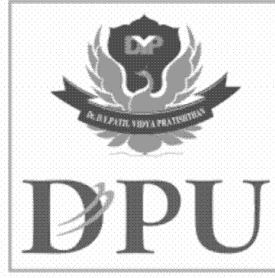# CONSUMER BEHAVIOUR

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(Deemed University)

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Contents

Introduction to Consumer Behaviour 1

Chapter Objectives _____

This unit helps the students to understand the meaning, definition, nature of consumer behaviour and application of buyer behaviour.

Learning Outcomes

The contents of this unit have been developed to achieve the following outcomes:

   ⬜   Understand the definition of consumer behaviour and why we study consumer behaviour

   ⬜   Study the nature, scope of consumer behaviour

   ⬜   Study the applications of consumer behaviour

   ⬜   Learn about the market research and consumer behaviour

   ⬜   Analyse the environment of consumer behaviour

1.1 INTRODUCTION

Consumer is the reason why business exists. Without them no company can survive or thrive. In their absence, an organisation doesn't have a business or purpose. The main purpose of a company is to satisfy customer's needs and wants. Though similar, consumers are unique in themselves; they have needs and wants which are varied

and diverse from one another; and they have different consumption patterns and consumption behaviour. The marketer helps satisfy these needs and wants through product and service offerings. For a firm to survive, compete and grow, it is essential that the marketer identifies these needs and wants, and provides product offerings more effectively and efficiently than other competitors. A comprehensive yet meticulous knowledge of consumers and their consumption behaviours is essential for a firm to succeed. Herein, lies the essence of Consumer Behaviour, an interdisciplinary subject, which emerged as a separate field of study in the 1960s. Peter Drucker, a leading management expert, once stated that the aim of marketing is to know and understand the consumer so well that the product or service fits him and sells itself. Ideally, marketing should result in a consumer who is ready to buy. All that should be needed then is to make the product or service available. In short consumer or customer satisfaction is the key to an organisational success.

1.2 CONSUMER

Any individual who purchases goods and services from the market for his/her end-use is called a consumer. In simpler words a consumer is one who consumes goods and services available in the market. In other words, consumer is an ultimate user of a product or service.

According to International Dictionary of Management, "consumers are purchasers of goods and services for immediate use and consumption".

1.3 CONSUMER BEHAVIOUR

Human being differs from one to another. It is not easy to predict the human behaviour. Human beings differ in their taste, needs, wants and preferences. But one constant thing is that we all are consumers. CB is a vast and complex subject. Understanding CB and 'knowing consumers' are not that simple. It is almost impossible to predict with one hundred percent accuracy, how consumer(s) will behave in a given situation. Marketers are interested in watching people shopping, flirting, parading, playing, entertaining, as they are keenly interested in the wide variety of behaviours they display. The efforts of all marketers are to influence the behaviour of consumers in a desired manner. The success or failure in this pursuit determines the difference between success and failure of marketing efforts or even the business itself.

Consumer behaviour explains the reasons and logic that underlie purchasing decisions and consumption patterns; it explains the processes through which buyers make decisions. Consumer Behaviour may be defined as "the interplay of forces that takes place during a consumption process, within a consumers' self and his environment. This interaction takes place between three elements viz. knowledge, affect and behaviour; it continues through pre-purchase activity to the post purchase experience; it includes

the stages of evaluating, acquiring, using and disposing of goods and services". The "consumer" includes both personal consumers and business/industrial/organizational consumers.

1.3.1 Definitions

1. "The behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs."- Schiffmanand Kanuk

2. "The decision process and physical activity engaged in when evaluating, acquiring, using or disposing of goods and services." - Loudon and Bitta

3. "The study of consumers as they exchange something of value for a product or service that satisfies their needs"- Wells and Prensky.

4. "Those actions directly involved in obtaining, consuming and disposing of products and services including the decision processes that precede and follow these actions". -Engel, Blackwell, Miniard

5. "The dynamic interaction of effect and cognition, behaviour and the environment by which human beings conduct the exchange aspects of their lives" - American Marketing Association. By analysing the above definition, it reveals that the study includes within its purview, the interplay between cognition, affect and behaviour that goes on within a consumer during the consumption process: selecting, using and disposing of goods and services.

i. Cognition

This includes within its ambit the "knowledge, information processing and thinking" part; It includes the mental processes involved in processing of information, thinkingand interpretation of stimuli (people, objects, things, places and events). In our case, stimuli would be product or service offering; it could be a brand or even anything to do with the 4Ps.

ii. Affect

This is the "feelings" part. It includes the favourable or unfavourable feelings and corresponding emotions towards stimuli (towards a product or service offering or a brand). These vary in direction, intensity and persistence.

iii. Behaviour

This is the "visible" part. In our case, this could be the purchase activity: to buy or not to buy (again, specific to a product or service offering, a brand or even related to any of the 4 Ps).

1.4 WHY DO WE STUDY CB: (IMPORTANCE OF CB)

The term CB is defined as the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expectwill satisfy their needs. CB focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. The term CB describes two different kinds of consuming entities: the personal consumer and the organizational consumers. The personal consumer buys goods and services for his orher own use, for the use of the household or as a gift for a friend. In each of these contexts, individuals, who are referred to as end users or ultimate consumers, buy the products for fine use. The second category of consumer- the organizational consumer- includes profit and not-for-profit businesses, government agencies (local, state, and national), and institutions (e.g. schools, hospitals, and prisons), all of which must buy products, equipment and services in order to run their organisation.

The subject of Consumer Behaviour is viewed as the edifice of the marketing concept, an important orientation in marketing management. The knowledge of Consumer Behaviour helps the marketer understand and predict the consumption patterns and consumption behaviours of people. It helps them gain insights as to why a consumer behaves differently to another consumer; as well as, why a consumer behaves differently in different times and buying situations. The study helps them understand the internal (individual determinants) and external (environmental factors) forces that impel people to act out different consumption patterns and behaviours. The study helps the marketer in:

    (a)   Analysing the environment: identifying opportunities and fighting threats.

    (b)   Segmenting, targeting and positioning.

    (c)   Designing the marketing-mix.

    (d)   Designing the marketing strategy.

    (e)   Governmental and Non-profit Organisation and Social Marketing.

1.4.1 Nature of Consumer Behaviour

1. Process: Consumer behaviour is a systematic process relating to buying decisions of the customers. The buying process consists of the following steps;

    1.   Need identification to buy the product

    2.   Information search relating to the product.

    3.   Listing of alternative brands.

    4.   Evaluating the alternative (cost-benefit analysis)

    5.   Purchase decision.

    6.   Post-purchase evaluation by the marketer.

2. Influenced by various factors: Consumer behaviour is influenced by a number of factors. The factors that influenced consumer are as follows; marketing, personal, psychological, situational, social, cultural etc.

3. Different for different customers: All consumers do not behave in the same manner. Different consumers behave differently. The difference in consumer behaviour is due to individual factors such as nature of the consumer's life style, culture, etc.

4. Different for different products: Consumer behaviour is different for different products. There are some consumers who may buy more quantity of certain items and very low/no quantity of some other items.

5. Varies across regions: The consumer behaviour varies across states, regions and countries. For instance, the behaviour of urban consumers is different from that of rural consumers. Normally, rural consumers are conservative (traditional) in their buying behaviour.

6. Vital for marketers: Marketers need to have a good knowledge of consumer behaviour. They need to study the various factors that influence consumer behaviour of their target customers. The knowledge of consumer behaviour enables marketers to take appropriate marketing decisions.

7. Reflects status: Consumers' buying behaviour is not only influenced by status of a consumer, but it also reflects it. Those consumers who own luxury cars, watches and other items are considered by others as persons of higher status.

8. Result in spread-effect: Consumer behaviour has a spread effect. The buying behaviour of one person may influence the buying behaviour of another person. For instance, a customer may always prefer to buy premium brands of clothing, watches and other items etc. and this may influence some of his friends, neighbours, colleagues, etc. This is one of the reasons why marketers use celebrities like Shahrukh Khan, Sachin Tendulkar, etc. to endorse their brands.

9. Improves Standard of Living: Consumer's buying behaviour may lead to higher standard of living. The more a person buys the goods and services, the higher is the standard of living.

10. Undergoes a change: The consumer's behaviour undergoes a change over a period of time depending upon changes in age, education and income level. For instance, kids may prefer colourful dresses, but as they grow up, as teenagers and young adults, they may prefer trendy clothes.

1.4.2 Scope of Consumer Behaviour

The study of consumer behaviour deals with understanding consumption patterns and behaviour. It includes within its ambit the answers to the following:

- 'What' the consumers buy: goods and services
- 'Why' they buy it: need and want
- 'When' do they buy it: time: day, week, month, year, occasions etc.
- 'Where' they buy it: place
- 'How often they buy' it: time interval
- 'How often they use' it: frequency of use

The scope of consumer behaviour includes not only the actual buyer but also the various roles played by him/ different individuals.

1.5 BASIC COMPONENTS

(i) Decision making (Cognitive and Affect): - this includes the stages of decision making: Need recognition, Information search, Evaluation of alternatives, Purchase activity, Post purchase behaviour.

(ii) Actual purchase (Behaviour): - this includes the visible physical activity of buying of goods and/or service. It is the result of the interplay of many individual and environmental determinants which are invisible.

(iii) Individual determinants and environmental influences: The environmental factors affect the decision process indirectly, through way of affecting individual determinants.

(iv) Buying roles: Actual Buyer vis a vis other users. There are five buying roles, viz., Initiator, Influencer, Decider, User, and Buyer. The initiator is the person who identifies that there exists a need or want; the influencer is the one who influences the purchase decision, the actual purchase activity and/or the use of the product or service; the decider is the one who decides whether to buy, what to buy, when to buy, from where to buy, and how to buy; the buyer is the one who makes the actual purchase; and, the user is the person (s) who use the product or service. These five roles may be played by one person or by different persons. A person may assume one or more of these roles. This would depend on the product or service in question.

Examples: Let us take an example.

A child goes to a kindergarten school. She comes back home and asks her parents to buy her a set of colour pencils and crayons. Now the roles played are:

1. Initiator: the child in nursery school
2. Influencer: a fellow classmate
3. Decider: the father or the mother
4. Buyer: the father or the mother
5. User: the child

1.5.1 Application of Consumer Behaviour

An understanding of consumer behaviour is necessary for long term success and survival of a firm. It is viewed as the edifice of the marketing concept, an important orientation in marketing management.

According to the marketing concept, the marketer should be able to determine needs and wants of the target segment and provide product and service offerings more effectively and efficiently than competitors. It is essentially a customer-centred philosophy, which aims at understanding customer needs and wants, providing the right product and service, and deriving customer satisfaction; "make what you can sell" rather than "sell what you make."

An understanding of the study of consumer behaviour helps formulate appropriate marketing strategies for a firm keeping in view the consumer and his environment. It has a number of applications; the main application bases are as follows:

1.5.1.1 Analyse the environment

The knowledge of consumer behaviour can be applied to help identify opportunities and fight threats. The opportunities could be in terms of newer customers, newer markets, unfulfilled needs and wants (through a study of consumer individual determinants and other environmental influences). The threats could be fought by developing and implementing appropriate marketing strategies to best fit the environment.

The marketing strategies need to be dynamic and constantly evolving keeping in view the uncertainty in the environment; Environmental uncertainty is a function of complexity and dynamism. Complexity is defined in terms of the number, strength and interrelatedness of the various factors in the environment that a firm has to deal with. Dynamism relates to how quickly the changes take place in the environment.

1.5.1.2 Segmentation, targeting and positioning

The study of consumer behaviour may be applied to segment the market, select the target market and position the product or service offering. Identifying the target segment, understanding their needs, providing the right product and service offering and communicating about the offering – all of these help a marketer succeed in the long term and ensure his survival and success in a changing environment.

(a) **Segment the market:** The marketer needs to identify distinct customer groups with needs and wants, classify them on basis of descriptive characteristics and behavioural dimensions.

The descriptive characteristics may take forms of age, gender, income, occupation, education, family size, family life cycle, gender, lifestyle, personality, religion, generation,

geography, nationality, and social class. The behavioural dimensions take forms of benefits, uses, use occasion, usage rates, and loyalty status.

(b) Select target market: The marketer then selects one or more markets to enter. The segment(s) that should be targeted should be viable; there should be a fit between the market attractiveness and the company's objectives and resources. The marketer would be able to assess the viability of a segment on the basis of the following criteria, viz., measurability, substantial ability, accessibility, differentiability, and action ability.

(c) Position: The product offering in the mind of the customers: The marketers should be able to communicate the distinct and/or unique product characteristics.

1.5.1.3 Designing the Marketing Strategy

There exists an interrelation between the Consumer, the Environment and the Marketing strategy.

(a) Consumer: The consumer has his needs and wants as well as product preferences; Thus, there exists an interplay of Cognition (knowledge about products and alternatives), Affect (feelings of favourableness and unfavourableness) and Behaviour (action: buy or not to buy).

(b) Environment: This refers to forces in the environment, which make the environment complex and dynamic.

(c) Marketing strategies: This implies setting up of goals and then achieving them through the design of an appropriate marketing mix.

The Marketing Strategy should be designed to influence consumers (Cognition, Affect and Behaviour) and be influenced by them. It should be flexible and ever evolving with changes in the customer needs and wants; as well as, changes in the environment in which it operates. The knowledge of consumer behaviour can be applied to develop a "best fit" between consumer needs and wants, the environment in which the firm operates; and, the firms' goals and objectives.

1.5.1.4 Designing the Marketing Mix

4-Ps The study of consumer behaviour may be applied to design the 4 Ps.

(a) Product: The term product includes both tangible products and intangible services. The issues to address consist of name (brand), size, shape, features, labelling, packaging, accessories and supplementary products, terms of sale and services, after sales etc.

(b) Price: This includes the pricing of the product offering. The major components include, form of payment, terms and conditions of payment, discounts, price sensitivity, differential prices and customer reaction, imagery (price increase and customer reaction, price decrease and customer reaction).

(c) Place and Distribution: This includes the marketing channel, and comprises decisions regarding choice of channel (direct or indirect), location, accessibility and availability of product offering, wholesaling, retailing, logistics etc.

(d) Promotion: This includes marketing communication, and the major issues comprise decisions on communication/promotion mix, the message and media strategy (the content, appeal and context).

1.5.1.5 Application in Governmental and Non-profit Organisations and Social Marketing

The knowledge of consumer behaviour finds relevance even in Governmental and Non-profit Organisations and Social Marketing. Governmental and Non-profit Organizations have the society as its customers and need to understand them so as to be able to serve them better.

Social marketing involves propagation of ideas; attempts at such circulation and spread of ideas for moral and social upliftment can be more successful if there is a proper understanding of these consumers (i.e., the public and society)

1.6 THE INTERDISCIPLINARY NATURE OF CONSUMER BEHAVIOUR

As an interdisciplinary area of study, the subject borrows heavily from psychology, sociology; social psychology; anthropology and, economics.

1. Psychology: This includes the study of the individual as well as the individual determinants in buying behaviour, viz., consumer perception, learning and memory, attitude, self-concept and personality, motivation and involvement, attitudes and attitudinal change and, decision making.

2. Sociology: This includes the study of groups as well as the group dynamics in buying behaviour, viz., family influences, lifestyles and values, and social group influences.

3. Social psychology: This includes the study of how an individual operates in group/groups and its effects on buying behaviour viz, reference groups and social class influences.

4. Anthropology: This is the influence of society on the individual viz., cultural and cross-cultural issues in buying behaviour, national and regional cultures etc.

5. Economics: This is the study of income and purchasing power, and its impact on consumer behaviour. The underlying premise is that consumers make rational choices while making purchase decisions. While resources are limited and needs and wants many, consumers collect information, and evaluate the various alternatives to finally make a rational decision.

As discussed before, consumers are unique in themselves. A comprehensive yet meticulous knowledge of consumers and their consumption behaviour is essentialfor a firm to succeed. In order to understand and predict consumption patterns and behaviours within segment (s), market research becomes essential.

1.7. MARKET RESEARCH AND CONSUMER BEHAVIOUR

Consumers are different and heterogeneous. However, like-minded clusters of customers do exist; they are homogenous within such clusters and heterogeneous outside; these are referred to as segments. Marketers identify segments and target one or few of these segments, and thereby fulfil the qualifications of the marketing concept; first, marketers identify customer needs and wants; and then, deliver product and service offerings so as to satisfy the customers more efficiently and effectively than the competitors. In order to understand and predict consumption patterns and behaviours within segment (s), market research becomes essential.
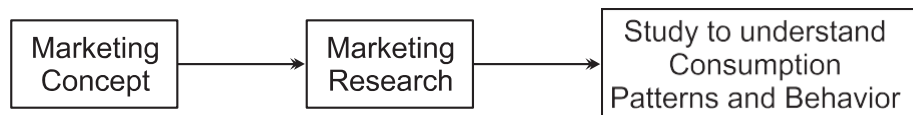
Market research may be defined as: - an organized effort to gather information about the market and the customers.

- Systematic collection, analysis and interpretation of data related to the market and the surrounding environment.

The environment surrounding a Company may be grouped as the "micro-environment" and the "macro-environment". The micro-environment comprises forcesin the environment that is close to the company and affects the company directly; for example, the company's internal environment, the founder/leader and his vision and mission, the customers, competitors, suppliers, and channel intermediaries. The macro-environment on the other hand, comprises forces in the environment that first affect the micro environment and through that they affect the company; in other words they affect the company indirectly; examples are the demographic factors, socio-economic factors, political factors, technological factors, cultural factors, natural factors etc. The forces in the macro environment affect all the companies operating in a same industry in a similar manner.

The micro-environment is studied in terms of strengths (S) and weaknesses (W), while the macro-environment is studied in terms of opportunities (O) and threats (T). The analysis of both of these put together comprises the SWOT analysis.

Relationship between Marketing Research and Consumer Research

Marketing research $ Consumer Research

(From Market Research, evolved the subset Consumer Research)

Marketing Research	Consumer Research
Objective - To study the marketing environment and the customers who are a part of it.	**Objective** - To study consumers as individuals or as groups
Focus - To establish trends, and identify opportunities and threats in the environment.- To study the market and forecast potential- To predict buying patterns based on modelling and simulation	**Focus** - To understand consumption behaviour and consumption patterns
End result - Customer connect with company - Individual marketing and customisation	**End result**- Customer connect with company - Individual marketing and customization

Self Assessment

Short Answer Questions

1. Define consumer behaviour.

2. What is the difference between customer and consumer?

Long Answer Questions

1. Write in detail about the application of consumer behaviour.

2. Explain in detail about the marketing decisions areas in consumer behaviour.

Multiple Choice Questions

1. Any individual who purchases goods and services from the market for his/her end-use is called a_____.

   (a) Customer   (b) Purchaser

   (c) Consumer   (d) All of these   **[Ans: a]**

2. _____ is nothing but willingness of consumers to purchase products and services as per their taste, need and of course pocket.

   (a) Consumer behaviour

   (b) Consumer interest

   (c) Consumer attitude

   (d) Consumer perception   **[Ans: b]**

1.8 THE MARKET RESEARCH PROCESS: 6 STEPS TO SUCCESS

The market research process is a systematic methodology for informing business decisions. The figure below breaks the process down into six steps:
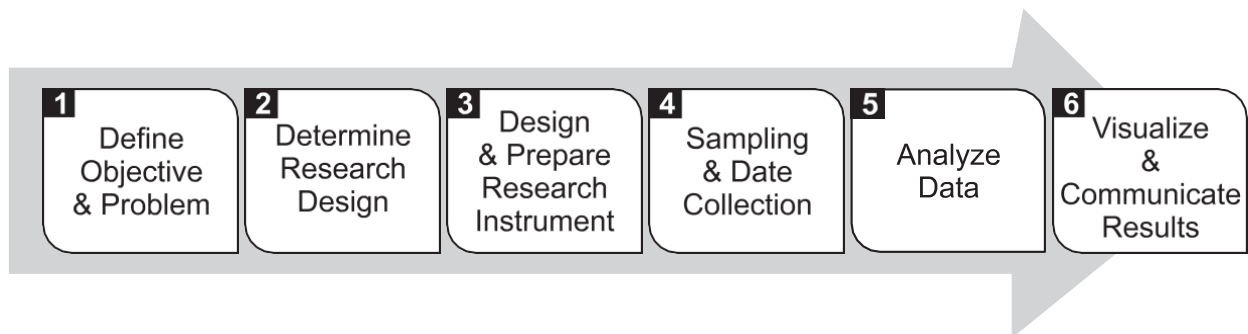
Step 1. Define the Objective & Your "Problem"

Perhaps the most important step in the market research process is defining the goals of the project. At the core of this is understanding the root question that needs to be informed by market research. There is typically a key business problem (or opportunity) that needs to be acted upon, but there is a lack of information to make that decision comfortably; the job of a market researcher is to inform that decision with solid data. Examples of "business problems" might be "How should we price this new widget?" or "Which features should we prioritise?"

By understanding the business problem clearly, you'll be able to keep your research focused and effective. At this point in the process, well before any research has been conducted, I like to imagine what a "perfect" final research report would look like to help answer the business question(s). You might even go as far as to mock up a fake report, with hypothetical data, and ask your audience: "If I produce a report that looks something like this, will you have the information you need to make an informed choice?" If the answer is yes, now you just need to get the real data. If the answer is no, keep working with your client/audience until the objective is clear, and be happy about the disappointment you've prevented and the time you've saved.

Step 2. Determine Your "Research Design"

Now that you know your research object, it is time to plan out the type of research that will best obtain the necessary data. Think of the "research design" as your detailed plan of attack. In this step you will first determine your market research method (willit be a survey, focus group, etc.?). You will also think through specifics about how youwill identify and choose your sample (who are we going after? where will we find them? how will we incentivize them?, etc.). This is also the time to plan where you will conduct your research (telephone, in-person, mail, internet, etc.). Once again, remember to keep

the end goal in mind–what will your final report look like? Based on that, you'll be able to identify the types of data analysis you'll be conducting (simple summaries, advanced regression analysis, etc.), which dictates the structure of questions you'll be asking.

