systematic presenting of facts and scientific data and the elimination of misconceptions.
- **To Help or Educate People:** Advertising is not always utilised just for the profit of the company. It is intended to assist customers in selecting the best product. It informs individuals about the availability of new items, their characteristics and attributes, price, services, and other pertinent details. This information is essential for choosing appropriate products. Thus, it assists clients in selecting the optimal product.
- **To Build Organization Image and reputation:** A company chooses to advertise in order to increase its market prestige and reputation. Even if most businesses are content with their sales volume, they invest in advertising to increase their market recognition. Numerous businesses advertise their policies, operations, and accomplishments to establish a lasting impression on the public.
- **To Assist the Sales Force and Middlemen:** Advertising assists the sales force and middlemen. Advertising also increases dealer recognition. Similarly, advertising provides customers with essential information. Middlemen and

salespeople are not needed to do the same duties. It facilitates the work of sellers. Similarly, advertising motivates sales force.

Additional Objectives

There are several secondary aims of advertising, including:

- a) To advertise recently released goods.
- b) To establish and maintain long-term relationships.
- c) To remove misunderstanding.
- d) To further develop the market.
- e) to win the trust of potential customers.
- f) to ask customers for voluntary concessions in the face of inescapable situations.
- g) To ask for an apology from the purchasers for any unfavourable occurrences, etc.

The circumstances of the company dictate that it must choose one or more goals to pursue. It must be made clear that the aforementioned list is not exhaustive. As a result of shifts in circumstances, new advertising goals might become apparent. However, the primary purpose of advertising is to boost sales and raise a company's overall profits. The company needs to outline its advertising goals in a way that is both obvious and specific.

TYPES OF MEDIA FOR ADVERTISING

When selecting advertising medium, the following considerations must be kept in mind: advertising expenses, product quality, comparison of the selected media with other media, media thunderstorms, customer features, as well as market rivalry (**Figure 31.2**).

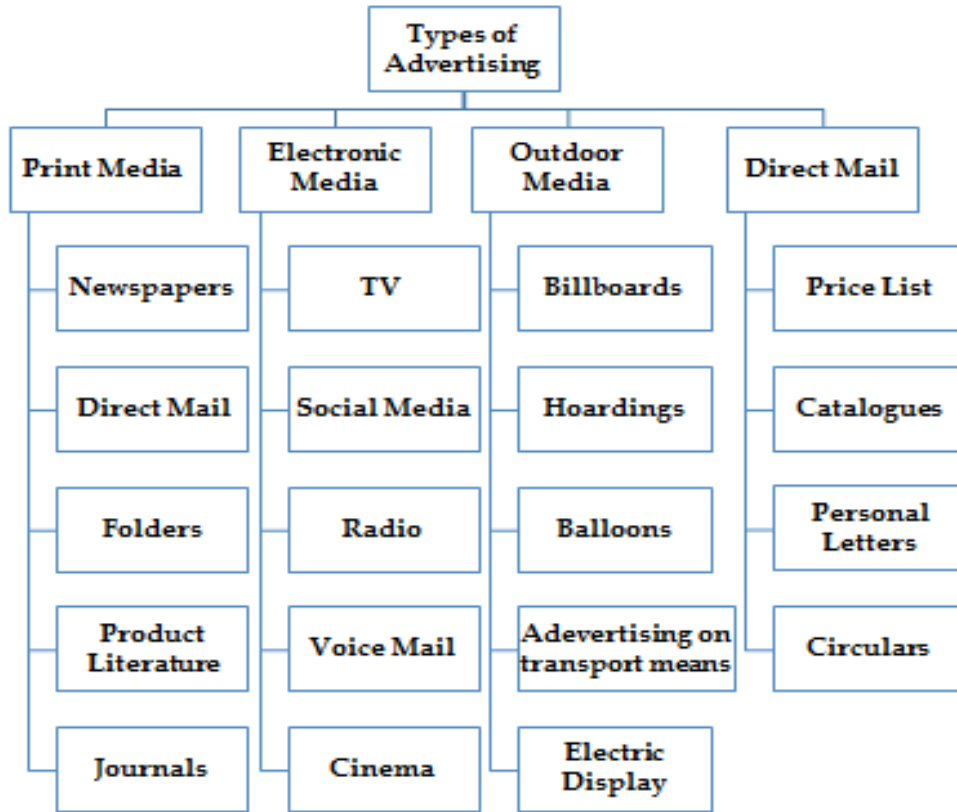


Figure 13.2: Types of advertising

Advantages and disadvantages of various advertisements

Press	
Advantages	Disadvantages
• News value and immediacy • Area and ethnic selectivity • Wide market coverage • Advertisement flexibility • Allow long message	• Casual readers not reading the whole magazine or newspaper • High cost of brand usage • Little demographic selectivity • Short message life

• Moderate cost • Publication with pictures possible • Continuous publication	• Suitable only for educated class • Poor quality of printing creating readers' aversion • Lack of faith in what appears in the Press.
Direct mail	
Advantages	Disadvantages
• Possibilities of covering a wide audience • Economy • Flexibility • Easy to answer Personal Touch	• Difficult to obtain the right mailing lists. • Possibility of misleading information • Frequent changes in mailing list