Your choice of research instrument will be based on the nature of the data you are trying to collect. There are three classifications to consider:

Exploratory Research – This form of research is used when the topic is not well defined or understood, your hypothesis is not well defined, and your knowledge of a topic is vague. Exploratory research will help you gain broad insights, narrow your focus, and learnthe basics necessary to go deeper. Common exploratory market research techniques include secondary research, focus groups and interviews. Exploratory research is a qualitative form of research.

Descriptive Research – If your research objective calls for more detailed data on a specific topic, you'll be conducting quantitative descriptive research. The goal of this form of market research is to measure specific topics of interest, usually in a quantitative way. Surveys are the most common research instrument for descriptive research.

Causal Research – The most specific type of research is causal research, whichusually comes in the form of a field test or experiment. In this case, you are tryingto determine a causal relationship between variables. For example, does the music I play in my restaurant increase dessert sales (i.e. is there a causal relationship between music and sales?).

Step 3. Design & Prepare Your "Research Instrument"

In this step of the market research process, it's time to design your research tool. If a survey is the most appropriate tool (as determined in step 2), you'll begin by writing your questions and designing your questionnaire. If a focus group is your instrument of choice, you'll start preparing questions and materials for the moderator. You get the idea. This is the part of the process where you start executing your plan.

By the way, step 3.5 should be to test your survey instrument with a small group prior to broad deployment. Take your sample data and get it into a spreadsheet; are there any issues with the data structure? This will allow you to catch potential problemsearly, and there are always problems.

Step 4. Collect Your Data

This is the meat and potatoes of your project; the time when you are administering your survey, running your focus groups, conducting your interviews, implementing your field test, etc. The answers, choices, and observations are all being collected and recorded, usually in spreadsheet form. Each nugget of information is precious and will be part of the masterful conclusions you will soon draw.

Step 5. Analyse Your Data

Step 4 (data collection) has drawn to a close and you have heaps of raw data sitting in your lap. If it's on scraps of paper, you'll probably need to get it in spreadsheet form for further analysis. If it's already in spreadsheet form, it's time to make sure you've got it structured properly. Once that's all done, the fun begins. Run summaries with the tools provided in your software package (typically Excel, SPSS, Minitab, etc.), build tables and graphs, segment your results by groups that make sense (i.e. age, gender, etc.), and look for the major trends in your data. Start to formulate the story you will tell.

Step 6. Visualise Your Data and Communicate Results

You've spent hours poring through your raw data, building useful summary tables, charts and graphs. Now is the time to compile the most meaningful take-aways into a digestible report or presentation. A great way to present the data is to start with the research objectives and business problem that were identified in step 1. Restate those business questions, and then present your recommendations based on the data, to address those issues.

When it comes time to presenting your results, remember to present insights, answers and recommendations, not just charts and tables. If you put a chart in the report, ask yourself "what does this mean and what are the implications?" Adding this additional critical thinking to your final report will make your research more actionable and meaningful and will set you apart from other researchers.

While it is important to "answer the original question," remember that market research is one input to a business decision (usually a strong input), but not the only factor.

1.9 HOW TO WRITE AN EFFECTIVE PROJECT REPORT IN 7 STEPS

1. Decide the Objective

Take some time to think about the purpose of the report. Do you need to describe, explain, recommend, or persuade? Having a clear purpose from the outset ensures that you stay focused, which makes it easier to engage your reader.

2. Understand Your Audience

Writing a formal annual report for your stakeholders is very different from a financial review. Tailor your language, use of data, and supporting graphics to the audience. It is also useful to consider the personal communication style of the reader, for example, how do they write emails or structure documents? Reflect their preferences where possible.You may need to develop a more formal or informal tone to your own natural style. Adopting this technique will build rapport and make the reader more receptive to yourideas

3. Report Format and Type

Before you start, check the report format and type. Do you need to submit a written report or deliver a presentation? Do you need to craft a formal, informal, financial, annual, technical, fact-finding, or problem-solving report? You   should   also   confirm   if any templates are available within the organisation.

4. Gather the Facts and Data

Including engaging facts and data will solidify your argument. Start with your collaborative project site and work out as needed. Remember to cite sources such as articles, case studies, and interviews.

5. Structure the Report

A report typically has four elements:

- Executive Summary: Your report will begin with the summary, which is written once the report is finished. As the first item the reader encounters, this is the most important section of the document. They will likely use the summary to decide how much of the report they need to read so make it count!

- Introduction: Provide a context for the report and outline the structure of the contents. Identify the scope of the report and any particular methodologies used

- Body: It's now time to put your writing skills to work! This is the longest section of the report and should present background details, analysis, discussions, and recommendations for consideration. Draw upon data and supporting graphics to support your position

- Conclusion: Bring together the various elements of the report in a clear and concise manner. Identify the next steps and any actions that your reader needs to take.

6. Readability

Spend some time making the report accessible and enjoyable to read. If working in Word, the Navigation pane is a great way to help your reader work through the document. Use formatting, visuals, and lists to break up long sections of text.

7. Edit

The first draft of the report is rarely perfect so you will need to edit and revise the content. If possible, set the document aside for a few days before reviewing or ask a colleague to review.

Approaches to Consumer Behaviour Research:

Broadly speaking there are two approaches towards consumer behaviour research.These are (a) Traditional approach (b) Current approach. These can be further divided into sub approaches.

(a) Traditional approach: This is further divided into two approaches, Positivist and Interpretivist.

1.9.1 Positivist approach

This approach also referred to as "modernism", is the earliest approach to studying consumer behaviour and treats the study as an applied science; the paradigm lays emphasis on science as a means of explaining behaviour. It lays emphasis on the causes of consumer behaviour and as per its proponents; these causes are directly related to effects. Thus, it treats consumers as "rational" human beings, who make purchase decisions after collecting information and weighing all alternatives. The process of consumer decision making is looked upon as one of "rationality." "Rational decision is making and problem solving" is the key.

The approach is based on certain assumptions viz.,

- Consumer actions based on cause and effect relationship can be generalized; they can be objectively measured and empirically tested;
- If a marketer/researcher could identify the reasons behind consumption behaviour; he would be able to predict it; and if they could predict consumer behaviour, they could influence it.
- The focus lies on prediction of consumer behaviour. The methodology is essentially quantitative, with techniques including surveys, observations, and, experiments. It aims at drawing conclusions on large samples.

1.9.2 Interpretivist approach

This approach is also referred to as "post-modernism or experientialist." Gradually there was a shift in the approach towards the study of consumer behaviour and the positivist approach gave way to a new approach that came to be called post-modernism. The approach lays emphasis on understanding the customer better. It treats consumer decision making process as one which is "subjective." Thus while the approach is essentially subjective, the researchers following this approach try to identify common patterns.

This approach is also based on certain assumptions viz.:

- Consumer actions are unique and different both, between two consumers, and/or within the same consumer at different times and situations.

- A cause and effect relationship cannot be generalized; consumption patterns and behaviours are unique; these are unpredictable.
- They cannot be objectively measured, empirically tested and generalized.
- The focus lies on the act of consumption rather than the act of purchase. The methodology is essentially qualitative, with techniques including in depth interviews, focus group techniques, and projective techniques. It aims at drawing conclusions on small samples.

(b) Current approach: 'Dialectical': The term 'dialectics' considers all forms of human behaviour; thus the current approach to the study of consumer behaviour research is broader in scope. This is further divided into four approaches, Materialism, Change, Totality and Contradiction.

1.9.2.1 Materialism

This approach implies that consumer behaviour is shaped by the 'material environment' e.g. money, possessions etc.

1.9.2.2 Change

Consumer behaviour is 'dynamic' in nature; it is always in a process of continuous motion, transformation and change.

1.9.2.3 Totality

Consumption behaviour is 'interconnected' with other forms of human behaviour, like personal self and the surrounding environment.

1.9.2.4 Contradiction

Views changes in consumer behaviour as arising from their internal contradictions, like moods, emotions etc. The approach studies the consumer as a complex total whole and views consumer purchase as well as consumption processes. The current approach to studying Consumer Behaviour uses both the quantitative as well as qualitative approaches.

1.10 RESEARCH PERSPECTIVES ON CONSUMER BEHAVIOUR

There are three broad research perspectives in consumer behaviour. They are as follows: the Decision-Making perspective, the experiential perspective, and Behavioural-Influence perspective.

1. The Decision-Making Perspective: According to the decision making perspective, the buying process is a sequential in nature, with the consumer perceiving that there exists a problem and then moving across a series of logical and rational steps to

solve the problem; stages being problem recognition, information search, evaluation of alternatives, purchase decision, and post purchase behaviour. This perspective emphasizes the rational, logical and cognitive approach to consumer decision making and purchase process.

2. The Experiential Perspective: The experiential perspective believes that not all buying may be rational and logical; in some cases, buying results from a consumers' desire for fun and fantasy, hedonic pleasures, emotions and moods. The perspective emphasizes that consumers are "feelers" as well as thinkers.

3. The Behavioural Influence Perspective: This perspective holds that forces in the environment stimulate a consumer to make purchases without developing beliefs and attitudes about the product.

1.11 RESEARCH PARADIGMS IN CONSUMER BEHAVIOUR

The research paradigm in the study of consumer behaviour focuses on two approaches viz., Quantitative research, used by the positivists and, Qualitative research: used by the interpretivists. The positivists and interpretivists as two schools of thought have already been discussed. The current approach or the 'dialectic' approach to studying Consumer Behaviour makes use of both the approaches.

1.11.1 Quantitative Research in Consumer Behaviour

As the name suggests, the approach makes application of quantitative research techniques to the study of Consumer Behaviour. It comprises (i) research techniques that are used to gather quantitative data over large samples randomly, and (ii) statistical tools and techniques, inclusive of survey techniques, observation and experiments. This type of research is descriptive and empirical in nature. It is primarily used by the positivists while studying consumer behaviour, with a focus on prediction of consumer behaviour. The findings can be generalized to marketing situations. As mentioned above, the quantitative techniques are also used by "dialectics".

1.11.2 Qualitative Research in Consumer Behaviour

This approach makes application of qualitative research techniques to the study of Consumer Behaviour. It comprises (i) research techniques that are used to gather qualitative data over small samples randomly and, (ii) non-statistical tools and techniques, inclusive of depth interviews, focus group, projective techniques and even observation. The type of study is subjective and non- empirical in nature. It lays emphasis on the holistic "what, where, when, why and how" of human behaviour". The focus is on understanding consumption behaviour and consumption patterns. The objective is to gain an understanding of consumer behaviour and the underlying causes that govern such behaviour. The approach assumes that all marketing situations are unique; and,

hence the findings cannot be generalised to marketing situations. This approach is primarily used by the interpretivists while studying consumer behaviour. However, as mentioned above, the qualitative techniques are also used by "dialectics".

1.11.3 Combining the two approaches

Now a day, the two approaches are used in combination to study consumer behaviour. Qualitative research is very often a prelude to quantitative research; the findings from qualitative research are used to prepare scales for surveys and experiments.

1.12 CONSUMER BEHAVIOUR AUDIT

The consumer behaviour audit is a fundamental part of the marketing planning process. It is conducted not only at the beginning of the process, but also at a series of points during the implementation of the plan. The consumer behaviour audit considers both internal and external influences on marketing planning, as well as a review of the plan itself.

There are a number of tools and audits that can be used, for example SWOT analysis for the internal environment, as well as the external environment. Other examples include PEST and Five Forces Analyses, which focus solely on the external environment.

In many ways the consumer behaviour audit clarifies opportunities and threats, and allows the marketing manager to make alterations to the plan if necessary. This portion tells you the basics of the consumer behaviour audit, and introduces a consumer behaviour audit checklist. The check list is designed to answer the question, 'what is the current marketing situation?' Let's consider the consumer behaviour audit under three key headings:

- The Internal Marketing Environment.
- The External Marketing Environment.
- A Review of Our Current Marketing Plan

The Internal Marketing Environment.

In respect of internal marketing environment the following are the important elements of checklist;

- ❐ How is our marketing team organised?
- ❐ How efficient is our marketing team?
- ❐ How effective is our marketing team?
- ❐ How does our marketing team interface with other organisations and internal functions?
- ❐ How effective are we at Customer Relationship Management (CRM)?

- ❐ What is the state of our marketing planning process?
- ❐ Is our marketing planning information current and accurate?
- ❐ What is the current state of New Product Development? (Product)
- ❐ How profitable is our product portfolio? (Product)
- ❐ Are we pricing in the right way? (Price)
- ❐ How effective and efficient is distribution? (Place)
- ❐ Are we getting our marketing communications right? (Promotion)
- ❐ Do we have the right people facing our customers? (People)
- ❐ How effective are our customer facing processes? (Process)
- ❐ What is the state of our business' physical evidence? (Physical Evidence)

The External Marketing Environment.

As a market orientated organisation, the important areas we must analyse are;

- ❐ What is the nature of our 'customer?'

  Such as: Their needs and how we satisfy them. Their buyer decision process and consumer behaviour. Their perception of our brand, and loyalty to it. The nature of segmentation, targeting and positioning in our markets.

- ❐ What customers 'value' and how we provide that 'value'?

- ❐ What is the nature of competition in our target markets?

  Our competitors' level of profitability. Their number/concentration. The relative strengths and weaknesses of competition. The marketing plans and strategies of our competition.

- ❐ What is the cultural nature of the environment(s)? Beliefs and religions. The standards and average levels of education. The evolving lifestyles of our target consumers. The nature of consumerism in our target markets.

- ❐ What is the demography of our consumers? Such as average age, levels of population, gender make up, and soon.

- ❐ How does technology play a part? The level of adoption of mobile and Internet technologies. The way in which goods are manufactured. Information systems. Marketing communications uses of technology and media.

- ❐ Is the political and legal landscape changing in any way? Laws, for example, copyright and patents. Levels of regulation such as quotas or tariffs. Labour/labour laws such as minimum wage legislation.

II. Review of Our Current Marketing Plan

Under this heading marketer analysis are sniffed into the following questions:

- ❐ What are our current objectives for marketing?

- ❑ What are our current marketing strategies?
- ❑ How do we apply the marketing mix? (Including factors covered above in(a))
- ❑ Is the marketing process being controlled effectively?
- ❑ Are we achieving our marketing budget?
- ❑ Are we realising our SMART objectives?
- ❑ Are our marketing team implementing the marketing plan effectively?
- ❑ Levels of staffing. Staff training and development. Experience and learning.

Consumer behaviour audits are useful instruments in assessing all the features of decision making in marketing including positioning, segmentation and other elements of the marketing mix. Fundamentally, a consumer behaviour audit seeks to discover the attitudes of consumers concerning a certain product, any necessary improvements, as well as their usage of the specific products. The outline for auditing consumer behaviour has been simplified and generalized below, but the execution of the process can be invaluable for identifying challenges and opportunities for improving marketing strategy.

1.13 MARKETING DECISION AREAS

Market segmentation – division of all possible product users (i.e., consumers) into groups with similar needs to satisfy for product development and media selection.

Product positioning – determination of a desirable product or brand position in the mind of the consumer relative to competing brands.

Price – pricing policy consistent with the determined product position. The price is the all-inclusive set of consideration that the consumer must tender in exchange for the product or service, such as time, patience, learning, and money.

Place (Distribution Strategy) – channel or distribution strategy, such as retail, wholesale, or Internet, etc. consistent with the determined product position at whichtitle to the product is relinquished or the service is performed.

Promotion – advertising, visual packaging, publicity, promotion, website, telemarketing and direct sales force activities.

Product – physical product characteristics or service to be experienced for each market segment.

Customer satisfaction – post-purchase policies to promoted customer use, loyalty, reference and repeat purchases.

1.14.CUSTOMERINFLUENCES

1.14.1 External influences

- ❑ Culture, subculture, and values
- ❑ Demographics, income, and social class

- ❑ Reference groups and family/households
- ❑ Marketing activities by the company (e.g., product attributes, packaging, advertisements, sales presentation, and retail outlet)

1.14.2 Internal influences

- ❑ Needs, motives, and emotions
- ❑ Perceptions, learning and memory
- ❑ Personality and lifestyle
- ❑ Attitudes

1.14.3 Situation influences

- ❑ Physical features
- ❑ Time perspective
- ❑ Social surroundings
- ❑ Task definition
- ❑ Antecedent states and situations (e.g., product or offer communications, purchase, use, or definition)

1.14.4 Decision process influences (i.e., stages)

- ❑ Problem recognition
- ❑ Information search
- ❑ Alternative evaluation
- ❑ Outlet selection
- ❑ Purchase
- ❑ Post-purchase processes (e.g., use, disposition, and evaluation)

By interweaving the decision areas with the relevant customer influences listed above, it is possible to outline the areas in which data should be gathered in order to construct a complete consumer behaviour audit template as follows:

Step 1: Market segmentation (...) Identify customer influences

Step 2: Product positioning (...) Identify customer influences

Step 3: Price (...) Identify customer influences

Step 4: Place (Distribution strategy) (...) Identify customer influences

Step 5: Promotion (...) Identify customer influences

Step 6: Product (...) Identify customer influences

Step 7: Customer satisfaction (...) Identify customer influences

By completing the above steps and answering all the associated questions regarding customer influences at each of the stages, the marketing manager should have a thorough understanding of the influences on consumer behaviour and the key decision areas in which the influences are activated.

1.15 SUMMARY

This unit discusses the meaning of consumer who purchases goods and services from the market for his/her end-use. In simpler words a consumer is one who consumes goods and services available in the market. In other words, consumer is an ultimate user of a product or service. This unit helps them understand the internal (individual determinants) and external (environmental factors) forces that impel people to act out different consumption patterns and behaviours. It also discusses about the types of consumer influences which affects the buyer behaviour in making purchasing decisions.

1.16 SHORT ANSWER QUESTIONS

3. What is consumer audit?

4. What is the nature and scope of consumer behaviour?

5. What is marketing mix?

1.17 LONG ANSWER QUESTIONS

3. Discuss about the relationship between marketing research and consumer behaviour.

1.18 MULTIPLE CHOICE QUESTIONS

3. _____ is a branch which deals with the various stages a consumer goes through before purchasing products or services for his end use.

    (a) Consumer behaviour   (b) Consumer interest

    (c) Consumer attitude   (d) Consumer perception   **[Ans: a]**

4. _____ is the action and decisions process or people who purchase goods and services for personal consumption.

    (a) Consumer behaviour   (b) Consumer interest

    (c) Consumer attitude   (d) Consumer interpretation.   **[Ans: a]**

5. _____ refers to how an individual perceives a particular message.

    (a) Consumer behaviour   (b) Consumer interest

    (c) Consumer attitude   (d) Consumer interpretation.   **[Ans: d]**

6. _____ emphasize(s) that profitable marketing begins with the discovery and understanding of consumer needs and then develops a marketing mix to satisfy these needs.

(a) The marketing concept   (b) The strategic plan

(c) The product influences   (d) The price influences.   **[Ans: a]**

7. _____ is one of the most basic influences on an individual's needs, wants, and behaviour.

(a) Brand   (b) Culture

(c) Product   (d) Price   **[Ans: b]**

8. In terms of consumer behaviour; culture, social class, and reference group influences have been related to purchase and_____.

(a) Economic situations   (b) Situational influences

(c) Consumption decisions   (d) Physiological influences   **[Ans: c]**

9. Many sub-cultural barriers are decreasing because of mass communication, mass transit, and_____.

(a) Economical classes   (b) Purchasing communities

(c) Competitors   (d) Social classes.   **[Ans: d]**

10. _____ are transmitted through three basic organizations: the family, religious organizations, and educational institutions; and in today's society, educational institutions are playing an increasingly greater role in this regard.

(a) Consumer feedback   (b) Marketing information systems

(c) Market share estimates   (d) Cultural values.   **[Ans: d]**

1.19 CASE STUDY

STAR BUCKS SELLING EXPERIENCE

Abstract: Starbucks' service strategy encompassed providing a good product accompanied by customer friendly service and attractive ambience. The case let speaks about the kind of customer relations Starbucks followed, which was one of the reasons that so many consumers of Starbucks went in for repeat purchases. The case let also indicates how Starbucks developed goodwill among the public by bonding with the local community.

Issues: The reasons that make consumers loyal to an organization

- The ways in which an organization tries to enhance value for the customerduring the purchase process

- Why organizations take care of a good purchase experience rather than just focusing on the purchase product/service

Starbucks is known around the world for the unique blends of coffee it serves its customers through its coffee service outlets in 35 countries (Refer Exhibit for coffee varieties sold at Starbucks). Along with coffee, the company also sold a line of premium tea, cookies, snacks, espresso machines, and coffee brewers.

The company, founded in 1971 at Seattle, US, opened it first international outlet in 1996 at Tokyo, Japan. The company had consolidated net revenue of US$ 5.3 billion in fiscal 2004. More than coffee, it was the Starbucks experience that made customers come back to the store.

Questions for Discussion:

1. "More than coffee, it was the Starbucks experience that made customers come back to the store." Assess the service strategies followed by Starbucks.

2. Why did the buying pattern at Starbucks depict loyalty on the part of customers toward the store?

1.20 KEYWORDS

- Cognition: the mental action or process of acquiring knowledge and understanding through thought, experience, and the senses

- Consumer: any individual who purchases goods and services from the market for his/her end-use

- Consumer Behaviour: the interplay of forces that takes place during a consumption process, within a consumers' self and his environment

- Target Market: a particular group of consumers at which a product or service is aimed

1.21 FURTHER READINGS

1. M.S. Raju ,Consumer Behavior- Concepts, Applications And Cases, Dominique Xardel.
2. David L.Loudon And Albert J.DellaBitta – Consumer Behavior (4th Edition)
3. Leon Sciffman, Leslie Lazar Kanuk -Consumer Behavior (8th Edition)
4. https://www.icmrindia.org/case%20volumes/Case%20Studies%20in%20 Consumer%20Behavior.htm

Consumer Involvement

2

Chapter Objectives

This unit helps the students to know about the consumer involvement and implications of marketers in designing the models.

Learning Outcomes

The contents of this unit have been developed to achieve the following outcomes:

- To know about the meaning, nature of consumer involvement.

- To understand the consumer behaviour models based on involvement.

- To study the consumer involvement and implications of marketers.

2.1 INTRODUCTION TO CONSUMER INVOLVEMENT

Another component that closely relates to motivation is involvement. Involvement is defined as a psychological state that motivates people to be more aware and careful about persons/objects/situations. It also indicates a level of personal importance that the person attaches to such persons/objects/situations. Thus, there are (a) high and low-involvement consumers; (b) high and low-involvement purchases.

2.1.1 Meaning of Consumer Involvement

Consumer involvement is defined as a state of mind that motivates consumers to identify with product/service offerings, their consumption patterns and consumption behaviour. Involvement creates within consumers an urge to look for and think about the product/service category and the varying options before making decisions on brand preferences and the final act of purchase. It is the amount of physical and mental effort that a consumer puts into a purchase decision. It creates within a person a level of relevance or personal importance to the product/service offering and this leads to an urge within the former to collect and interpret information for present/ future decision making and use. Involvement affects the consumer decision process and the sub processes of information search, information processing, and information transmission. As Schiffman has put it "Involvement is a heightened state of awareness that motivates consumers to seek out, attend to, and think about product information prior to purchase". It is the perceived interest and importance that a consumer attachesto the acquisition and consumption of a product/service offering.

Herbert Krugman, a researcher is credited with his contribution to the concept of consumer involvement. According to him, consumers approach the marketplace and the corresponding product/service offerings with varying levels and intensity of interest and personal importance. This is referred to as consumer involvement.

Involvement of consumers while making purchase decisions varies across persons, across product/service offerings in question as well as purchase situations and time at hand. Some consumers are more involved in purchase processes than others. For example, a person who has a high level of interest in a product category would expenda lot of time making a decision with regard to the product and the brand. He wouldcompare brands across features, prices etc. Another example is a person who is riskaversive; he would also take a longer time making a decision. Involvement also varies across product/service offerings. Some products are high involvement products; these are products that are high in value and expensive, possess sufficient amount of risk, are purchased infrequently, and once purchased, the action is irrevocable, i.e. they cannot be returned and/or exchanged. On the other hand, there are low involvement products, which are moderately expensive or generally inexpensive, possess little risk and are purchased regularly on a routine basis. Further, such consumer involvement based on

their personal traits or on the nature of product/service offering is also impacted by the buying situation and time in hand for making purchase decisions. Very often, due to time constraints or emergency situations, a consumer may expend very little time on the purchase decision and buying activity in spite of the fact that the consumer is highly involved or risk aversive or the product is a high involvement one.

2.1.2 Nature of Consumer Involvement

1. It is an inner urge that creates within an individual an interest/desire to hold certain product/service offerings in greater relevance/importance.

2. Involvement possesses certainproperties

(a) It has a level of strength and intensity that determines the degree of involvement that a consumer possesses. This could be high or low. A highly involved consumer would actively search for information and collect facts, compare the various brands against each other on the basis of the information, assess differences and similarities between the various alternatives and finally make a choice. In other words, they collect process and integrate information very intensely, and finally arrive at a decision regarding the brand choice. On the other hand, a consumer low on involvement would not make so much of effort in collecting and processing information about varying alternative brands and taking a decision.

(b) The length of time that the consumer remains in this heightened state determines the level of persistence. It could be short term and situational interest in the product/service category; or it could be long term and enduring.

(c) It is directed towards any or all of the elements of the marketing mix. A person may show involvement towards the product (its features/attributes and benefits), the price, the store or the dealer or even the promotional effort (advertisement/sales promotion etc).

3. A mechanism underlies the very process of involvement. As a process, involvement is impacted by certain "antecedents" that get restrained by "moderating factors," and finally affect its degree of intensity and level ofpersistence.

Antecedent factors: There are certain factors that precede and lead to involvement; these are referred to as 'antecedents'; Antecedents to consumer involvement include the following:

(a) The person himself and the individual determinants like motives/needs; learning/experiences; interests; attitudes; personality; lifestyle/social class/ interests/values; etc, have a bearing upon consumer involvement. Products which relate to self-image and personality lead to high involvements.

(b) The object, stimuli or the product/service offering also affects involvement. The greater the product differentiation, the greater would be the level of involvement. Varying yet comparable brand alternatives also impact the level of involvement. Involvement would also be impacted by features, benefits and associated value of various brand offerings; brand image and equity; and very importantly the associated risk levels. Products which possess high levels of risk increase the level of consumer involvement.

(c) **The situation:** The occasion/situation/reason of purchase also have a bearing on the level of consumer involvement; for example, while gifting to a person special to oneself, we are careful about the product or the brand. Also, for gifting to self or to near and dear ones on special occasions, we are extremely conscious of the kinds of products and the brands we buy, as opposed to routinized regular purchases. Further, social pressure (shopping alone versus shopping with friends), also impacts the level of involvement. When alone we may eat at any place or shop at any outlet, but when we are with peers and friends, we are more conscious of the brands we buy and the places we shop in. Social visibility also impacts the level of involvement; the level of consumer involvement increases in case of social visibility of both the product category as well as the purchase activity. Finally, the time commitment to purchase (leisure versus time constraint), also affects our level of involvement. Irrespective of the fact that the product is of a high involvement type or that the person bears personality traits making him a high involving consumer, he may not be able to expend much time on a purchase activity, due to time constraints and need to make quick decisions. This is referred to as decision imminence.

Moderating factors: The factors that can restrain the impact of antecedents so as to impact the level of involvement include

(a) The opportunity available to the person to collect and collate facts and information;

(b) His cognitive ability to process information and draw conclusions;

(c) Time available in hand.

4. The antecedents, moderators and the properties of involvement finally converge to a response in terms of information search, information processing, information transmission, the purchase decision and post purchase behaviour. Consumer involvement affects the ways in which consumers seek, process, and transmit information, make purchase decisions and make post purchase evaluation.

(a) **Information search:** Highly involved consumers or consumers involved with a product category would actively search for information about the product category and the various alternatives, in contrast to consumers who are low

on involvement. While the former, would be active seekers of information, the latter would be passive recipients. Active seekers would look out to various sources of information and would put in deliberate efforts towards informationgathering.

(b) **Information processing:** The information processing activity would vary across high involvement consumers viz-a-viz low involvement customers. Highly involved consumers would process product information with greaterdepth; they would make conclusions about brand preferences based on arguments and counterarguments; they would tend to get emotional charged either favourably because of likeability of the brand or unfavourably becauseof unlikeability of the brand. They would also evaluate morealternatives.

(c) **Information transmission:** Highly involved consumers talk about the product/service category and the various brands available with great ease and level of interest, as compared to consumers who are low on involvementin the product category. Information transmission takes place via word-of- mouth, positive when the brand seems favourable, and negative, when it seems unfavourable.

(d) **The purchase decision:** The purchase decision, i.e. to buy or not to buy, or to buy brand X over Y, is complex for a high involvement consumer than for oneon low involvement.

(e) **Post purchase behaviour:** Consumers who are high on involvement make post-purchase evaluations about product usage more critically than those on low involvement. It is noteworthy that high involvement consumers are more difficult to please and satisfy; and the marketers need to put in a lot of effort to satisfy them. This is because they not only have a bearing on their future purchase, but also on purchase of others who are opinion seekers.

Types of Consumer Involvement:

Depending on whether the involvement is short term or long term, consumer involvement could be of two types, viz., situational and enduring.

1. Situational involvement: This is a state of arousal directed towards attaching relevance to a person/object/situation for a short term. As an affective state, it creates a level of involvement when a person thinks about a particular person/object/situation. It is specific to a situation and is thus temporary in nature. It could vary from low to high, depending upon the situational factors.

For example, an old lady suddenly decides to gift a Lenovo laptop to her grandson on his birthday. She is not tech-savvy and has little interest in the product category. She goes to the electronics mall and visits the various stores that sell computers and laptops. She collects information on the product features, prices, etc. and finally takes

the help of her old-aged neighbour to reach a final decision. Her involvement with the purchase activity would be regarded as a situational involvement.

2. Enduring involvement: When the level of involvement towards the product/service category extends over a period of time across situations, it is referred to as enduring involvement. The person shows a high-level of interest in the product category and spends time collecting and processing information and integrating it within his memory. For example, a person desires to buy a laptop for his son to be gifted to him when he goes to college, which would be three years later. The father plans well in advance, tries to collect information through advertisements, brochures, trade journals, visits to dealers, and word of mouth from peers and colleagues. Within this period he gets involved with the product category and after three years is in a position to take a decision based on the facts that he has collected. This is referred to as enduring involvement. Enduring involvement with a product category often gives birth to an opinion leader. An opinion leader is a person who holds interest in a particular product/service category, and becomes a specialist; he makes efforts to gather all information about the category, the brand offering etc.; he talks about and spreads the information and the knowledge that he possesses. When a person wants to make a purchase, he seeks the advice and guidance of such an opinion leader who helps him make a decision. Opinion leaders are product specific. In the example above, if the lady approaches her neighbour and takes his advice/guidance because the neighbour is young, techno savvy and knows a lot about electronics and in particular laptops, she would actually be taking help of what is known as an "opinion leader".

Self Assessment

Short Answer Questions

1. What is consumer involvement?

2. What is the nature of consumer involvement?

3. What are the types of consumer involvement?

Long Answer Questions

1. Discuss about the meaning, nature and types of consumer involvement.

Multiple Choice Questions

1. Which of the following also includes a situation-specificcomponent?

   (a) personality   (b) self-concept

   (c) consumer involvement   (d) demographics   **[Ans: c]**

2. Product involvement refers to_____or personal relevance of an item.

    (a) A consumer's perception of theimportance

    (b) The need of theproduct

    (c) The price theproduct

    (d) The amount of people who bought theproduct   **[Ans: a]**

2.2 CONSUMER BEHAVIOUR MODELS BASED ON INVOLVEMENT

Consumer involvement affects the ways in which consumers seek, process, and transmit information, make purchase decisions and make post-purchase evaluation. As the level of consumer involvement increases, the consumer has greater motivation to gather, comprehend, elaborate and assimilate information. A marketer needs to design his marketing mix in a manner that he can activate the involvement process to his favour, and marketing communication has a key role to play. A few models have been proposed that are based on consumer involvement; these are discussed below.

2.2.1 The Low-Involvement Learning Model

As explained in the previous section, low involvement products are those products that are inexpensive or maybe moderately priced; they are low in value and risk; and, are frequently purchased. Often, they are purchased as a matter of routine. Example, toothpaste, soap, bread etc. For such products, the consumer gives little thought, and feelings may not be formed for the product until after the purchase has been made. So the tri-component, cognition, attitude and behaviour are arranged in a manner such that cognition leads to behaviour that finally leads to attitude.

Marketing communication through audio visual media, i.e. TV and radio follows this principle. Through the advertisement, the marketer educates the consumers about his product offering and the brand; this may be a new product or a modified version of an existing product; he tries to create awareness and form beliefs about the brand.

2.2.2 The Learn-Feel-Do Hierarchy Model

With implications for marketing communication, the learn-feel-do-hierarchy model, was proposed by Vaughn and his colleagues in the 1980's at Foote, Cone and Belding; thus, it also cameto be known as the FCB Matrix,. Consumer decision making varies across the nature of product/service offerings. According to the model, some purchases are backed by a lot of cognition and thinking, while others are based on feelings and emotions. The combination of these reference points produces a strategy matrix. Themarketer has to choose appropriate strategies for different kinds of product/service offerings. He needs to analyse the nature of his product, and design his promotion strategy accordingly; the advertising medium should relate to the product category.

The learn-feel-do model is a simple matrix that links consumer decision making and consumer choices to three components which are information (learn), attitude (feel), and behaviour (do). The matrix classifies consumer decision-making along two dimensions, high/low involvement and thinking/feeling.

(a) **High Involvement/High Thinking:** This quadrant of the matrix consists of high involvement and thinking, typically signifying higher level of rationality. Products that fall into this quadrant are high involvement products, where decision making involves a lot of thinking. Because of the nature of product/service offerings that fall in this category, consumers have a high need for information. Also, consumer decision making is driven by economic motives. Examples of products that would fall into this quadrant include cars, laptops, real estate etc as well as innovative products. The strategy model is learn-feel-do.

(b) **High Involvement/High Feeling:** This quadrant is representative of situations which are high involvement and high feeling; while there is a level of involvement, information and thinking is less important than the feeling factor; this is because such purchases are related to the person's self- esteem. The affect component is stronger than the information factor. The person is drawn by the feeling, emotional and psychological motives; and, they become a "feeler" about the product. Examples include sports cars and motorcycles, fashion apparel and jewellery, perfumes etc. The strategy model is feel-learn-do.

(c) **Low Involvement/Low Thinking:** The third cell requires minimal effort on the part of the consumer, both in terms of involvement and thinking. It actually results from habit forming within the consumer (or the doer), as a result of habitual buying and purchase. He becomes a reactor in the sense that whenever he has a need, he reacts and immediately purchases whatever brand he has been purchasing. Over a period of time, almost all products would fall into this quadrant. Examples of products that would involve the low involvement/thinking dimensions include staples, bread, stationery, soap etc. The strategy model is feel-learn-do.

(d) **Low Involvement/Low Feeling:** The products that fall in this quadrant signify low involvement and low feeling; yet, they promote self -satisfaction. Consumers buy such products to satisfy personal tastes, many a times influenced by peer influence and social pressures. Examples include cigarettes, liquor, movies etc. The strategy model is do-feel-learn.

2.2.3 The Level of Message Processing Model

The level of involvement has an impact on the information gathering and processing. Based on this premise, the level of message processing model states that a consumer's attention to advertising is influenced by varying levels of involvement, and runs across

pre attention, focal attention, comprehension, and elaboration. Each of these levels is indicative of different level of message processing, and is explained as follows:

(a) Preattention: This level of involvement requires only a limited processing and, thus the desire is just to gain some amount of familiarity;

(b) Focal attention: A degree greater than the first stage, here the consumer concentrates on the message source and context, and becomes receptive to basic information like product/brand name and usage.

(c) Comprehension: At this level, the consumer focuses on the message content and tries to understand it in terms of features, attributes, benefits, price, availability etc.

(d) Elaboration: During this highest stage of involvement, the consumer integrates the message into his memory, forms beliefs and either adds to or modifies the information that already exists in his memory.

2.2.4 The Product versus Brand Involvement Model

This model assesses consumer involvement at two levels, product and brand. A consumer may be involved with a product/service category but may not be necessarily involved with the brand. The converse may also be true, where he may be involved with the brand and not with the product/service category. According to the model, consumers can be classified into four types according to their involvement with the product/service category and with the brand. These categories are: Brand loyalists, Information seekers, Routine brand buyers and Brand switchers.

PRODUCT INVOLVEMENT

		High Involvement	Low Involvement
BRAND INVOLVEMENT	**High Involvement**	Brand Loyalists	Routine Brand Buyers
	Low Involvement	Information Seekers	Brand Switchers

(a) Brand loyalists: Brand loyalists are consumers that are highly involved with the product category as well as the brand. As both product and brand are of high involvement, the marketer should provide information about the product category aswell as the brand. As the consumers are involved with the brand as well, they exhibitbrand loyalty.

(b) Information seekers: This is a consumer category that is highly involved with the product category but shows low involvement with the brand. The consumers here do not

think much about the brand, show less preference towards the brands and would not have established a preferred brand; brand loyalty is absent in most cases, and maybe very low in a few cases. Such consumer put in efforts to search out collect information about the product category and the various brands. After they have processed such information and compared the various options, they make a decision on which brand is best.

(c) Routine brand buyers: Routine brand buyers are not highly involved with the product category but shows involvement with a particular brand within that category. They tend to show a level of loyalty towards the brand, although they are not particularly interested in the product category. If and when they need to use a product, they patronize a particular preferred brand only.

(d) Brand switchers: Consumers who fall in this category are neither involved with the product category nor with the brand. They buy anything they can get hold of and are not particular about the product or the brand. As the term suggest, they keep on switching their brands. They do not have an emotional bond with any brand. Generally, such consumers are price sensitive and respond to price.

2.3 CONSUMER INVOLVEMENT AND IMPLICATIONS FOR MARKETERS

Consumer involvement has implications for a marketer. Consumer involvement affects how consumers gather, comprehend and transmit information, make purchase decisions and make post-purchase evaluation. Thus a marketer needs to understand the process and design his marketing mix in a manner that can activate the involvement process to his favour. The study of consumer involvement can be useful for a marketer in the following ways:

1. The study of consumer involvement helps a marketer assess how the majority of your target market relates to the purchase of the particular product/service category, in terms of high/low involvement.

If the majority of the target segment views it as a high involvement, the decision making becomes rational, although there may be an emotional and egoistic elements too. For example, while buying an automobile, a rational mind would look to mileage, engine etc.; an emotional mind would think of colour, aesthetics, style; and an egoisticmind would relate it to pride and prestige. On the other hand, if the majority of thesegment treats it as of low involvement, the decision making becomes emotional.

2. The marketer could gain insights into high involvement and low involvement purchase situations, and accordingly bring about changes in his marketing strategy.

For high-involvement purchases, the consumer searches for information extensively; thus a marketer needs to provide information about the product category as well as the brand. Marketing communication should focus on product features, attributes, benefits

etc. Information on brand differences also needs to be emphasized upon. Longer format media need to be used like (i) print in newspapers, magazines, journals and brochures; (ii) videos. As far as low-involvement purchases are concerned, these are generally routine in nature; the marketer needs to use emotional appeals. Attempts should be made to create and maintain brand loyalty. Point-of-purchase stimuli, store display and attractive merchandise can also help boost sales. Advertising should focus on audio visual media through emotional appeals.

3. If a marketer is confronted with both high involvement and low involvement segments, he can deal with both the segments separately by bringing about changes in the marketingmix.

However, he needs to take such a decision after understanding the size and potential of each of such segments; if only a small segment operates on a low-involvement or on high involvement, it may not be feasible to cater to both.

2.4 SUMMARY

This unit helps the student to understand the consumer involvement and as Schiffman has put it "Involvement is a heightened state of awareness that motivates consumers to seek out, attend to, and think about product information prior to purchase". It is the perceived interest and importance that a consumer attaches to the acquisition and consumption of a product/serviceoffering. It also discusses about the consumer involvement and implications of marketing.

2.5 SHORT ANSWER QUESTIONS

1. What is low involvement learning model?

2. Define brand switchers.

2.6 LONG ANSWER QUESTIONS

1. Explain about the consumer behaviour models based on consumer involvement.

2. What are the implications for marketing in consumer behaviour? Analyse.

2.7 MULTIPLE CHOICE QUESTIONS

1. If the purchase is for a high-involvement product, consumers are likely to develop a high degree of_____so that they can be confident that the item they purchase is just right forthem.

   (a) Brand loyalty   (b) Society

   (c) Product knowledge   (d) References   **[Ans: c]**

2. If the purchase is for a high-involvement product, consumers are likely to develop a high degree of_____so that they can be confident that the item they purchase is just right forthem.

(a) Brand loyalty (b) Society

(c) Product knowledge (d) References **[Ans: c]**

2.8 CASE STUDY

ONLINE MATRIMONY SERVICES IN INDIA

Abstract: The caselet deals with the evolution of online matrimonial services in India. Most of the companies offering matrimonial services initially focused on the field of match-making but they later started extending their service offering to include services like wedding planning, horoscope matching, etc. Unlike the traditional matchmaking operations, which were restricted to certain areas, the online matrimonial services have a pan Indian presence. This has given the online companies a competitive advantage that traditional companies have not been able to match. The caselet also mentions how dailies are finding it useful to go online when it comes to matrimonial advertisements.

Issues: Evolution of online matrimonial services in India

How online matrimonial services are used to balance family influences with individual aspirations

Threats posed by online matrimonial services to the traditional media

Introduction: Online matrimony services in India started in the late 1990s. By 2003, there were about 2000 online matrimonial websites in India. By 2005, the two leading players in the Indian online matrimonial market were Shaadi.com and BharatMatrimony. com.

Questions for Discussion:

1. "Considering the significance, the institution of marriage holds in the life of an Indian, Internet matrimony was sure to be a winner." What were the reasons behind the success of companies like Shaadi.com and Bharatmatrimony.com?

2. Newspapers like the Times of India and Hindustan Times have come up with online offerings, for the matrimonial ads placed in those newspapers. Discuss the reasons that prompted newspapers to enter the online matrimonial space.

KEY WORDS

- Antecedents: certainfactors thatprecede andlead toinvolvement.

- Brand Switchers: consumers who keep changing their preferred brand.

- Consumer Involvement: a state of mind that motivates consumers to identifywith product/service offerings, their consumption patterns and consumption behaviour.

FURTHER READING

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BUYER BEHAVIOR-
INFLUENCING FACTORS

3

Table of Contents

To study about the factors influencing individual, industrial and online consumer behaviour

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Learning Outcomes

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The contents of this unit have been developed to achieve the following outcomes:

- To learn about the factors influencing individual buyer behaviour, industrial buyer behaviour and online buyer behaviour

3.1 INTRODUCTION TO INDIVIDUAL BUYING BEHAVIOUR

While making decisions related to purchase activity, consumers vary amongst each other. They also differ within themselves across buying situations. This is because the dynamics that operates during consumer decision making are significantly different. The consumer decision making process is impacted by (i) individual determinants that are specific to an individual and his self; these primarily take the form of psychological influences; and, (ii) group influences that are general across a class(es) of customers and take the form of sociological influences. This UNIT deals with the psychological influences on consumer decision making. Such psychological influences includethe forces that impact consumer decision making; these are (i) Consumer's Needs& Motivation, Emotions and Mood, Consumer Involvement; (ii) Consumer Learning; (iii) Personality, Self-concept and Self-image; (iv) Consumer Perception, Risk and Imagery; (v) Consumer Attitude; and (vi) Consumer Communication.

The study of consumer behaviour indicates how individuals, groups, and organisations select, buy, use or dispose goods, services, ideas or experiences to satisfy their needs and desires. The various factors influencing buyer behaviour are as following:

3.2 MARKETINGFACTORS

Each element of the market mix – product, pricing, promotion and place (distribution) – has the potential to affect the buying process at various stages.

A. Product: The uniqueness of the product, the physical appearance and packaging can influence buying decision of a consumer.

B. Pricing: Pricing strategy does affect buying behaviour of consumers. Marketers must consider the price sensitivity of the target customers while fixing prices.

C. Promotion: The various elements of promotion such as advertising, publicity, public relations, personal selling, and sales promotion affect buying behaviour of consumers. Marketers select the promotion mix after considering the nature of customers.

D. Place: The channels of distribution, and the place of distribution affects buying behaviour of consumers. Marketers make an attempt to select the right channel and distribute the products at the right place.

3.2.1 Personal Factors

The personal factors of a consumer may affect the buying decisions. The personal factors include:

A. Age Factor: The age factor greatly influences the buying behaviour. For instance, teenagers may prefer trendy clothes, whereas, office- executives may prefer sober and formal clothing.

B. Gender: The consumer behaviour varies across gender. For instance, girls may prefer certain feminine colours such as pink, purple, peach, whereas, boys may go for blue, black, brown, and so on.

C. Education: Highly educated persons may spend on books, personal care products, and so on. But a person with low or no education may spend less on personal grooming products, general reading books, and soon.

D. Income Level: Normally, higher the income level, higher is the level of spending and vice- versa. But this may not be always the case in developing countries, especially in the rural areas.

E. Status in the Society: Persons enjoying higher status in the society do spend a good amount of money on luxury items such as luxury cars, luxury watches, premium brands of clothing, jewellery, perfumes, etc.

F. Other Personal Factors: The other personal factors such as personality, lifestyle, family size, etc., influence consumer behaviour.

3.2.2 Psychological Factors

A person's buying behaviour is influenced by psychological factors such as follows:

A. Learning: It refers to changes in individual behaviour that are caused by information and experience. For example, when a customer buys a new brand of perfume, and is satisfied by its use, then he/she is more likely to buy the same brand the next time.Through learning, people acquire beliefs and attitudes, which in turn influence the buying behaviour.

B. Attitude: It is a tendency to respond in a given manner to a particular situation or object or idea. Consumers may develop a positive, or negative or neutral attitude towards certain product or brands, which in turn would affect his/her buying behaviour.

C. Motives: A motive is the inner drive that motivates a person to act or behave in a certain manner. The marketer must identify the buying motives of the target customers

and influence them to act positively towards the marketed products. Some of the buying motives include:

- Pride and possession
- Love and affection
- Comfort and convenience
- Sex and romance, etc.

E. Perception: It is the impression, which one forms about a certain situation or object. A motivated person is ready to act. But the way or the manner in which he acts is influenced by his/her perception of the situation. For instance, a student may perceive examinations as an important event, and therefore, he/she would make every possible effort including purchase of new stationery like pens, whereas, another student may be casual about the examinations, and therefore, would not make extra efforts.

F. Beliefs: A belief is a descriptive thought, which a person holds about certain things. It may be based on knowledge, opinion, faith, trust and confidence. People may hold certain beliefs of certain brands/products. Beliefs develop brand images, which in turn can affect buying behaviour.

3.2.3 Situational Influences:

Major situational influences include the physical surroundings, social surroundings, time, the nature of the task, and monetary moods and conditions.

A. Physical Surroundings: The physical surroundings at the place of purchase affects buying behaviour. For instance, when a customer is shopping in a store, the featuresthat affects buying behaviour would include the location of the store, the decor, the layout of the store, the noise level, the way merchandise is displayed, and soon.

B. Social Surroundings: The social surroundings of a situation involve the other people with the customer that can influence buying decision at the point of purchase. For instance, a bargain hunter shopping with an impatient friend may do quick purchases,and may not haggle over the price, so as to please the impatient friend.

C. Time Factor: Customers may make different decisions based on when they purchase – the hour of the day, the day of the week, or the season of the year. For instance, a consumer who has received a pay cheque on a particular day may shop more items, than at the end of the month when he is short of funds.

D. Task: A customer may make a different buying decision depending upon the task to be performed by the product. For instance, if the product is meant as a gift rather than for personal use, then the customer may buy a different brand/product dependingupon to whom the gift is purchased.

E. Momentary Conditions: The moods and condition of the customer at the time of purchase may also affect the buying decision. A customer who is very happy would make a different buying decision, as compared to when he is not in a happy mood

3.2.4 Social Factors

The social factors such as reference groups, family, and social status affect the buying behaviour:

A. Reference Groups: A reference group is a small group of people such as colleagues at work place, club members, friend circle, neighbours, family members, and so on. Reference groups influence its members as follows:

- They influence members' values and attitudes.
- They expose members to new behaviours and lifestyles.
- They create pressure to choose certain products or brands.

B. Family: The family is the main reference group that may influence the consumer behaviour. Nowadays, children are well informed about goods and services through media or friend circles, and other sources. Therefore, they influence considerably in buying decisions both FMCG products and durables.

C. Roles and Status: A person performs certain roles in a particular group such as family, club, organisation, and so on. For instance, a person may perform the role of senior executive in a firm and another person may perform the role of a junior executive. The senior executive may enjoy higher status in the organisation, as compared to junior executive. People may purchase the products that conform to their roles and status, especially in the case of branded clothes, luxury watches, luxury cars, and so on.

3.2.5 Cultural Factors

Culture includes race and religion, tradition, caste, moral values, etc. Culture also include sub- cultures such sub-caste, religious sects, language, etc.

A. Culture: It influences consumer behaviour to a great extent. Cultural valuesand elements are passed from one generation to another through family, educational institutions, religious bodies, social environment, etc. Cultural diversity influences food habits, clothing, customs and traditions, etc. For instance, consuming alcohol and meat in certain religious communities is not restricted, but in certain communities, consumption of alcohol and meat is prohibited.

B. Sub-Culture: Each culture consists of smaller sub-cultures that provide specific identity to its members. Subcultures include sub-caste, religious sects (Roman Catholics, Syrian Catholics, Protestant Christians, etc.), geographic regions (South Indians, North Indians), language (Marathi, Malayali, Tamilian, Gujarati) etc. The behaviour of people belonging to various sub-cultures is different. Therefore, marketers may adopt

multicultural marketing approach, i.e., designing and marketing goods and services that cater to the tastes and preferences of consumers belonging to different sub-cultures.

3.3 CONSUMER AS AN INDIVIDUAL

The central focus of marketing is the consumer. To devise good marketing plans, it is necessary to examine consumer behavioural attributes and needs, lifestyles, and purchase processes and then make proper marketing-mix decisions. The study of Consumer behaviour includes the study of what they buy, why they buy, how they buy, when they buy, from where they buy, and how often they buy. An open-minded consumer-oriented approach is imperative in today's diverse global marketplace so a firm can identify and serve its target market, minimise dissatisfaction, and stay ahead of competitors. Final consumers purchase for personal, family, or household use.

3.4. CONSUMERS' PERSONALITY AND THEORIES OF PERSONALITY

Personality - Meaning

To understand the buyer and to make a customer out of him is the main purpose of the study of consumer behaviour. Though this problem has been analysed from different viewpoints under different premises, it still remains a complex one. On the other hand the buyer is a riddle. He is a highly complex entity. His needs and desires are innumerable. Some are latent, some manifest and some others are highly dominant. These have different priorities in the scheme of things. The buyer has his own ideas and plans about realising these needs and desires. The first and foremost task of the marketer is to get close to the buyer and understand his need-structure and priorities. There are four major factors which influence the behaviour of the consumers. They are:

1. Psychological factors influencing Customer Behaviour
2. Social Psychological factors influencing Customer Behaviour
3. Sociological factors influencing Custome Behaviour
4. Economic factors influencing Customer Behaviour

INDUSTRIAL BUYER BEHAVIOR-INFLUENCING FACTORS

3.5 INDUSTRIAL BUYING BEHAVIOUR: PARTICIPANTS

The Purchasing department is influential in straight rebuy and modified rebuy situations. Engineering personnel usually have a major influence in selecting product components and purchasing managers dominate in selecting suppliers.

Thus in new buy situations, the industrial marketer must first direct his product information to the engineering personnel. In rebuy situations and at supplier-selection time, communication must be directed at the purchasing department personnel.

A buying centre is comprised of all those individuals and groups who participate in the buying decision-making process, who share some common goals and the risks arising from these decisions. Before identifying the individuals and groups involved in the buying decision process, a marketer must understand the roles of buying centre members. Understanding the buying centre roles helps industrial marketers to develop an effective promotion strategy.

Within any organisation, the buying centre will vary in the number and type of participants for different classes of products.

But on an average a buying centre of an organisation has the following seven members or a group of members who play these roles:

1. Initiators

Usually the need for a product/item and in turn a supplier arises from the users. But there can be occasions when the top management, maintenance or the engineering department or any such recognise or feel the need. These people who "initiate" or start the buying process are called initiators.

2. Users

Under this category come users of various products. If they are technically sound like the R&D, engineering who can also communicate well. They play a vital role in the buying process. They also act as initiators.

3. Buyers

They are people who have formal authority to select the supplier and arrange the purchase terms. They play a very important role in selecting vendors and negotiating and sometimes help to shape the product specifications.

The major roles or responsibilities of buyers are obtaining proposals or quotes, evaluating them and selecting the supplier, negotiating the terms and conditions, issuing of purchase orders, follow up and keeping track of deliveries. Many of these processes are automated now with the use of computers to save time and money.

4. Influencers

Technical personnel, experts and consultants and qualified engineers play the role of influencers by drawing specifications of products. They are, simply put, people in the organisation who influence the buying decision. It can also be the top management when the cost involved is high and benefits long term. Influencers provide information for strategically evaluating alternatives.

5. Deciders

Among the members, the marketing person must be aware of the deciders in the organisation and try to reach them and maintain contacts with them. The organisational formal structure might be deceptive and the decision might not even be taken in the purchasing department.

Generally, for routine purchases, the purchase executive may be the decider. But for high value and technically complex products, senior executives are the deciders. People who decide on product requirements/specifications and the suppliers are deciders.

6. Approvers

People who authorise the proposed actions of deciders or buyers are approvers. They could also be personnel from top management or finance department or the users.

7. Gate Keepers

A gatekeeper is like a filter of information. He is the one the marketer has to pass through before he reaches the decision makers.

Understanding the role of the gatekeeper is critical in the development of industrial marketing strategies and the salesperson's approach. They allow only that information favourable to their opinion to flow to the decision makers.

By being closest to the action, purchasing managers or those persons involved in a buying centre may act as gatekeepers. They are the people whom our industrial marketer would first get in touch with. Hence, it so happens that information is usually routed through them.

ENVIRONMENT LEVEL OF DEMAND	ORGANISATIONAL	INTERPERSONAL	INDIVIDUAL	
• Economic outlook				
• Inter Cost Rate	• Objectives	• Interest	• Age	
• Rate of Tech Change	• Policies	• Authority	• Income	BUSINESS BUYER
• Political & Region Developments	• Procedures	• Status	• Eduction	
• Competitive Development	• Organisational Structure	• Empathy	• Job Position	
• Social Responsibility Concerns		• Persuasiveness	• Personality	
			• Risk Altitudes Culture	

They have the power to prevent the sellers or information from reaching members of the buying centre. They could be at any level and even be the receptionists and telephone operators.

When a buying centre includes many participants, the industrial/ business marketer will not have the time or resources to reach all of them. Small sellers could concentrate on reaching the key buying influences. Large sellers on the other hand go for multi-level in-depth selling to reach as many buying participants as possible.

It is important to note, that functional responsibilities and job titles are often not true indicators of the relative influence of buying centre members in a purchase decision task.

Self Assessment

Short Answer Questions

1. What is culture?

2. What do you mean by influencer?

Long Answer Questions

1. Write down the characteristics of sub cultures.

2. Explain the roles of family members in decision making process.

Multiple Choice Questions

1. In large nations, the population is bound to lose a lot of its homogeneity, and thus _____ arise.

    (a) Multilingual needs

    (b(Cultures

    (c) Sub cultures

    (d) Product adaptation requirements   **[Ans: c]**

2. _____ are based on such things as geographic areas, religions, nationalities, ethnic groups, andage.

    (a) Multilingual needs   (b) Cultures

    (c) Sub cultures   (d) Product adaptation requirements
    [Ans: c]

3. Marketing managers should adapt the marketing mix to _____ and constantly monitor value changes and differences in both domestic and global markets.

    (a) Sales strategies   (b) Marketing concepts

    (c) Cultural values   (d) Brand images   **[Ans: c]**

3.6. CHARACTERISTICS OF INDUSTRIAL MARKETS

Industrial marketing truly is all about highlighting the most distinctive features of it.

It's extremely complex

A great analogy for industrial marketing follows; consumer marketing is a candy shop selling candy to a single customer. Industrial marketing is a candy manufacturer selling thousands of pieces of candy to a candy store. Obviously, the latter is much more appealing, but this obviously means that it is a little more complicated.

Industrial marketing requires large orders, long-term relationships which makes the first pitch and sale often more complex. This revolves around the simple fact that businesses are made up of several individuals, which means you have to impress multiple people, with numerous different bits of information.

Longer sales cycle

A result of industrial marketing being more complicated is a longer sales cycle. When you pitch to a business, the whole process revolves around calculated decisions, reviewing and analysing.

This shouldn't be seen as a negative, the outcome of industrial marketing, as you probably imagined, is worth any complexity or lengthy process.

The variety of marketing

Industrial marketing can mean that you have a wide range of products. Every single product requires a different marketing strategy, sometimes the difference can be extreme.

To put this into perspective, it is much different to sell, say, a standard motor to a known business, compared to selling capital equipment to various companies.

The strategies that you may use for the motors won't be successful in selling large custom machines. Ultimately, the variety of marketing can be boundless.

Low market information

Consumer products have a lot of database information available for them, including customer demographics. In comparison, information revolving around industrial market niches are hard to come by. It actually requires a considerable amount of industrial experience to gather useful market information.

That being said, it isn't impossible; to gather the information you will need to analyse the niche in-depth. Information like the number of employees, line speeds, shifts, sizes, and so on, will all be acquired and you will be able to discover prospective buyers.

Advertising generally doesn't follow trends

When it comes to industrial marketing, advertising and promotion are a bit different. You see, in the grand scheme of things, it is comparatively simple to develop newspaper adverts, billboards, and videos for impulsive consumers.

"With industrial marketing, because of the lengthy sales cycle, advertisements can't be focused on trends. Instead, they have to address the product's benefits and applications directly." — Jennifer Watts, CMO at The Word Point.

The buyers and their behaviours

As mentioned earlier, industrial marketing is aimed at a team of people, rather than an individual. Thus, the behaviours are varied, follows a specific process and, ultimately, you need to impress multiple people, all of which may have different opinions.

Communication with your potential buyers is crucial; email, phone, and one-to-one conversations help to secure a business relationship. The good news? This relationship will be long-term, rather than a one-time buy relationship. Just like any successful relationship, communication is vital; many manufacturers choose to send samples too.

Bidding is customary

An individual consumer will buy, or they won't. Bidding isn't a daily scenario in for the average consumer. On the other hand, industrial marketing rarely doesn't revolve around quotes and bids.

Quotations and specifications can sometimes be hundreds of pages long, specifying the product and the prices right down to the itty-bitty details. This will ultimately help secure a deal.

The geographical and demographical distribution

The average consumer market research generally doesn't work for industrial markets, purely because the samples are just too small. Industrial market research almost has to be simultaneously niche and broad.

The most important part of industrial market research is to acquire information on market shares and market sizes. These can be found using qualitative techniques, unstructured interviewing techniques, and field research.

Conclusion

Suffice to say, industrial marketing is hard work but has high rewards. Once you secure a client/customer, it's a long-term, secure relationship. There's a tiny bit of a knowledge gap when it comes to industrial marketing, which makes the process more challenging, but completely worth it.

The fact is, manufacturers of industrial products need to find new customers in order to grow. The best way to develop this growth is to use industrial marketing techniques.

3.7 FACTORS INFLUENCING INDUSTRIAL MARKETS

The potential Indian population is a target that industrial marketers cannot overlook. Their population expansion provides a range of opportunities and threats.

Opportunities in terms of cheap labour for the industries and threats in terms of poverty, illiteracy which is to be given attention in addition to brain drain and stigma of "developing nation" to India.

The Industrial marketers must cash in on potential opportunities for example; the IT industry has been competitive due to a large number of tech-savvy people. They are sent to offshore assignments thus satisfying their hunger for foreign jaunts and avoiding brain drain.

No individual firm should be caught unrepresented by the changing demographic conditions. Trends develop slowly and are easy to monitor and reliable data are available for short and intermediate range planning.

1. Economic Factors

The economic conditions of the market determine how much an industry can buy and sell. Thus, emerging changes in the economic environment which shall affect industrial marketing both in India and internationally must be closely monitored.

As noted earlier, the industrial demand is a delivered demand and depends on the consumers' purchasing power, income, taxes, fashion etc. When the country was passing through a recession in the late 1990s the consumers had tightened their belts and had limited their purchases.

The consumer durable industry, for example, television, fridge, microwave oven, washing machine etc. was badly hit which in turn had hit the component suppliers of these goods. Hence the demand for raw materials, components parts and associated services also tightened.

2. Natural Factors

India is a country of extremes. When one part of the country is having heavy rainfall some other parts endure drought. The drought like situation in Northern India has affected many an industry. The earth-quakes and floods in the northern states ofIndia like Orissa and Gujarat have had direct impact on the industries. The industrial marketers must have an alternate strategy or a contingency plan during calamities that are forecast-able or those that could be predicted.

3. Technological Factors

Technological developments and changes affect the profitability and market acceptance of a company. The electric car "Reva" by Maini group of companies is a technological innovation. It is yet to catch up in India due to reasons like there are no stations on either highways or in the city for recharging and it is a very small car. But Mr. Chetan Maini, the man behind the electric car is leaving no stones unturned.

They have already ventured into some North Indian cities and have exported to Europe. This technology is successful and would revolutionise the automobile industry. This industry is also being revolutionised by some car makers who are still working ona prototype which has buttons to change gears and increase acceleration instead of clutch and gear box. No industry today be it printing and packaging industry or anITfirm, can ignore technological changes. As a marketer, he must be aware of the changesand make flexible strategies to adapt to these changes.

4. Social /Cultural Factors

Cultural customs, habits, norms and traditions greatly influence the structure and function of an organisation as well as interpersonal relationships of organisational members. In India it is "Durability" that is important whereas in USA it is "style" that is appealing. Say products, whether industrial or targeted to the consumer, must be careful when appealing to customers with respect to the cultural values and representations.

5. Political/Legal Factors

Government influence on the Industrial marketing environment. From the time of Jawaharlal Nehru to the time of Mr. Atal Behari Vajpayee there has been major influence of the Government in the industry to protect the Indian industries' foreign investment or for that matter, foreign participation of any kind has not been allowed in the areas of defence, steel, drugs, fertilisers, machine tools etc.

More encouragement was given to small scale and cottage industry. Even the banks were nationalised, the multinationals which were present in India till about 1980s were engaged in commerce, trade and finance or export of tea. Indian Government felt that in areas where adequate Indian skills and capital are available, there was no need for foreign collaboration.

In fact, in 1977 Coca-Cola was asked to wind up operations in India, and IBM was to dilute equity to stay. Some companies like Alkali Chemicals, Dunlop, Goodyear and Asbestos Cement were allowed to remain as they were operating in non-priority areas. Today the Government having realised the importance has liberalised in many areas.

Still with controls the industries do not contribute to an extent in the effective and fair functioning of the economy. The Government acts as a regulatory agency in import and

export matters. It controls the tax and interest rates. It provides economic stabilisation through control of inflation. It is environmentally and socially conscious. It passes rules, regulations and laws from time to time to ensure that general public interest is not compromised.

The Government has placed a large number of drugs with dubious justification under the scanner. Doubts persist about safety of a host of drugs including CISAPRIDE, the drug for night heart burn, and PPA, an ingredient in certain paediatric preparations. The review of iron preparations containing zinc, amino acids and vitamins decision could be of grave concern to many leading MNCs as these drugs are high margin products.

The Government can also change the marketing environment by making changes to its procedures. For example, Mr. Chandra Babu Naidu, Ex-Chief Minister of Andhra Pradesh, has decided to experiment with online procurement in four of its government departments.

Department	E-purchase
Andhra Pradesh Technology Services (APTS)	All IT related procurement for the State Government
Andhra Pradesh State Road Transport Corporations	Spares, Oil, Lubricants, bus body building services and office products
Commissionerate of Tenders	All tenders of value more than Rs 1 crore, projects relating to irrigation, roads and building
Andhra Pradesh Housing Infrastructure	Drugs, All civil and medicare related products and services

The impact of this decision is that the industries supplying to the Government are hoping to supply must gear up for IT invasion and must be able to bid and make tenders through a computer. The marketing strategies will have to be adjusted to accommodate these changes.

Since Government transcends all levels of the industrial environment, it is capable of influencing and being influenced by environmental elements at all levels. Thus industrial marketers must keep careful watch pending regulations to ensure that their respective business plans will meet the government's approval. Industrial marketers must be constantly in touch with the laws, regulations and sanctions of the Government.

3.8 CONSUMER AND ORGANISATION BUYING BEHAVIOUR

Consumer Buying Behaviour

Consumer buying behaviour is the result of the attitudes, preferences, intentions and decisions made by the consumers in a market place before buying a product. The study

of consumer buying behaviour is an interdisciplinary subject area drawing widely from sociology, psychology, anthropology, etc.

• Standard Buying Process

The buying behaviour can be broken down into a series of tasks.

1. Problem recognition: During this stage, the consumer becomes aware of an unfulfilled need or want. For example, his old laptop may be broken and a need arises for a new laptop.

2. Information search: In this stage, the consumer gathers information relevant to solving his problem. For example, collection of information about various laptop models.

3. Evaluation: The various alternatives are evaluated against the consumer's wants, needs, preferences, financial resources, etc.

4. Purchase: In this stage, the consumer will commit to a particular choice and make the final decision. The choice maybe influenced by price and availability.

5. Post purchase evaluation: In this stage, the consumer evaluates whether the purchase actually satisfied his/her need or not.

Types of Buying Behaviour

1. Complex: High degree of consumer involvement with significant brand differences. e.g.: – Cars.
2. Dissonance Reducing: High degree of involvement with little brand differences. e.g.: – Carpeting
3. Habitual: Low involvement with little brand difference. e.g.:- Salt
4. Variety seeking: Low involvement with significant perceived brand difference. e.g.: -Chocolates

• Organisational Buying Behaviour

Organisation buying behaviour is defined as the rational decision-making process in which an organisation buys goods and services when they have need of any goods or service for their organisation. The purchased products and services get identified, evaluated, and chosen among alternative brands and suppliers. Organisational buying is similar to the consumer buyer behaviour without any major differences. Organisations buy the products and services for the betterment of organisational objectives such as manufacturing and delivery of goods and services to members, customers or the community. Three types of buying situation have been distinguished: the straight rebuy, the modified rebuy, and the new task.

The straight rebuy:

It is the buying condition in which the buyers buy the product frequently. Buying of those products will be a routine task for the organisation.

The modified rebuy:

A business buying condition in which the buyer wants to change the product specification, its price as well as terms or suppliers.

The new task:

When the organisation buys any products or services for the first time then it is called new task. In this case, the larger the cost, there will be more decision participants and also there will be more efforts for collecting information. The new task situation creates more opportunity as well as challenges.

Participants in the business buying process

The buying centre who actually participates in buying the products and services, their roles will play a significant role while making a decision to purchase any products for the organisation.

Users: The members who uses the products or services. In various cases, users start off with buying proposal and also help in defining the product specification.

Influencer: The people who affect the buying decision in an organisation are called influencers. They help to define specifications and they also provide information for evaluating alternatives.

Buyers: In organisational buying centre, the person who actually purchases the goods and services are called buyers.

Decider: The people who have formal or informal power in order to select or approve the final supplier in organisational buying centre are called decider.

Gatekeepers: The person who controls the flow of information to others in organisational buying is called gatekeeper.

Major influence on Organisational Buyers

Business buyers are subject to many influences when they make their buying decisions. Some marketers assume that the major influences are economic. However, business buyers actually respond to both economic and personal factors.

1. Environmental Factors: Business buyers are mostly influenced by the current economy and future economy of the state or the world while making any decision.

Economic environment consists level of primary demand, the economic outlook and the cost of money. They are also affected by technological, political and competitive developments in the environment.
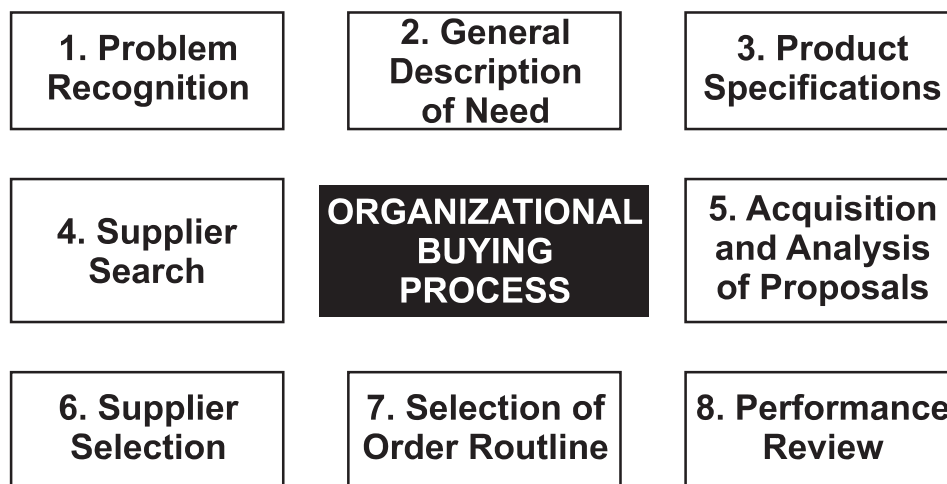
2. Organisational factors: The major organisational factors like objectives, policies, procedures, structure and system must be understood well.

3. Interpersonal factors: There are many participants who influence each other so interpersonal skills also matter in the business buying process. However, it will be difficult to implement such interpersonal factors and group dynamics.

4. Individual factors: The people who participate in business buying decision process bring in personal motives, perceptions, and preferences. These individual factors are affected by individual characteristics such as age, income, education, professional identification, personality and attitudes towards risk.

The Organisational buying process

There are total eight stages and by going through these stages an organisation will be able to make a rational decision. If the desired result is not achieved then the steps will be repeated again until they meet their goals and objectives.

1. Problem Recognition	2. General Description of Need	3. Product Specifications
4. Supplier Search	**ORGANIZATIONAL BUYING PROCESS**	5. Acquisition and Analysis of Proposals
6. Supplier Selection	7. Selection of Order Routline	8. Performance Review

Problem Recognition

The first stage of the business buying process in which people identify the need of the organisation which will be met by purchasing any goods or services. Problem recognition can result from internal or external stimuli. Internally , the company may take a decision to launch a new product that requires new production equipment and materials. Or, a machine may break down and need another new part. Externally, the buyer gets some new ideas at a trade show, sees an ad, or receives a call from a seller who offers best products at low price.

General Need Description

After the need is recognised, the buyers prepare a general need description which reports both characteristics and quantity needed and item for the organisation. For standard items, this process presents very few problems but for complex problems the buyer needs to work with the other engineers, users, consultants in order to define the item.

Product Specification

In this stage, the buying organisation decides and specifies the technical product features for the needed item. Product value analysis is the approach that helps to reduce the cost in which the components are studied. After studying it carefully they can be redesigned, standardised or made by fewer cost methods of production. The team will decide best product features and specifies them accordingly.

Supplier Search

In this stage, the buyer conducts supplier search to find the best sellers. The buyer can assemble a list of qualified suppliers by analysing trade directories, doing computer searches or contacting other companies for recommendation letters.

Proposal Solicitation

The stage of the business buying in which the buyer asks qualified suppliers to submit proposals is called proposal solicitation. After this supplier will send only a catalogue or a sales person. However, when the item is complex or expensive, the buyer ask for the detailed written proposals or formal presentations for each potential supplier.

Supplier Selection

In this stage, the buyer reviews proposals and chooses a supplier or suppliers. During supplier selection, the buying centre often will prepare up a list of the desired supplier trait and their relative importance. Such traits include product and service quality, reputation, on-time delivery, ethical corporate behaviour, honest communication and competitive prices.

Order- Routine Specification

This is the stage of buying process in which the buyer chooses the final supplier by listing various things like technical specifications, quantity needed, expected time of delivery, return policies, and warranties.

Performance Review

The stage of buying process in which the buyer analyse the supplier's performance on the basis of different criteria and decides to continue, modify or drop the arrangement.

The seller's job is to observe and examine the same factors used by the buyer to make sure that the seller is giving the expected satisfaction.

3.9 DEFINITION, CHARACTERISTICS AND CLASSIFICATION OF SERVICES

A service is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production.

Services are economic activities that create value and provide benefits for customer's specific times and places, as a result of bringing about a desired change in – or on behalf of – the recipient of the service. Service is those separately identifiable, essentially intangible activities which provide want-satisfaction, and that are not necessarily tied to the sale of a product or another service. To produce a service may or may not require the use of tangible goods. However when such use is required, there is no transfer of title (permanent ownership) to these tangible goods.

One common method of defining a service is to distinguish between the 'core' and 'peripheral' elements of that service. The 'core' service offering is the 'necessary outputs of an organisation which are intended to provide the intangible benefits customers are looking for'. Peripheral services are those which are either 'indispensable for the execution of the core service or available only to improve the overall quality of the service bundle.

Services include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser.

Examples of services are - Transportation & public utilities, Hotels and other lodging places, Rail-road transportation, Personal services, Local and inter-urban passenger transit, Business services, Trucking and warehousing, Auto repair, services and garages, Water transportation, Miscellaneous repair services, Air transportation, Motion pictures, Pipelines except natural gas, Amusement and recreation services, Health service, Communication, Legal services, Telephone and telegraph, Educational services, Radio and television broadcasting, Social services and membership organisations, Electricity, Gas, Sanitary services, Miscellaneous professional services, Wholesale trade, Private household services, Retail trade, Finance, insurance, and real estate, Banking, Military, Credit agencies other than banks, Government enterprises Security & commodity brokers, Local government, Real estate, Education, Holding and other investment companies and other services.

7. Important Characteristics of Services

(i) Perishability: Service is highly perishable and time element has great significance in service marketing. Service if not used in time is lost forever. Service cannot be stored.

(ii) Fluctuating Demand: Service demand has high degree of fluctuations. The changes in demand can be seasonal or by weeks, days or even hours. Most of the services have peak demand in peak hours, normal demand and low demand on off-period time.

(iii) Intangibility: Unlike product, service cannot be touched or sensed, tested or felt before they are availed. A service is an abstract phenomenon.

(iv) Inseparability: Personal service cannot be separated from the individual and some personalised services are created and consumed simultaneously.

For example, hair cut is not possible without the presence of an individual. A doctor can only treat when his patient is present.

(v) Heterogeneity: The features of service by a provider cannot be uniform or standardised. A doctor can charge a much higher fee to a rich client and take a low fee from a poor patient.

(vi) Pricing of Services: Pricing decision about services are influenced by perishability, fluctuation in demand and inseparability. Quality of a service cannot be carefully standardised. Pricing of services is dependent on demand and competition where variable pricing may be used.

(vii) Service quality is not statistically measurable: It is defined in form of reliability, responsiveness, empathy and assurance all of which are in control of employee's direction interacting with customers. For service, customer's satisfaction and delight are very important. Employees directly interacting with customers are to be very special and important. People include internal marketing, external marketing and interactive marketing.

Classifications of Services

In order to be able to make a clear and relevant classification of services, we would first need to understand the concept of the word itself. Services usually refer to processes and not physical products. To understand more, read this article on difference between goods and services. Some services may include people whereas other services (like online services) may including objects which are managed by people.

Examples of services which include people can be a hair salon, education, theatre, restaurants, and public transportation. On the other hand services that include objects include repairs and maintenance, dry cleaning, banking, legal services, insurance, etc.

5. Classification of service based on Tangible Action
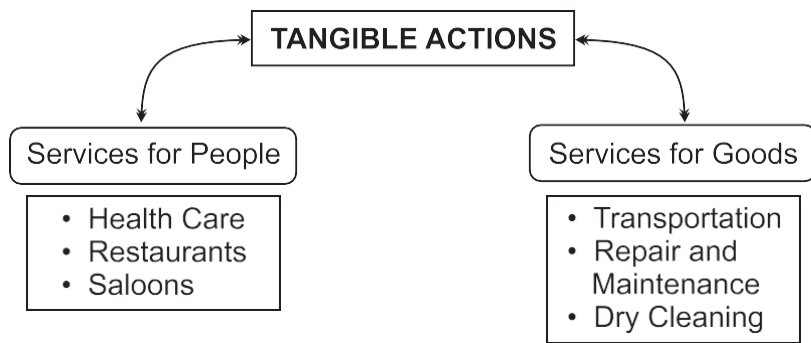
Wherever people or products are involved directly, the service classification can be done based on tangibility.

(i) Services for people: Like health care, restaurants and salons, where the service is delivered by people to people.

(ii) Services for goods: Like transportation, repair and maintenance and others. Where services are given by people for objects or goods.

2. Classification of services based on Intangibility
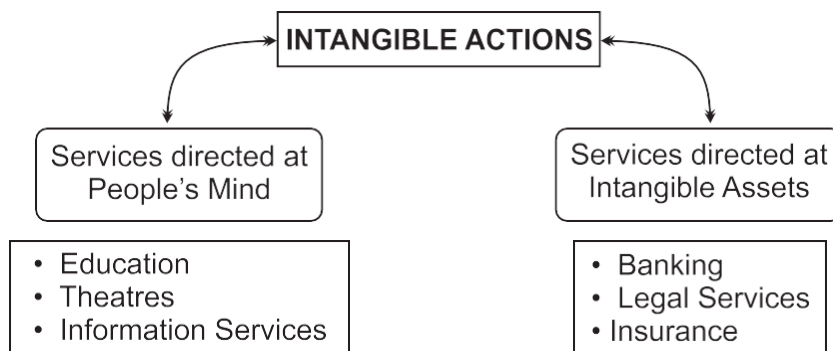
There are objects in this world which cannot be tangibly quantified. For example – the number of algorithms it takes to execute your banking order correctly, or the value of your life which is forecasted by insurance agents. These services are classified on the basis of intangibility.

(i) Services directed at people's mind: Services sold through influencing the creativity of humans are classified on the basis of intangibility.

(ii) Services directed at intangible assets: Banking, legal services, and insurance services are some of the services most difficult to price and quantify.

The most intangible form of service output is represented by information processing. The customer's involvement in this type is service is not required. Generally, customers have a personal desire to meet face to face but there is no actual need in terms of the

operational process. Consultancy services can be an example of this type of services where the relationship can be built or sustained on trust or telephone contact. However, it is more indicated to have a face-to-face relationship in order to fully understand the needs of the customer.

A more general classification of services based on the type of function that is provided through them can be as follows:

- Business services
- Communication services
- Construction and related engineering services
- Distribution services
- Educational services
- Environmental services
- Financial services
- Health-related and social services
- Tourism and travel-related services
- Recreational, cultural, and sporting services
- Transport services
- Other services not included elsewhere

3.10. ON-LINE BUYING BEHAVIOR

Introduction: Firms that choose not to understand their customers' purchasing behaviour often lose out. An excellently engineered product may fail just because the customer does not identify himself or herself with it. It is therefore imperative that the firm understands the structural changes taking place in its market and also the long-term impact of these changes on its product and other elements of the marketing mix. The firm must also understand the buyer's purchasing behaviour. Specifically, it must understand how the buyer decides in favour of one brand or product, what motivates him or her to select an alternative, and who influences him or her to buy the brand or product.

The marketer needs to focus on the "how" and "why" of the total experience consumers have with products and services. Unfortunately, most marketers tend to look at only a few aspects of experience and build the complete strategy around it. For example, one of the leading electrical appliances company crafted its strategy around customers' experience at the dealer outlet. Hence the strategy was on developing dealer outlets, enhancing dealer productivity, and loyalty. It failed to understand other dimensions like service, price-performance relationship, and esteem values of the brand which areas important in the consumer's mental space and hence, influences his/her attitude

towards the brand. Likewise, one of the dotcom companies failed to understand that the consumer valued security of transactions over all other dimensions of web-based transactions. Hence marketers need to focus on discovering the 'why' of an experience. They also need to understand that large samples-based survey is no guarantee of having discovered the "truth". Quantity of data does not guarantee quality. What is needed is a deep understanding of consumer behaviour. Without such an understanding, marketers cannot accurately anticipate consumer responses to product designs, features and marketing ideas.

3.11 THE GLOBAL CONSUMER MARKET

(a) Seamless Global Society

The internet has today reduced the gap between different societies. This gap, which was on account of physical distance, information and knowledge, has now become redundant. Today we are seeing the emergence of a global society and universal values. One such universal value relates to the concept of time. It is no more perceived as infinite. And hence time is an indicator of opportunity. An organisation's competitiveness is greatly determined by its ability to respond within a given time frame, determined by market forces and not by its own competencies. The Indian concept of time, which is eternal and continuing, seems to lose its meaning in this era of information superhighways. Another impact of the Net revolution is the new concept of value. More and more customers have and will come to expect global products and services at local prices. In other words organisations' cost structures will have to be globally competitive. Only then will customers get their value for money. Thus, the mere fact that an organisation is offering a premium quality product will not be a sufficient reason to motivate customers to buy it. Developments in telecommunications will further contribute to the emergence of these universal concepts, which will affect the customer's definition of time and value. Mobile telephony has altered the concepts of space, time and location.

3.12 BASIS FOR COMPETITIVE ADVANTAGE

The net is also likely to change the concept of nation state. It is not that these states will not exist but their roles will change. The governments of these countries will continue to play a role in maintaining their cultural diversity and sovereignty. They will co-operate with other societies like security, taxation, censorship, and ownership. One of the direct outcomes of this seamless global society, therefore, will be the culture of openness and transparency.

These technological changes are going to lead to significant shifts in competitive leadership. Future market leaders will use computers to create new businesses, change existing ones and even restructure many of today's long-established marketing practices.

The basis for their sustainable competitive advantage will be knowledge management. In the ongoing war for competitive advantage, information technology has become the ultimate weapon. Hence creation, dissemination and protection of knowledge in the organisation is perhaps going to be the most crucial armour for competitive survival.

(a) Business at the Speed ofThought

Today the internet gives very little time to individuals and organisations to react and respond. We have to learn to conduct our business operations at the speed of the human mind. It should be possible for us to offer products and services even asthese are conceived in the customer's mind. This obviously means that conventional marketing management will no longer deliver.

We are already seeing the emergence of online help, which in many cases, has made conventional forms of service redundant. Interactive technologies are already eliminating several roles in the marketing of products and services. For example, it is perceived that there will be no role for a service centre of a consumer durable firm in the 21st century if its competitor markets a totally reliable product and, in the extreme case of failure, provides online assistance through its own website or service portal created by a group of service engineers. The product life cycles will be far shorter. Products are further standardised, and hence, the opportunities to differentiate will also no longer exist.

From the conventional generic tangible values of performance and reliability, the marketers focus will have to be on tangible and intangible values. Unfortunately, the globalisation of products and markets will provide very little scope for differentiation in regard to these specific product or corporate values. The differentiator, therefore, will be the ability of the marketer to creatively customise them for the buyer. Interactive technologies will come to the marketers rescue. The key issues in these technologieswill pertain to continuously updating the customer database and proactively creatingresearch based product solutions and, in turn, moving the customer up the technology path.. The marketing challenge lies in enabling customers overcome their resistance to change. It will be the organisation's ability to competitively pre-empt others and build volumes that will make it a market leader.

(b) Virtual enterprise

The above changes, which have already made their presence felt emphatically in the global scene, have led to the creation of virtual enterprises. We have already seen the emergence of an era of Digital Darwinism. Amazon.com, Yahoo!, Hotmail.com, Rediff. com, Indiatimes.com, like many others, are facilitators in the creation of a virtual enterprise. In this era of virtual reality, size and location of an enterprise will have very little or no role to play.

(c) Customer: Co-producer of products and services

Another dimension of the new millennium, which we can see emerging today, is that the customer will be a co- producer of products and services. No longer will it be the responsibility of the manufacturer to produce the product in its finality as the customer may demand. The producer will take the product upto a certain level in the value chainand then leave it for the buyer to customise it to his/ her requirement. A classical case is that of the Asian Paints facility that lets the buyer have his choice of shade customized through the company' outlets, deploying interactive technologies. Similar interactive technologies like the ATM have made the customer a co-producer of products and services.

(d) Customer: A Warehouse of Information

In the internet age, the customer has access to huge bank of information from various national and global resources. The challenge for the marketer will be how to use this information for developing the marketing mix. In business-to-business marketing, the challenge will be one of integrating organisational operations to the customer's environment, .e.g. an engineering company will have to tailor its design, engineering and operations to suit the changing requirements of the customer. Hence the era of standardisation is today replaced by mass customisation.

(e) The death of Business and consumer marketing

The differentiation between business and consumer marketing, urban and rural marketing, and domestic and global marketing will get more blurred. This will also be the case with product and services marketing. The physical differentiation between the product and service will cease to exist mainly because of the standardization in manufacturing technologies. Hence, organisations will have to learn from the marketing practices of winning organisations, irrespective of the nature of their products and markets.

(f) The role of Distribution Channels

The conventional dealer and distributor will no longer be viable. The intermediary's role will no more be that of physical delivery, sharing risks and investment in stock movements. Rather, it will be service and customisation of the offer that will make an intermediary succeed.

(g) The poor as a market segment

Globalisation has widened the gap between the rich and the poor. Today poor nations are making an all-out effort to bridge the gap. Not only so, poor people all over the

world are now a large segment. No marketer can afford to ignore it. So, whether it is customization of products/ services, or price reduction or enhancing accessibility, firms will have to come out with creative solutions for this segment. We have to keep in mind that the focus here is on the poor customers who may be located in urban or rural areas. Incidentally, this segment offers a much more attractive opportunity than just the rich.

(h) Environment Protection

The biggest challenge for the new millennium marketer is protection of the environment. So whether it is in product development, use or disposal, the marketer will have to make a conscious effort to protect and maintain the environment. This has led to the development of eco-friendly hotels, watches, food products and packaging material, etc.,

(i) Diversity and Convergence Coexist

Markets are diverse. This diversity is not just based on the demographic & geographical location of the consumers, but also on their response to changes especially to technological changes. While diverse markets are a reality, convergence of needs is also a fact. Given the spread of internet and satellite television, it is not uncommon to see consumers all over the world demanding same products and services.

Thus, the new millennium demands a paradigm shift from marketers to customers who are treated as a resource that has an access to global sources of information and purchase. In this environment, customer's total experience with the brand and the organisation will be the differentiator between winners and losers. This total experience is more than just product related. It is based on the organisations culture and systems and hence reflects organisational quality.

3.13 BUYER – AN ENIGMA

Although it is important for the firm to understand the buyer and accordingly evolve its marketing strategy, the buyer or consumer continues to be an enigma - sometimes responding the way the marketer wants and on other occasions just refusing to buy the product from the same marketer. For this reason, the buyers' mind has been termed as a black box. The marketer provides stimuli but he is uncertain of the buyer's response. The stimulus is a combination of product, brand name, colour, style, packaging, intangible services, merchandising, shelf display, advertising, distribution, publicity and so forth.

Nothing better illustrates this enigmatic buyer than the failure of a herbal anti-cold balm launched by Warner Hindustan some time back. Though the balm market has grown significantly and Vicks Vaporub had been dominating the anti-cold rub segment for more than two decades now, Warner failed. Was it the brand name? Did the customer see no significant difference between Vicks and Warner? This has remained an enigma.

Further, today's customer is being greatly influenced by the media especially electronic. Technological developments in the field of information, biotechnology and genetics, and intensive competitions in all products and services are also impacting consumer choices. Consider, for example, the case of consumers who shop on the Internet for books from US-based Amazon.com, music from Sony, banking from HDFC Bank India, airline services from Jet Airways, or order roses from India to be delivered to loved onesin the US on Valentine's day through 1-800 flowers. com. Clearly the Internet has today impacted the customer learning and shopping behaviour. Multiple television channelsare also shaping the customer's values. The customer is aware, more than ever before,of the rights and choices available to him/her.

Today, the Indian customer is at a crossroad-should he/she enjoy the pleasure (arising out of such an act) of buying a consumer durable, service, a holiday or an automobile or defer the experience? Today the customer is demanding more value for the price that he/she pays. Social structures like family, role models, and peer groups are under pressure largely because of the change created by media, technology and competition. As shown in figure, these change drivers are today impacting the customer's awareness, values, social structures and even individual customer personality.

3.14 INTERNET USER PROFILE

Indian consumers also have the opportunity to seek out goods and services beyond their local, regional, and national boundaries. This universal access has had a positive impact on the quality of life of some population segments. Typically, an Indian Internet user is young, educated, generally a professional, urban (mostly metro resident), who accesses the Internet either at office/cyber cafés/educational institution. Males use the Internet more than females.

Irrespective of gender, the Internet user generally uses the Net for accessing information. Information products like newspapers and magazines from different countries including India are already on the web. Although most of them are free at the moment, information sellers like the Mumbai-based Centre for Monitoring Indian Economy (CMIE) are running websites which surfers can access for data on the Indian economy. Indian advertising agencies having Websites that open up their detailed information bases and full range of services to paid subscribers are pointing to the future.

E-buying is relatively much less. The International Finance Centre (IFC) reported that Indians bought 93 million (about $2.2m) worth of goods and services over the Netin 1999. This was one sixth of the value of purchases made over the Net by Chinese Internet Users ($13m) in 1999.

3.15 HOW THE INTERNET IS INFLUENCING CONSUMER BEHAVIOUR

The Net has virtually become a household name in India. This can be attributed to the growth of the private ISP market in the country, offering the cyber voyage at more and more competitive prices. Internet in India is now one of the most vital mediums for information, entertainment and communication and the sole means for electronic commerce.

A closer look at the Internet user profile shows that 41 per cent are large business firms who use the Net for their operations. Corporate India has realised the significance of e-commerce and the Net and has made it a part of its strategic planning exercise.Time and cost savings because of the disintermediation process further motivated large firms to embrace the Internet. SME (Small and Medium firms) accounted for 19 per centof the user base, while the household segment accounted for 18 per cent. Education/ research institutions and the government accounted for 10 per cent and 12 percent respectively.

As we had mentioned earlier, access to, rather than ownership of, the communication tool is important. It is not surprising to note that Internet usage is not just restricted to a single individual in a household or business. More than one family member in the Indian house-hold has used the Net for different needs. Research shows that the top Internet user is an adult son/daughter or male head of the family, thus adding up to 42 per cent of Net users in the age group of 15-24 years, 31 per cent in the 25-34 years age group, and the rest above 35 years, with a clear bias in favour of the male bread winner. Cyber cafés are most popular among the younger age groups of 16-20 years. 98 per cent of the times the Net is used for email; 93 per cent users use it for Web browsing, 59 per cent also engage in online chat and 55 per cent use it for information and data transfer. Only a per cent of net users engage in e-commerce.

A direct implication of the above changes in consumer lifestyles has been that customer expectations from suppliers have gone up significantly. Today the customer's decision-making parameters are significantly different from those in earlier decades. Though an average Indian customer continues to be price sensitive, he is increasingly moving away from just low-priced product to quality products and services at the lowest prices. In other words, the Internet has created awareness among the Indian consumers about global quality and performance parameters that they can get an affordable price. The fact that an average consumer can buy a newly published book within a week directly from Amazon.com, or a holiday from the best-known tour operator on his (customer's) term through the Net has put pressure on the Indian industry. Industry had to take another look at its costs, distribution models, and even input-output ratios.

Competition further aggravated the scenario for most Indian companies, especially the older generation firms. One of the sectors where this change was visible was the banking sector where new generation banks like HDFC and ICICI snatched the lead

from nationalised banks, including the State Bank of India. HDFC Bank's leadership today is principally because it redefined banking paradigms for Indian consumers. It was the first to offer Net banking and several other services on the Net. This made banking convenient for the customer. The customer did not have to visit the bank but could do his/her transactions on the Net. Likewise there were developments o the industrial products and commodities front.

Disintermediation is now emerging fast in the Indian market. Time and location seem to no longer define customer choices, especially in metros and major urban centres. This is increasingly true for the younger customer group, which, as we saw earlier, is the major Internet user. Also, the younger generation of consumers is less brands loyal, they are shopping for value and it is in this context that the Internet has come as a big boon. There is another interesting paradigm that is shaping the Indian market. Increasingly, information and ownership of products and services is no more concentrated at the top end of the Indian market.

The Internet has made it possible for all market segments to have access to the same information and provide equal opportunity to all to buy products and services. Facilities like online chats have increasingly created customer communities which have, in a way, become pressure groups. A company can no more hide poor performance or complaints in one market from its customers in another. It is in this context that the Internet is a great leveller and facilitator that build relationships between buyers and sellers.

3.16. SUMMARY

This unit deals with the psychological influences on consumer decision making. Such psychological influences include the forces that impact consumer decision making; these are (i) Consumer's Needs & Motivation, Emotions and Mood, Consumer Involvement; (ii) Consumer Learning; (iii) Personality, Self-concept and Self-image; (iv) Consumer Perception, Risk and Imagery; (v) Consumer Attitude; and (vi) Consumer Communication.

3.17 SHORT ANSWER QUESTIONS

3. Who is a buyer?
4. What is subculture?
5. What do you mean by gate keeper?
6. Define online buyer behaviour.
7. What is reference group?
8. What do you mean by industrial markets?
9. What is advertising?
10. State some characteristics of industrial markets.

3.18 LONG ANSWERS

3. Write short note on Traditional family life cycle.

4. List down the roles of parents in consumer behaviour.

5. Write down the factors that affect the influence of reference group.

6. Write down the applications of reference- group.

7. Explain types of reference group appeals.

8. Discuss the factors influencing individual consumer behaviour.

9. Short notes on industrial buyer behaviour and online buyer behaviour.

3.19 MULTIPLE CHOICE QUESTIONS

4. _____ has become increasingly important for developing a marketing strategy in recentyears.

    (a) Change in consumers' attitudes   (b) Inflation of the dollar

    (c) The concept and thebrand

    (d) Age groups, such as the teen market, baby boomers, and the mature market.

    [Ans: d]

5. Two of the most important psychological factors that impact consumer decision-making process are product_____and product involvement.

    (a) Marketing   (b) Strategy

    (c) Price   (d) Knowledge   **[Ans: d]**

6. Which of the following is the most valuable piece of information for determining the social class of your best friend's parents?

    (a) The number of years schooling that they had

    (b) Their ethnic backgrounds

    (c) Their combined annual income

    (d) Their occupations   **[Ans: d]**

7. Changes in consumer values have been recognized by many business firms that have expanded their emphasison_____products.

    (a) Latest technology   (b) Timesaving, convenience-oriented

    (c) Health related   (d) Communication   **[Ans: b]**

8. Many sub cultural barriers are decreasing because of mass communication, mass transit, and

    (a) The rising unemployment situation

    (b) An influence of political power

(c) The use of new technology

(d) A decline in the influence of religious values   **[Ans: c]**

9. Different social classes tend to have different attitudinal configurations and that
    influence the behaviour of individual members.

    (a) Personalities   (b) Values

    (c) Finances   (d) Decision makers   **[Ans: c]**

10. _____ is the single factor that best indicates social class.

    (a) Time   (b) Money

    (c) Occupation   (d) Fashion   **[Ans: c]**

11. In terms of consumption decisions, middle class consumers prefer to   .

    (a) Buy at a market that sells at a wholesale rates.

    (b) Buy what is popular

    (c) Buy only the brands which sell at affordable prices

    (d) Analyse the market and select the best at the lowest prices   **[Ans: b]**

12. _____ refers to the buying behaviour of final consumers.

    (a) Consumer buyer behaviour   (b) Target market buying

    (c) Market segment buying   (d) Business buying behaviour   **[Ans: a]**

13. _____ is individuals and households who buy goods and services for personal
    consumption.

    (a) The target market   (b) A market segment

    (c) The consumer market   (d) The ethno graphic market   **[Ans: c]**

3.20 CASE STUDY

MARUTI - VALUING THE INDIAN USED CAR MARKET

Abstract: The caselet examines the entry of Maruti Udyog Limited (MUL), the leading Indian car manufacturer, into the used car market. Between the late 1990s and early 2000s, MUL found its profit margins going down. This made it imperative for it to look for other revenue generating avenues, and this included the entry into the user car market in India. The caselet also examines how Maruti used its customer relations practices to build customer loyalty and word-of-mouth awareness.

Issues:

- Evolution of the used car-market in India
- Role of word-of-mouth in developing new business for a company
- The role of changing demographics in developing new markets jet Blue Airways (jet Blue), a New York-based low-cost airline flying to 32 cities in the US in 2005, started operating in 2000.

Maruti Udyog Limited (MUL), the largest automobile company in India in 2005, came into existence through an Act of Parliament in 1981. In 1982, MUL entered into a joint venture with Suzuki Motor Company of Japan to manufacture cars in India.

With the entry of MUL, the car market in India started growing...

Questions for Discussion:

1. It was after the entry of companies like MUL, Ford, Mahindra, etc., that the organized used car market in India attained critical mass. To what extent has the entry of these players changed the consumer behaviour towards the used car market?

2. "In 2001, MUL, the market leader in the car industry in India, entered the used-car market in India by launching its True Value operations." How will the entry of Maruti into the used car market help the company maintain its leadership position in the Indian car market?

KEY WORDS

 Heterogeneity: uniformity

 Influencer: one who sways the opinion in favour or against a product

 Initiator: one who starts the process of buying

 Marketing Mix: combination of the four factors - product, price, promotion and place (channels of distribution)

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Consumer Perception

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Table of Contents

Chapter Objectives _____

The students will understand consumer perception and elements from this unit.

Learning Outcomes

The contents of this unit have been developed to achieve the following outcomes:

- ▯   To understand the meaning and definition of consumer perception.

- ▯   To study the elements of consumer perception.

- ▯   To learn about the perceptual organisation, blocking and defence.

4.1 INTRODUCTION-MEANING AND DEFINITION OF CONSUMER PERCEPTION

The term "perception" can be defined as the ability to derive meaning. Derived from the word "perceive", it refers to the ability of giving meaning to whatever is sensed by our sense organs. It is the process through which an individual interprets one's sensory impressions to give meaning to them. Schiffman defines it as "the process by which an individual selects, organises, and interprets stimuli into a meaningful and coherent picture of the world."

Perception Vs Sensation

There is a difference between perception and sensation.

Sensation is the ability of our five sense organs to sense a stimulus. It is an auto reflex mechanism (direct and immediate) of our sense organs, i.e. eyes, ears, nose, tongue, and skin towards a stimulus in the environment. This stimulus could be anything, a person, object, situation or thing. In terms of marketing, it could be a product, a brand name, an advertisement or even a store. Thus, sensation is the reaction or response of a sense organ or a sensory receptor towards a stimulus.

Perception is much broader in scope. It is a complex process by which a person organises facts around the stimuli and gives meaning to it. The perceptual process depicts a complex and dynamic interplay of three processes, viz., selection, organisation and interpretation.

The person selects the stimuli and organises and interprets the input received from the sense organs, so as to give a meaning to the stimuli. Thus, for example, as a person is caught by a new packaging of a familiar brand, he picks up other stimuli on the package through his senses, as well as organises other facts from internal (memory) and external sources (dealer, packaging) etc., so as to conclude that the package is new but the brand is old and familiar. This is perception. While the sense organs report a change in the form of flashy colours on the packaging, the human mind works cognitively and organises other information around it to give a meaning and arrive at a conclusion. This is referred to as perception. Thus, while sensation is physiological, perception is broader and includes not only the physiological component but also the sociological and psychological component.

While perception starts with sensation, it ends up when meaning is given to the stimuli, through cognitive processes. While sensation picks up bits and pieces as stimuli, the cognitive processes involved in perception can add to/delete/modify the diverse sensations and information. Also, while each one of us would be similar in sensing a stimulus, the way we interpret it would be different. In other words, sensation is similar but perception is not. This is because as far as our sense organs are concerned, we are similar, but when it comes to the human mind and the cognitive processes, we are all different. We have varying cognitive capacities and capabilities; our backgrounds are diverse and psychological processes (needs, motivation, learning, attitudes, values, etc) and sociological factors (culture, sub-culture, social class, etc) are different. So while sensation is an objective process, perception is highly subjective.

Nature of perception

Perception can be better explained by understanding the nature and characteristics of perception:

1. Perception is a complex process. After a stimulus is detected by the sense organs, the perception process comes into play and involves the interplay of three processes, viz., selection, organisation and interpretation. It is a dynamic process.

2. It is also an intellectual process; it involves a lot of cognitive effort. Once sensation takes place, the perception process involves the selection, organisation and interpretation of data.

3. Perception is broad in nature; it includes a physiological component (through sensation), as well as sociological and psychological components.

4. Perception is a subjective process as two people may perceive the same stimuli differently. While two persons may be exposed to the same stimuli, the manner in which they select them, organise and interpret them is different. This is because the two are impacted by their background, learning and experiences, motivation, personality, cultures, values and lifestyles, social class effects, etc. which may be different from each other.

Perceptual process/ mechanisms

The perceptual process starts when a person is exposed to a stimulus and the sensory receptors report the same to the human body. While the senses may be exposed to various stimuli, the human senses select only some of these at a point of time. This is because the sense organs have a limited capacity at a particular point of time. After the sense organs report a few stimuli, the perceptual process takes over. Of the stimuli that have been detected, few are selected, organized and interpreted for meaning. This is known as perception.

Although we may differ in perceptual processes, universally speaking, the perceptual process comprises four components, viz., input, perceptual mechanism, output and behaviour. Let us have a discussion on these.

i. Input: The input to the perceptual process refers to the various stimuli that surround an individual and exist in his environment. It could assume various forms, for example, it could be another person, object, thing, or situation. The perceptual process begins when the sensory receptors detect a stimulus in the environment, which acts as an input to the perceptual mechanism.

ii. Perceptual mechanism: The perceptual mechanism consists of three sub-processes, viz., selection, organization and interpretation. Once the sense organs detect a stimulus in the environment, a person selects, organizes and interprets it through perceptual selectivity, perceptual organization and perceptual interpretation. Put together, these are known as perceptual mechanisms.

1. Perceptual selection or perceptual selectivity refers to a tendency within a person to select one or a few out of the many stimuli present in the environment; this

selectivity is based on one's demographic, socio-cultural and psychographic factors. A person would tend to select those stimuli that appear relevant and attractive to him.

2. **Perceptual organization** refers to the process of organizing the various stimuli with other cues around so that a whole picture can be created. In other words, the various stimuli are organized and given a form. It is the process of organizing inputs into a definite, coherent and interpretable structure.

3. **Perceptual interpretation** refers to the process of drawing in inferences out of the organized whole (of stimuli), and giving meaning to it.

iii. Output: Once the input has been interpreted, it results in an output. This output towards the stimuli assumes various forms, for example, in the formation of emotions and moods, feelings and opinions, as well as attitudes and beliefs.

iv. Behaviour: The resultant behaviour is an outcome of the output. Based on his emotions and moods, feelings and opinions, as well as attitudes and beliefs, a person would enact out behaviour. This behaviour is a function of and will be reflective of such emotions and moods, feelings and opinions, as well as attitudes and belief.

Consumer Perception and Implications for Marketers:

Individuals act and react on the basis of their perceptions, not on the basis of objective reality. In reality, perception is a totally personal phenomenon, based on that person's needs, wants, values and personal experiences. But for the marketer, consumer perception is more than the knowledge.

Self Assessment

Short Answer Questions

1. Define perception.

2. What are the components of perpetual process?

Long Answer Questions

1. Explain in detail about perceptual sensation.

2. What is perceptual mechanism? Describe the sub-processes involved in perpetual mechanism.

Multiple Choice Questions

1. _____ is the process by which people select, organise, and interpret information to form a meaningful picture of the world.

   (a) Readiness　　　　　　　　　　　　(b) Selectivity

   (c) Perception　　　　　　　　　　　　(d) Motivation　　　　　　　**[Ans: c]**

2. The sensory receptors detect a stimulus in the environment that acts as _____ to the perceptual mechanism.

(a) Interpretation (b) Behaviour

(c) Input (d) Output **[Ans: c]**

4.2 ELEMENTS OF PERCEPTION SENSATION

Sensation is the immediate and direct response of the sensory organs to stimuli. A stimulus may be any unit of input to any of these senses. Examples of stimuli include products, packages, brand names, advertisements and commercials. Sensory receptorsare the human organs that receive sensory inputs. Their sensory functions are to see,hear, smell, taste and feel. All of these functions are called into play, either singly or in combinations, in the evaluation and use of most consumer products.

4.3 THE ABSOLUTE THRESHOLD

The lowest level at which an individual can experience a sensation is called the absolute threshold. The point at which a person can detect a difference between "something" and "nothing" is that person's absolute threshold for that stimulus.

4.4 THE DIFFERENTIAL THRESHOLD

The minimal difference that can be detected between two similar stimuli is called the differential threshold or the just noticeable difference.

4.5 SUBLIMINAL PERCEPTION

People are motivated below their level of conscious awareness. People are also stimulated below their level of conscious awareness; that is, they can perceive stimuli without being consciously aware that they are doing so. Stimuli that are too weak or too brief to be consciously seen or heard may nevertheless be strong enough to be perceived by one or more receptor cells. This process is called subliminal perception because the stimulus is beneath the threshold, or "limen" of conscious awareness, though obviously not beneath the absolute threshold of the receptors involved.

4.6 DYNAMICS OF PERCEPTION

Human beings are constantly bombarded with stimuli during every minute andevery hour of every day. The sensory world is made up of an almost infinite number of discrete sensations that are constantly and subtly changing. According to the principles of sensation, intensive stimulation "bounces off" most individuals, who subconsciously block a heavy bombardment of stimuli.

One type of input is physical stimuli from the outside environment; the other type of input is provided by individuals themselves in the form of certain predispositions basedon previousexperience. The combination of these two very different kinds of inputs produces for each of us a very private, very personal picture of the world. Because each person is a unique individual, with unique experiences, needs, wants and desires, and expectations, it follows that each individual's perceptions are also unique.

4.7 PERCEPTION SELECTION

Consumers subconsciously exercise a great deal of selectivity as to which aspects of the environment they perceive. An individual may look at some things, ignore others, and turn away from still others. Actually, people receive only a small fraction of the stimuli to which they were exposed.

Which stimuli get selected depends on two major factors in addition to the nature of the stimulus itself. (1) Consumers' previous experience as it affects their expectations. And (2) their motives at the time. Each of these factors can serve to increase or decrease the probability that a stimulus will be perceived.

4.8 NATURE OF THE STIMULUS

Marketing stimuli include an enormous number of variables that affect the consumer's perception, such as nature of the product, its physical attributes, the package design, the brand name, the advertisements and commercials including copy claims, choice and sex of model, size of ad, topography, the position of print ad or a commercial, and the editorial environment.

4.9 EXPECTATIONS

People usually see what they expect to see, and what they expect to see is usually based on familiarity, previous experience or preconditioned set. In a marketing context, people tend to perceive products and product attributes according to their own expectations.

4.10 MOTIVES

People tend to perceive the things they need or want; the stronger the need the greater the tendency to ignore unrelated stimuli in the environment. In general, thereis heightened awareness of stimuli that are relevant to ones needs and interests and a decreased awareness of stimuli that are irrelevant to those needs.

4.11 SELECTIVE PERCEPTION

The consumers' "selection" of stimuli from the environment is based on the interactions of expectations and motives with the stimulus itself. These factors give rise to four important concepts concerning perception.

4.12 SELECTIVE EXPOSURE

Consumers actively seek out messages that they find pleasant or with which they are sympathetic. And they actively avoid painful or threatening ones. They also selectively expose themselves to advertisements that reassure them of the wisdom of their purchase decisions.

4.13 SELECTIVE ATTENTION

Consumers exercise a great deal of selectivity in terms of the attention they give to commercial stimuli. They have a heightened awareness of stimuli that meet their needs or interests and minimal awareness of stimuli irrelevant to their needs. Thus, consumers are likely to note ads for products that would satisfy their needs and disregard those in which they have no interest.

4.14 PERCEPTUAL DEFENCE

Consumers subconsciously screen out stimuli that they find psychologically threatening, even though exposure has already taken place. Thus, threatening or otherwise damaging stimuli are less likely to be consciously perceived than are neutral stimuli at the same level of exposure.

4.15 PERCEPTUAL BLOCKING

Consumers protect themselves from being bombarded with stimuli by simply "tuning out" – blocking such stimuli from conscious awareness. They do so out of self-protection because of the visually overwhelming nature of the world in which we live. The popularity of such devices as TiVo and Replay TV, which enable viewers to skip over TV commercials with great ease, is, in part, a result of perceptualblocking.

4.16 PERCEPTUAL ORGANIZATION

People do not experience a numerous stimuli they select from the environment as separate and discrete sensations rather they tend to organize them into groups and perceive them as unified wholes.

4.17 FIGURE AND GROUNDS

People have tendency to organize their perceptions into figure and ground relationship. How a figure- ground pattern is perceived can be influenced by prior pleasant or painful associations with one or the other element in isolation.

4.18 GROUPING

Individuals tend to group stimuli so that they form a unified picture or impression. The perception of stimuli as groups or chunks of information, rather than as discrete bits of information, facilitates their memory and recall. Grouping can be used advantageously by marketers to simply obtain certain desired meanings in connection with their products.

4.19 CLOSURE

Individuals have a need for closure. They express this need by organizing their perceptions so that they form a complete picture. If the pattern of stimuli to which they are exposed is incomplete, they tend to perceive it, nevertheless, as complete; that is, they consciously or subconsciously fill in the missing pieces.

4.20 PERCEPTUAL INTERPRETATION

Stimuli are often highly ambiguous. Some stimuli are weak because of such factors as poor visibility, brief exposure, high noise level or constant fluctuations. Even the stimuli that are strong tend to fluctuate drasticallybecause of such factors as different angles of viewing, varying distances, and changing levels of illumination.

4.21 PERCEPTUAL DISTORTION

Individuals are subject to a number of influences that tend to distort their perceptions, such as physical appearances, stereotypes, first impressions, jumping to conclusions and the halo effect.

4.22 CONSUMER IMAGERY

Consumers have a number of enduring perceptions, or images, that are particularly relevant to the study of consumer behaviour. Products and brands have symbolic value for individuals, who evaluate them on the basis of their consistency with their personal pictures of themselves.

4.23 PRODUCT POSITIONING

The essence of successful marketing is the image that a product has in the mind of the consumer- that is positioning. Positioning is more important to the ultimate successof a product than are its actual characteristics, although products are poorly made will not succeed in the long run on the basis of imagealone.

4.24 PRODUCT REPOSITIONING

Regardless of how well positioned a product appears to be, the marketers may beforced to reposition it in response to market events, such as competitor cutting into the brands market share or too many competitors stressing the same attribute.

4.25 PERCEPTUAL MAPPING

It helps them to know how their product and service appear to the customer when compared to the competitors' product and services.

4.26 POSITIONING OF SERVICES

Compared with manufacturing firms, service marketers face several unique problems in positioning and promoting their offering. Because services are intangible, image becomes a key factor in differentiating a service from its competition. The marketingobjective is to make the customer understand how the service factor is related to the product.

4.27 PERCEIVED PRICE

It is important to know how the consumer perceives the price, as high, low or as fair. The consumer must be made to perceive the price which he is paying is fair. No one will be happy to know that they have paid twice the price.

4.28 REFERENCE PRICE

A reference can be external or internal; it can be any price that a consumer uses as a basis for comparison in judging another price.

4.29 PERCEIVED QUALITY

The consumer usually judges the quality of a product or service with the other attributes relating with it. Such related factors become important to understand in order to satisfy the customer.

4.30 PERCEIVED QUALITY OF THE PRODUCT

Cues that relate to the physical characteristics of the product like colour, flavour, or aroma, size etc.

4.31 PERCEIVED QUALITY OF THE SERVICE

The service is more difficult for the consumer to evaluate; it is intangible, variable and perishable. They are produced and consumed at the same time.

4.32 PRICE QUALITY RELATIONSHIP

The studies have found out that consumers rely on price as an indicator of product quality, that consumers attribute different quintiles to identical products that carry

different price tag, and that such consumer characteristics as age and income affect the perception of values.

4.33 RETAIL STORE IMAGE

Retail store have image of their own. The customer perceives the retail store according to their image and environment. The study proves that the customer determines by the availability of the products available in the stores, advertising, time availability and easy shopping.

4.34 MANUFACTURER'S IMAGE

The customer's imagery extends beyond the perceived price and store image. The manufacturer who enjoys the favourable image generally finds new customer in his store where new products are accepted more readily than those manufacturers who have a less favourable or neutral image.

4.35 PERCEIVED RISK

The perceived risk varies depending on the person, the product, the situation and the culture. Some of the customers may perceive high degree of risk depending on the consumption situation.

4.36 TYPES OF PERCEIVED RISK:

Functional Risk: Is the risk that product will not perform as expected.

Physical Risk: Is the risk to self and others that the product may pose.

Financial Risk: Is the risk that the product will not be worth its cost.

Social Risk: Is the risk that a product choice will bruise the consumer's ego

Time Risk: Is the risk that the time spent on in the product such may be wasted if the product does not perform as expected.

4.37 HOW CONSUMERS HANDLE RISK

Consumers develop a self-defensive weapon in order to satisfy the unsatisfied needs.

Consumers seek information: Consumers seek information through his friendfamily and other people. They spend more time thinking and getting information aboutthe product when they associate a high degree of risk with the purchase.

Consumers are brand loyal: Consumers remain brand loyal in order to avoid therisk.

82

Consumers select by brand image: When consumers have no experience with the product they trust the brand name. The consumers often think about the well-known brand, that is worth buying and go for the product.

Consumers rely on store image: If the consumers do not have any information about the product they trust the merchandise buyers of reputable stores and depend on them.

Consumers buy the most expensive model: When in doubt the consumers feel that the most expensive model is probably the best in terms of quality and price.

Consumers seeking reassurance: Consumers who are uncertain about the product choice seek for reassurance through money back guarantees and warranties or trial use etc.

4.38 SUMMARY

This unit deals with the perceptual process and how humans behave and perceive while buying things and how they react when exposed to a stimulus and the sensory receptors report the same to the human body. While the senses may be exposed to various stimuli, the human senses select only some of these at a point of time. This is because the sense organs have a limited capacity at a particular point of time. After the sense organs report a few stimuli, the perceptual process takes over. Of the stimuli that have been detected, few are selected, organized and interpreted for meaning. This is known as perception.

4.39 SHORT ANSWERS

1. Write the elements of perception

2. What is motive?

3. What is selective perception?

4. What do you mean by perceived risk?

4.40 LONG ANSWERS

1. Explain in detail about the perceptual sensation

2. Discuss about the perceived quality of the product and service

3. Write about the types of perceived risk.

4. Define perceptual mapping and positioning of services.

4.41 MULTIPLE CHOICE QUESTIONS

1. _____ is the process by which people select, organize, and interpret information to form a meaningful picture of theworld.

   (a) Readiness   (b) Selectivity

   (c) Perception   (d) Motivation   **[Ans: c]**

2. People can form different perceptions of the same stimulus because of three perceptual processes. These processes are best described asbeing:

   (a) Selective attention, selective distortion, and selective retention.

   (b) Subliminal perception, selective remembrance, selective forgetting.

   (c) Closure, modelling, and perceptual screening.

   (d) Needs distortion, wants analysis, and perceptual screening.   **[Ans: a]**

3. Describes changes in an individual's behaviour arising from_____experience.

   (a) Modeling   (b) Motivation

   (c) Perception   (d) Learning   **[Ans: d]**

4. A_____is a strong internal stimulus that calls for action.

   (a) Drive.   (b) cue

   (c) response   (d) perception   **[Ans: a]**

5. If a consumer describes a car as being the "most economical car on the market," then this descriptor is an_____.

   (a) Rule   (b) Attitude.

   (c) Belief.   (d) Cue.   **[Ans: c]**

6. If a consumer tells friends "I like my car more than any other car on the road," then the consumer has expressed an_____.

   (a) Rule   (b) Attitude.

   (c) Belief.   (d) Cue.   **[Ans: b]**

7. Puts people into a frame of mind of liking or disliking things,of_____moving toward or away from them.

   (a) A rule   (b) An attitude

   (c) A belief   (d) Acue   **[Ans: b]**

4.42 CASE STUDY

PEPSODENT - CHARTING GROWTH IN INDIAN ORAL CARE MARKET THROUGH SEGMENTATION

Abstract: Hindustan Lever Limited (HLL), the Indian arm of Unilever, the multinational FMCG major, tried to increase its market share in the Indian oral care market through the launch of its toothpaste brand Pepsodent. The case study speaks about the methods the company adopted to position Pepsodent as a toothpaste aimed at providing oral health benefit. The case study examines the campaigns undertaken by the company to promote the brand among its target market.

Issues:

- The role of product differentiation in making a consumer try out a new product
- How competitive advantages get eroded quickly in a marketplace
- The need to align oral care awareness programs with promotional campaigns for developing the market for oral care

Introduction: Colgate-Palmolive (India) Pvt. Ltd. (CPPL) was the company which introduced toothpaste in India with the launch of Colgate Dental Cream (CDC) in 1937.

Till the 1980s, the company faced very little in the way of competition and enjoyed the position of market leader. The early 1980s saw the launch of Promise by the Balsara Group...

Questions for Discussion:

1. Close-Up was one of the earlier toothpastes to be launched in India. It also had a clear positioning - offering the freshness benefit to the consumer. Yet the market share of the brand came down. What are the possible reasons for the decline in the share of Close-Up over the years?

2. What were the advantages that HLL derived by having two brands targeting two different sections of consumers?

KEY WORDS

⬜ Absolute Threshold: lowest level at which an individual can experience a sensation

⬜ Perception: a complex process by which a person organises facts around the stimuli and gives meaning to it

- Perceptual Distortion: lack of correspondence between the way a stimulus is commonly perceived and the way an individual perceives it under given conditions.
- Sensation: immediate and direct response of the sensory organs to stimuli

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PERSONALITY AND BASES FOR CONSUMER SEGMENTATION 5

Table of Contents

Chapter Objectives _____

The students will understand and learn about the personality and bases of consumer segmentation.

The contents of this unit have been developed to achieve the following outcomes:

- To understand the definition and nature of personality

- To study the theories of personality

- To learn about the bases of market segmentation

5.1 INTRODUCTION TO PERSONALITY

Each individual has inherent personality characteristics that influence his buying behaviour. According to Kotler, "Personality" is a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environment stimuli. It is often referred to as such traits like : self- confidence, dominance, autonomy, deference, sociability, defensiveness, and adaptability.

According to Schiffman and Kanuk, "Personality" is defined as those inner psychological characters that both determine and reflect how a person responds to his environment. The single most important element in personality is inner characteristics of an individual. These are the specific qualities, attributes, traits, factors, and mannerisms that distinguish one individual from another.

5.2 THE NATURE OF PERSONALITY

The following are the three important and distinct properties of Personality:

5.2.1 Personality Reflects Individual Differences

Because the inner inherent characteristics which constitute an individual's personality are a complex combination of factors, no two individuals are identical or exactly alike. But fortunately, any individuals may be similar on the basis of a single personality trait, but not others. Like for example, out-going type, quiet type, shy type, family-oriented type, etc. So it has become easier for the marketers to group or categorise consumers into different groups on the basis of one or several traits.

5.2.2 Personality Is Consistent and Enduring

The personality of an individual is both consistent (that is, it doesn't change in the short run)and enduring (that is, it doesn't change in the long run). Both of these qualities are thus useful for marketers to predict the behaviour of the consumers in terms of personality. It's very difficult to change an individual's personality characteristics.The marketers can't change them. But if the marketers know which personality characteristics influence which specific consumer responses, then they can attempt to

appeal to those relevant traits in their target consumer group. Even if the personality of an individual is fairly consistent, still then the buying and consumption pattern often varies with several external factors like time, environment, social, psychological, cultural, situational, change in fashion, availability of goods and services. We have to consider the whole combination of influencing factors of which personality is just one attribute to the change in a buyer's behaviour.

5.2.3 Personality Can Change

Under certain circumstances the personality of an individual can change. It may be gradual and slow like a child grows into a changed personality. It can be also sudden on account of any major events in life, like birth of a child, death of a dear one, divorce, major career promotion, accident, loss of job, migration, natural calamity, etc. There are also instances where the personality stereo-types may change over a period of time. For example, over the last 50 years, men's personality has generally remained relatively unchanged, as compared to women's, which has undergone significant change. This is because of women moving into professions which were traditionally held by men earlier.

In simple words, personality is the sum total of an individual's enduring internal psychological traits that make him or her unique. Self-confidence, dominance, autonomy, sociability, defensiveness, adaptability, and emotional stability are selected personality traits. The sum total of an individual defines his personality. Just as an individual has a personality, similarly products also have a personality of their own.

5.2.4 Personality traits and Personality types

We need to differentiate between a "personality trait" and a "personality type". As mentioned in the above section, as individuals, each one of us is unique with a wide array of qualities, attributes, traits and characteristics. However, each one of us shares with each other a quality or a few traits (s). When we share a trait(s) with another (others), we are said to be similar on that trait and thus we, together with the other person (s), are said to fall in a personality type.

In other words, a personality trait is a person's inclination to behave in a particular way while interacting with the external environment to achieve goals; this would be specific to an area of a person's life. Many personality traits put together, comprise the personal make-up of a person and culminate into his personality. On the other hand, a group of people who share personality traits are said to fall into a personality class; they are expected to react to the environment in a similar manner as they are similar to each other on the basis of certain trait (s).

For example, stubbornness may be a trait; dogmatism would become a personality type.

5.3 .THEORIES OF PERSONALITY

The study of personality has been a matter of discussion; contributions are varied and debatable. Major contribution to the topic of study was made by the father of psychology, Sigmund Freud. Other contributions came from psychologists like Carl Jung, the Neo-Freudians (like Adler, Sullivan and Homey) and the Trait theorists. Theories on personality can be categorised as i) individual theories; ii) social learning theories. However, we would elaborate upon these without any such classification, as it is rightly believed that it is the combination of both individual characteristics/traits (genetics) as well as social learning (social environment) that impacts personality. This lesson deals with The Freudian theory, the Jungian theory and the Neo-Freudian Theory. The Trait theory is explained in the next lesson.

5.3.1 Freudian theory

Sigmund Freud, the father of psychology, became famous with its psychoanalytic theory of personality. In fact the theory is regarded as the cornerstone of modern psychology. Sigmund based his theory on certain assumptions:

- Unconscious needs or drives lie at the heart of human motivation and personality.
- The socialisation process that takes place within people in a social set up has a huge impact on individual behaviour.

Freud explained much of how the psyche or the mind operates, and proposed that the human psyche is composed of parts within our awareness and beyond our awareness. He said that all behaviour within an individual cannot be explained, much lies in the sub-conscious. Freud viewed personality as "an iceberg"; just as majority of the iceberg remains within water and only the tip of the iceberg is above water, similarly, much of our personality exists below our level of awareness, as the unconscious and just as a part of it lies above, as the conscious. Even though an individual is not aware of the contents and processes of the unconscious, much of our behaviour is attributed to it.

Based on the level of awareness, the human mind comprises three parts, viz., conscious, preconscious and the unconscious or the sub-conscious; The conscious mind is what one is aware of at any particular moment of time and reflects one's present thoughts, feelings, perceptions, fantasies, etc; it restricts itself to the current thinking processes and comprises a very large part of our current awareness. The preconscious mind or the "available memory," is what can be retrieved and made conscious, and brought to mind instantly or quickly; it is what we are aware of but not paying attention to at a point of time; it is something that can be brought into the conscious mind. The larger part of the human mind consists of the unconscious, which is all that stays at the subconscious level, and comprises the unaware, better known as our drives or

instincts, feelings and memories and emotions related to trauma; this part in content and process is out of direct reach of the conscious mind, and thinks independently; an individual has no access to because it is unknown and hidden. This unconscious part is the source of all our drives and motives; yet we often deny or refuse to accept and often resist them from becoming conscious. This is because they form the unaware part and are in a disguised form. It is because of this unconscious part that we are largely unable to control many aspects of our behaviour, especially those acts which we would prefer to avoid. According to Freud, much of human behaviour is driven directly from the subconscious mind; and so it is important that the unconscious material needs tobe brought into the conscious state so that it can be examined in a rational manner.

Apart from these, Freud spoke of the Id, Ego and Super ego. The Id contains consists of primitive drives that lack the real perception of reality. It operates on the pleasure principle, with the objective of seeking pleasure and avoidance of pain, and doing what one wants to do. The processes that come into play are primary processes like hunger, thirst etc. The Ego is aware of reality and operates via the reality principle, where it recognises what is real and understands that behaviour has consequences. The processes that come into play are secondary processes, like learning and memory, perception etc. It also includes the impact that socialisation has to play in the life of an individual; it recognises the existence of social rules that are necessary in order to live and socialise with other people, and thus, plans to satisfy one's needs within the social values and rules. The Super ego comprises the value system and the morals, which emanate from what an individual learns in childhood from his parents. It is contained in the conscious part of our memory. It believes in doing what the society says. While the Ego and Super Ego are partly conscious and partly unconscious, the Id is the unconscious. Further, the Super ego acts as a counterbalance to the Id; the former seeks to restrict the pleasure-seeking demands of the latter, and it is left for the Ego to balance the demands of the Id and Super ego with the constraints of reality; it controls the higher mental processes such as logical reasoning to solve the Id-Super ego dilemma.

According to Freud, personality is based on the dynamic and continuous interplay between the Id, Ego and Super Ego. The Id demands immediate gratification of needs and desires (pleasure principle) regardless of constraints in the external environment; the Ego acts to realistically meet the desires of the Id (reality principle); the Super Ego (conscience) blends morals and societal rules upon the ego, so that the desires are met both realistically and morally. Thus, Freud also pointed out the impact of socialisation on members of a society, especially with reference to how this socialisation impacts individual behaviour. According to him, there exists a state of tension within an individual; this tension arises out if there is a mismatch between an individual's needs and desires vis-à-vis the norms set up by the society and the socialisation process; the manner in which an individual sorts out the dilemma shapes his personality.

5.3.2 Jungian theory

Carl Jung, a contemporary of Freud proposed the famous Jungian Theory. He elaborated on personality types, and his contribution has great relevance to the study of consumer behaviour. Carl Jung's proposed a typology based upon four bipolar dimensions, where each pole represents an opposite preference and thus illustrates four dichotomies, viz, Extroversion– Introversion, Sensing–Intuition, Thinking–Feeling, and Judging–Perceiving. The permutations of these 4 pairs help identify sixteen different personality types. The sixteen personality types are defined in terms of acronyms of the combination of the 4 dimensions they represent. The various types are Extroverted Sensing (ESFP, ESTP), Introverted Sensing (ISTJ, ISFJ),Extroverted Intuition (ENFP, ENTP), Introverted Intuition (INFJ, INTJ), Extroverted Thinking (ESTJ, ENTJ), Introverted Thinking (ISTP, INTP), Extroverted Feeling (ESFJ, ENFJ) and Introverted Feeling (INFP, ISFP).

The personality types proposed by Carl Jung were developed and incorporated into a scale that came to be famously known and applied as the MBTI or the Myers-Briggs Type Indicator. Essentially a personality inventory, it has been used extensively in social sciences to measure the following pairs of psychological construct/dimensions: sensing-intuiting, thinking-feeling, extroversion-introversion, and judging-perceiving. Each of the four pairs is illustrative of two different personality characteristics.

While the scale has been applied successfully in studies on consumer behaviour and market research, recent research has tended to focus on two mental bipolar dimensions or dichotomies, viz., sensing-intuiting (S-N) and thinking-feeling (T-F). The two dimensions, sensing (S)and intuiting (N) measure how a person receives, gathers and processes information; the people who fall under the S category prefer to gather information through their senses directly; the people who fall under the N category rely upon their understanding of things, based on their perception of the world. Thus we can perceive information through our senses, or our intuition. The other two dimensions, thinking (T) and feeling (F) refer to how individuals take decisions; the people who fall under the T category make decisions based on an unbiased reasoning and logic; the people who fall under the F category base their decisions on feeling and emotions. Thus we can make decisions based on objective logic, or subjective feelings. According to Jung, we all use the S,N,T and F; however each one us varies in their usage and frequency. The combination of our "preferences" defines our personality type. The same descriptions of the sensing-intuiting (S-N) and thinking- feeling (T-F) personality types may be applied to consumer behaviour; the S and N determine how a consumer gathers and processes information about products, while the T and F determine how he makes a purchase decision.

By cross-tabulating the two pairs of psychological dimensions, we can derive four different personality types, viz. Sensing-Thinking (S-T), Sensing-Feeling (S-F), Intuiting-Thinking (N-T) and Intuiting-Feeling (N-F). Each of these reflects variedly in purchase

decisions and consumption processes. The marketer could benefit immensely by gaining insights as to the varying types so as to design his marketing strategy to be able to serve consumers effectively and efficiently. An Assessment of the Theory: Carl Jung was the first psychologist to speak of personality types. His typology based upon four bipolar dimensions has been widely applied in research in social sciences; it has alsobeen successfully used in studies on consumer behaviour as well. He believed that our behaviour is shaped by past generations' experience.

Implications for a marketer

The theory has relevance for a marketer. After gaining an insight into the various personality types, a marketer could design his marketing strategy so to be able to serve consumers with the varying personality types in a better manner, leaving them more satisfied.

5.3.3 Neo-Freudian theory

There were a group of psychologists who believed that social interaction and resultant relationships formed the basis for the growth and development of personality. Here, they disagreed with their contemporary, Freud who believed that personality was i) biological and rooted in genetics, and ii) was groomed as a result of early childhood experiences. This group of researchers who laid emphasis on the process of socialisation came to be known as the Neo-Freudians. Noteworthy among them are Alfred Adler, Harry Stack Sullivan and Karen Homey.

(A) Alfred Adler: Adler, who is regarded as the father of individual psychology, was a disciple of Freud. He later broke away from the Freudian philosophy due to disagreement over the importance that Freud gave to the "unconscious". Adler was the first psychologist to speak of the term 'inferiority complex', something that arose out of a sense of inferiority or inadequacy. He believed that:

- people are goal oriented, with an urge for personal growth, and "the will to power"; they have within them a "self-perfecting" drive; this drive is the single "drive" or motivating force behind all behaviour and experiences
- individuals seek to overcome feelings of anxiety and feelings of inferiority; the basic drive in human beings is to strive from an initial state of inadequacy, or what he termed "inferiority", toward "superiority" or self-actualization. People compensate (strive to overcome) for inferiorities by making necessary adjustments.
- People strive for goals that can be referred to as style of life;
- social drives, especially family, friends and culture have an impact on behaviour and feelings; right from birth across a life span, people involve themselves in social relationships;

- The primal social influences in an individual can be modified in a manner such that that each one of us develops personal styles in dealing with our life and achieving goals.

According to Adler's theory individuals' buy to overcome feelings of inferiority.

(B) Herbert Harry Stack Sullivan: Sullivan, a psychiatrist extended Freud's theory of psychoanalysis, and concluded that failures in interpersonal relationships were largely responsible for mental illnesses and disorders. He referred to such causes as "interactional", which needed to be assessed to cure any kind of psychoses. According to him, social relationships were extremely important for human beings and loneliness was the most painful of human experiences. He developed a theory of psychiatry based on interpersonal relationships where social forces are largely responsible for mental illnesses.

Sullivan referred to his approach an interpersonal theory of psychiatry, to focus on "what goes on between people", sharp in contrast to Freud, who focused on "what goeson inside people". He believed that social relationships are primary, which actually lead to personality. In fact personality manifests itself in such social relationships. He proposed that human beings are driven towards two sources of motivation viz., the pursuit of satisfactions and the pursuit of security. With respect to satisfaction, human beings seek satisfaction of mainly bodily needs, with the goal to reduce tension. With respect to security, human beings seek to reduce the insecurity that arises from socialand cultural needs. Personality manifests and strives for avoidance and reduction of anxiety.

Thus, Sullivan focused on how human beings try to form and maintain social relationships with each other, especially if such relationships are significant and rewarding. He also spoke about anxiety in human beings. He elaborated on how personality is impacted as people put in efforts to reduce tensions, particularly anxiety. He said that human beings develop particular personality traits to reduce anxiety.

(C) Karen Homey: Karen Homey, a prominent female personality theorist of her time, added on to Freud's work by emphasising the role of social factors. Her approach came to be known as the psychosocial analysis. Her work focused on the emotional relationship that exists between parent and child early in the child's life. Like other Neo-Freudists, Homey also spoke on anxiety. While focusing on child parent relationships, she also researched on how people strive to overcome feelings of anxiety. According to her, people experience anxiety and tend to act as neurotics; the irrational defences against anxiety become a permanent part of personality and that affect human behaviour; based on their approach towards overcoming feelings of anxiety, people could be classified into three groups viz.,compliant, aggressive, and detached(CAD).

- **Compliant:** Some people who experience a great deal of anxiety and helplessness move toward other people in order to gain help and acceptance; they seek social support, approval and acceptance and so they move towards others. Such people are regarded as compliants. They want to be loved, admired, wanted and appreciated.

- **Aggressive:** Some people try to overcome their insecurities and anxieties by forcing their power over others, dominating them, or even excelling over them. This makes them feel secured; the objective is to 'get them before they get me.' Such people are aggressive; they move against others, in other words they want to excel over others. They want to be successful and powerful and have a desire for personal admiration and achievement. In the process, they could be demanding, selfish, rude and cruel.

- **Detached:** There are some people who want to move away from others; They are asocial and indifferent towards others. They believe that if they do not involve with others, they would escape being hurt from them. Such people are referred to as detached; they seek freedom from obligations, and desire total independence, leaving them lonely and empty. They like to create their own style. Based on the three types, a personality test has been developed which is referred to as the CAD scale. The scale has been widely used in studies related to consumer behaviour. In fact, the three types have for marketers; the three personality groups are illustrative of personality types that are varied, and would react differently to the marketing mix. According to Homey's theory, different types of people buy different types of products/services. They could be treated as three distinct segments, and the marketing mix designed accordingly. For example, the compliant consumers who would like to be in company of other people would be more likely to use a toothpaste with a mouth freshener (Close-Up); an aggressive consumer who would like to excel over others would like to drink health drinks (Boost, Secret of my Energy); and detached consumers who seek total independence and like to create their own style would like to go for meditation and rejuvenation camps (Vipassana).

An Assessment of the Theory: The Neo-Freudian theories draw themselves from various contributors and are an expanse in content and processes in so far as the subject matter of personality is concerned. However, while the Neo-Freudians speak of human tendencies to strive for perfection, fight anxiety and inadequacies, and of social relationships, they tend to ignore the biological traits and the genetics involved.

Implications for marketers:

The Neo-Freudian theories emphasise the role that socialisation has to play. Marketers could draw in heavily in so far as the impact that opinion leaders, as well

as interpersonal communication and word of mouth could have on consumer decision processes and consumption processes. This would also include the impact that family, friends, social class, culture and sub-culture. Marketers have also tended to use Neo-Freudian theories while segmenting markets and positioning their products,

e.g. personality types have been used to segment markets and position products as per the segment.

5.3.4 Trait theory

Theories on personality can be categorised as i) individual theories; ii) social learning theories. However, we would elaborate upon these without any such classification, as it is rightly believed that it is the combination of both individual characteristics/ traits (genetics) as well as social learning (social environment) that impacts personality.The previous lesson deals with the Freudian theory, the Jungian theory and the Neo-Freudian Theory.

According to the Trait theorists, an individual's personality make-up stems out of the traits that he possesses, and the identification of traits is important. People possess specific psychological characteristics that are referred to as traits; and all those who possess a particular trait, are said to belong to a personality type. A trait is a predisposition to behave in a certain manner. In order to identify traits within individuals and differentiate amongst themselves, the trait theorists rely on personality tests, scales and inventories. Hence, they assume some kind of a quantitative orientation unlike the Freudian, and Neo-Freudian schools. Once they have identified the traits, they classify individuals into groups of people on the basis of the pattern of traits that they possess.

The trait theories can be of two broad categories, viz., simple trait theories and general trait theories.

(i) **Simple trait theories:** A limited number of traits are identified, and people are identified and classified on the basis of these traits.

(ii) **General trait theories:** A large variety of traits are identified.

An Assessment of the Theory: Unlike the Freudian and the Neo-Freudian theories, the Trait Theories possess a degree of quantification while classifying individuals into personality types. Through the application of tests and scales, people are objectively assessed for presence/absence of personality traits and accordingly classified into personality types. Thus, unlike the previous theories, the Trait approach seems to be a more realistic and objective approach. However, the limitation lies in the fact that sometimes traits tend to be indefinable, vague and indescribable; nevertheless the personality tests are widely used.

5.4 EXAMPLES OF GENERAL VERSUS CONSUMPTION SPECIFIC TRAITS

General personality traits	Consumption-specific personality traits
- Dogmatism	- Innovativeness
- Compliance	- Social directedness or other directed
- Expertise and Involvement	- Opinion leadership
- Self confidence	- Early adopters (high confidence) versus late majority or Laggards (low confidence)
- Impulsiveness	- Deal prone
- Need for cognition	- High versus Low
- Extroversion	-Prefer to shop with others than alone; Socially directed.
-Openness to experience	- Variety novelty seeker; Innovative
-Conscientiousness	- Careful; Logical and rational
- Agreeable	- Socially directed; Looks towards others for help, advice and decision, Compliant.

Brand Personality: Just as individuals have a personal make-up with characteristics/ traits/qualities, similarly products/services also have personalities. Brand personality refers to a set of characteristics/qualities similar to human beings that become associated with a brand. Based on their understanding, consumers begin to ascribe certain characteristics or traits to a brand. This association between the characteristic/ trait and the brand gets generated out of the manner in which it is positioned by the marketer. Thereafter, consumers match the product and/or brand personalities, with their own personalities, self-image and self-concept; and they buy those where they find a close or perfect match. Sometimes they buy such product/brands that help them bolster their weak or inferior self. Some personality traits with examples of brands are mentioned below:

(a) Sophistication: Dove, Titan Raga
(b) Ruggedness: Levi's Jeans, Bajaj Pulsar
(c) Power: Surf, Rin, Hero Honda
(d) Achievement: Boost, Glucon D
(e) Competence: Kingfisher Airlines, IBM
(f) Sincerity: Life Insurance Corporation, Western Union Money Transfer

Self and Self Image (Concept)

Self-image or self-concept is the perception of self that is what image / concept an individual carries about him. Though it's a kind of perception, it's closely associated with the personality of an individual. Consumers buy and use products and services and patronise retailers whose personalities or images relate in some way or other to their own self-images. Or in other words, consumers often choose and use brands that havea brand personality consistent with their own, and avoid the ones which don't match.

Single or Multiple Selves

Traditionally, individuals are considered to be having a single self-image which they normally exhibit. Such type of consumers is interested in those products and services which match or satisfy these single self. However, as the world became more and more complex, it has become more appropriate to think of consumers as having multiple selves. The explanation to such a phenomenon states that a single individual acts and behaves differently in different situations, like a person behaves differently with his parents, his children, his friends, his colleagues, etc. In fact this display of different personality in different social situations or social roles is considered to be normal and healthy. And conversely, the absence of this is considered to be abnormal or an unhealthy person. This observation is very important for marketers who try to appeal to the different "selves" with a choice of different products.

The Make-up of the Self-Image:

Even if the individual has "Multiple Selves", he/she has a "Self-Image" of his/her own as a certain kind of person with definite skills, traits, habits, behaviour, relationships etc. This is built since childhood, with the interaction of parents, family members, and later with people outside. Products and Brands have symbolic meaning and value for individuals, which they evaluate them with their personal pictures, concepts, or images of themselves. So naturally some products are a favourable match whereas others are not. Consumers tend to select products/services which they believe can preserve or enhance their "images" or "personalities". Research study reveals that more women (77%) than men (64%) feel that the brands they select reflect their personalities. The relationship between brand preference and consumers' self-image is often used to define or describe them. Persons having a strong preference to a particular brand consider the brand as an extension or representing an aspect of themselves. This "connection" helps marketers to establish customer royalty and a positive relationship with them. We have a variety of different self-images/concepts represented in the following ways:

1. Consumers' actual self-concept: this is how consumers actually see themselves,
2. Consumers' ideal self-concept: this is how consumers would like to see themselves,

3. Social self-concept: this is how consumers think others see them,

4. Ideal social self-concept: this is how consumers would like others see them,

5. Expected self-image: this is how consumers actually expect to see themselves at sometime in future. This is somewhere between the actual and the ideal self-concepts. It's a future oriented combination of what they are (actual) and what they would like to be(ideal),

6. Ought-to self-image: this consists of the traits and characteristics that consumers believe to be their duty and obligation to possess. The consumers are guided by different self-images in different situations for their buying behaviour.

For example:

1. for everyday household products (Private) – actual self-image,

2. for socially enhancing products (Public) – social self-image,

3. for fantasy products – ideal self-image

These effects are more pronounced for publicly consumed products as compared to privately consumed goods. Thus the concept of self-image is of utmost important and has strategic implications for marketers. They can segment their market on the basis of relevant consumer self- images and position their products/services as symbols of such self-images.

Self Assessment

Short Answer Questions

1. Define Personality.

2. Write the nature of personality.

3. Define trait

Long Answer Questions

1. Explain the nature and characteristics of personality.

2. Write down the theories of personality.

3. Short notes on personality traits and types.

Multiple Choice Questions

1. _____ is a person's unique psychological characteristics that lead to relatively consistent and lasting responses to his or her own environment.

   (a) Psychographics   (b) Personality

   (c) Demographics   (d) Lifestyle   **[Ans: b]**

5.5 CONSUMER PERSONALITY AND MARKET SEGMENTATION

Market segmentation can be defined as the process of dividing a market into different homogeneous groups of consumers.

Market consists of buyers and buyers vary from each other in different ways. Variation depends upon different factors like wants, resources, buying attitude, locations, and buying practices. By segmentation, large heterogeneous markets are divided into smaller segments that can be managed more efficiently and effectively with products and services that match to their unique needs. So, market segmentation is beneficial for the companies serving larger markets.

5.6 CRITERIA FOR SELECTING MARKET SEGMENTS MEASURABLE

A segment should be measurable. It means you should be able to tell how many potential customers and how many businesses are out there in the segment.

Accessible: A segment should be accessible through channels of communication and distribution likesales force, transportation, distributors, telecom, or internet.

Durable: Segment should not have frequent changes attribute in it.

Substantial: Make sure that size of your segment is large enough to warrant as a segment and large enough to be profitable.

Unique Needs: Segments should be different in their response to different marketing efforts (Marketing Mix).

Consumer and business markets cannot be segmented on the bases of same variables because of their inherent differences.

5.7 BASES FOR CONSUMER MARKET SEGMENTATION

There are number of variables involved in consumer market segmentation, alone and in combination. These variables are:

- Geographic variables
- Demographic variables
- Psychographic variables
- Behavioural variables

Geographic Segmentation

In geographical segmentation, market is divided into different geographical units like:

- Regions (by country, nation, state, neighbourhood)
- Population Density (Urban, suburban, rural)

- City size (Size of area, population size and growth rate)
- Climate (Regions having similar climate pattern)

A company, either serving a few or all geographic segments, needs to put attention on variability of geographic needs and wants. After segmenting consumer market on geographic bases, companies localise their marketing efforts (product, advertising, promotion and sales efforts).

Demographic Segmentation

In demographic segmentation, market is divided into small segments based on demographic variables like:

- Age	- Family size
- Gender	- Family lifecycle
- Income	- Home Ownership
- Occupation	- Religion
- Education	- Ethnic group/Race
- Social Class	- Nationality
- Generation	

Demographic factors are most important factors for segmenting the customers groups. Consumer needs, wants, usage rate these all depend upon demographic variables. So, considering demographic factors, while defining marketing strategy, is crucial.

Psychographic Segmentation

In Psychographic Segmentation, segments are defined on the basis of social class, lifestyle and personality characteristics.

Psychographic variables include:

- Interests	- Activities
- Opinions	- Values
- Personality	- Attitudes
- Self-Image	

A segment having demographically grouped consumers may have different psychographic characteristics.

Behavioural Segmentation

In this segmentation market is divided into segments based on consumer knowledge,

attitude, use or response to product. Behavioural variables include:

- Usage Rate
- Product benefits
- Brand Loyalty
- Price Consciousness
- Occasions (holidays like Mother's day, New Year and Eid)
- User Status (First Time, Regular or Potential)

Behavioural segmentation is considered most favourable segmentation tool as it uses those variables that are closely related to the product itself.

Bases for Business Market Segmentation

Business market can be segmented on the bases consumer market variables but because of many inherent differences like

- Businesses are few but purchase in bulk
- Evaluate in depth
- Joint decisions are made
- Business market might be segmented on the bases of following variables:
- Company Size: what company sizes should we serve?
- Industry: Which industry to serve?
- Purchasing approaches: Purchasing-function organisation, Nature of existing relationships, purchase policies and criteria.
- Product usage
- Situational factors: seasonal trend, urgency: should serve companies needing quick order deliver, Order: focus on large orders or small.
- Geographic: Regional industrial growth rate, Customer concentration, and international macro economic factors.

5.8 .SUMMARY

This unit discusses the theories of personality and bases of segmentation which helps the marketer to set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environment stimuli. It is often referred to as such traits like : self- confidence, dominance, autonomy, deference, sociability, defensiveness, and adaptability.

5.9 SHORT QUESTIONS

4. Give examples of durable goods
5. What is segmentation?

6. Define self-concept.

7. Define self-image.

8. What do you mean by unique needs?

5.10 LONG QUESTIONS

4. Discuss about the bases of segmentation

5. Explain the criteria for selecting market segments.

5.11 MULTIPLE CHOICE QUESTIONS

2. The basic premise of the ___ is that people's possessions contribute to and reflect their identities; that is, "we are what we have."

   (a) lifestyle concept
   (b) self-concept

   (c) personality concept
   (d) cognitive concept   [**Ans: b**]

3. The_____is a person within a reference group who, because of special skills, knowledge, personality, or other characteristics, exerts influence on others.

   (a) facilitator
   (b) referentactor

   (c) opinion leader
   (d) Social roleplayer   [**Ans: c**]

4. _____ is (are) a person's unique psychological characteristics that lead to relatively consistent and lasting responses to his or her own environment.

   (a) Psychographics
   (b) Personality

   (c) Demographics
   (d) Lifestyle   [**Ans: b**]

5. Which of the following is NOT part of group influence?

   (a) Social Class
   (b) Social Group

   (c) Reference Group
   (d) Personality   [**Ans: d**]

6. Karen Homey's approach came to be known as

   (a) Biological approach
   (b) Psychosocial analysis

   (c) Myers-Briggs Type Indicator
   (d) Trait theory   [**Ans: b**]

5.12 CASE STUDY

HSBC - LOCAL BANK TO THE WORLD

Abstract: The caselet 'HSBC - The Local Bank of the World' explains the factors which led to the consolidation of the various banks owned by the HSBC Group under a single brand name - HSBC. It also looks into the change in HSBC's advertising strategy after the consolidation which led to the introduction of 'The Local Bank of the World' tagline in its advertisements. The impact of these changes on HSBC's brand name is also explained.

Issues:

- The impact of 'one size fits all' strategy followed by many MNCs
- The need for a unified brand name
- The importance of understanding local culture for an organisation

In 2005, HSBC was one of the world's largest banking and financial institutions.

Headquartered in London, the bank had a network of 9,700 offices spread across 77 countries in Europe, America, Asia-Pacific region, the Middle East, and Africa.

In the late 1980s, when William Purves, (Purves) took over as chairperson of HSBC, it was relatively unknown outside Asia. Purves acquired about a dozen bank brands and changed HSBC into a global bank.

Thus, under Purves, HSBC consolidated about a dozen brands that it had acquired, 5,500 offices, and 1,200 financial services subsidiaries which were spread across different countries, with a philosophy of "Think Globally, Act Locally"...

Questions for Discussion:

1. What are the initiatives taken by HSBC to target consumers across various cultures?

2. What were the drawbacks of the 'think, globally, act locally' strategy adopted by William Purves? What prompted HSBC to re-brand?

KEY WORDS

- Personality: a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environment stimuli.

- Trait: a distinguished quality.

- Psychology: the scientific study of the human mind and its functions.

- Psychoanalysis: a system of psychological theory and therapy which aims to treat mental disorders by investigating the interaction of conscious and unconscious elements in the mind.

- Extroversion: the extent to which a person is interested in and enjoys social interaction.

FURTHER READING

1. https://www.icmrindia.org/case%20volumes/Case%20Studies%20in%20 Consumer%20Behavior.htm

CONSUMER ATTITUDE & MOTIVATION

6

Table of Contents

The students will learn and understand the attitude of the customer and how to identify the motivating factors of the consumer.

Learning Outcomes

The contents of this unit have been developed to achieve the following outcomes:

- ▯ To understand the definition of consumer attitude and theories of consumer attitude

- ▯ To learn about consumer motivation and the theories of motivation

6.1 INTRODUCTION

Definition and Meaning of Consumer Needs and Motivation: At the heart of marketing, lies what is referred to as a consumer need. Consumer needs are the quintessence of the marketing concept. Psychologists and consumer researchers agree that human beings have the same needs; however, these needs get translated differently into different wants, resulting in varied motives. With consumers being different and unique to each other, it is important that the marketers understand the various needs, and provide relevant product and service offerings that blend with the consumer(s) segment(s) and their wants. An understanding of human needs and motives would also help marketers understand and to predict consumption behaviour.

The two terms "need" and "want" often used interchangeably hold two different meanings. A need is a state of felt deprivation while a want is a desire for a specific satisfier. Example: A person is hungry.

Need: Hunger

Want: The person may desire biriyani or a Masala Dosa or a Sandwich. The various options are the wants.

A want may further get translated into a brand too, eg., the person desires a Dosa but from Kammath Restaurant or an Indian Coffee house.

While needs lie at the core of marketing, marketers can never create needs. Needs pre-exist a marketer. They are already known and experienced by consumers. At times, however consumers fail to identify needs as the needs lie at the sub conscious level and remain unfelt. In such cases, a marketer can just help a consumer identify such needs.

Example: People have always sweated, perspired and smelt of body odour. People did not become conscious of the social embarrassment till companies introduced deo sprays and sticks, e.g. Rexona, Ponds etc, and began to play advertisements that depicted

social appeals like embarrassment amongst friends and relatives at parties and social gatherings.

Also most of the times, human needs are dormant and lie at a latent state. They get aroused suddenly by (i) stimuli internal to the individual and his physiology; Example: a person feels hungry and moves towards a restaurant to buy some food (ii) stimuli in the external environment; Example: a person smells the aroma of freshly baked cakes and enters the bakery to buy some cakes. The marketer could also formulate strategies that help trigger such needs. Example: A banner or a hoarding informing people of a food festival at attractive prices can trigger off a desire amongst people to try out newer dishes and cuisine, Or the display of a newly launched car, can encourage customer trail and subsequent purchase.

6.2 CONSUMER MOTIVATION

Consumer motivation is the urge or drive to satisfy needs through product purchase and its consumption."The needs, wants, drives, and desires of an individual that lead him or her toward the purchase of products or ideas. The motivations may be physiologically, psychologically, or environmentally driven."(American Marketing Association).

The entire need want goal action satisfaction chain comprises the cognition, affect and behaviour components within an individual; however, the process gets started with cognition, and therefore marketers need to inform and educate the consumers about their product/service offerings and the marketing mix.

Needs are primarily of two types, viz., physiological needs and psychological needs. People possess and experience a variety of such needs simultaneously.

(a) Physiological needs: As the name suggests, these needs arise out of our physiology and are also called as primary or biological or biogenic needs; e.g. Need for food, water, sleep, air, shelter etc. We are born with such needs and these are innate in nature. In order to survive, these needs must be fulfilled. As human beings are all similar, thus, we are also similar in so far as these needs are concerned.

(b) Psychological needs: These needs arise out of our sociology and psychology and as such they are also called secondary or psychogenic needs; e.g. Need for affiliation, power, recognition, esteem and status, etc. During the period of socialisation, we acquire such needs; and human beings differ amongst each other in so far as these needs are concerned.

Goals: The goal is manifested after the need and want are identified. In fact our actions to purchase/ consume are all goal directed. A goal is the ideal state that a person desires as he thinks that it would help him satisfy a need. A product/service offering and the value proposition is a means to provide such benefits that the consumer utilisesto achieve his goals.

Goals are of two types, generic goals and product-specific goals.

(a) Generic goals: Generic goals can be defined as the general category of goals that consumers see as a means to satisfy their needs and wants. For example, a consumer may want to buy a cell phone.

(b) Product-specific goals: These are specifically branded products or services that the consumers select to fulfil the generic goal. For example, the consumer would want to buy a Nokia or a Samsung.

Motives and Motivation: Motives can be rational as well as emotional.

(a) Rational: When consumer motives are objective, and when selection of goals is made on the basis of objective criteria, they are referred to as rational motives. These criteria could be price, size, weight etc.

(b) Emotional: When consumer motives are subjective, and when selection of goals is made on the basis of personal and subjective criteria, like appearance and looks, colour, aesthetics etc., they are referred to as emotional motives

Motivation can take a positive as well as a negative form and correspondingly a positive and negative direction respectively.

(a) Positive motivation: The person is driven towards an object/condition/situation. Example: A person goes to the gym three times a week to build up his body and muscles so that he can look good. The object in question (gym, work out, good body) is referred to as an approach object. His behaviour is directed towards achievement of a positive goal, which is fitness, body building and great looks.

(b) Negative motivation: Here, the person is driven away from an object/condition/situation, and the corresponding effects of non-usage. For example, a person decides to buy Pepsodent toothpaste for his child as it helps fight germs and tooth decay whole day long. His behaviour is directed towards the object (Pepsodent) to avoid a negative goal, which is tooth decay.

6.3 NATURE OF MOTIVATION

Needs and their fulfilment are the basis of motivation. Needs change, so also motivation. Both internal & external factors are responsible for change. The fact is that not all needs are satisfied fully. When some are satisfied, some others arise. Sometimes because of personal, financial, social & cultural limitations, people can't fulfil some of their needs, wants & goals. Failure of need fulfilment may give rise to the following states:

1. Rationalisation – trying to justify the situation & excusing oneself,
2. Aggression – getting angry & frustrated, and resorting to unsocial actions,
3. Regression – trying to settle without that particular need & try something else,
4. Withdrawal – trying to disassociate oneself from the very thought of it.

6.4 ROLE OF MOTIVES

The role of motives in influencing behaviour:

1. Physiological arousal – when a consumer becomes aware of his needs due to changes in his physiological state, it will give rise to physiological motives,

2. Emotional arousal – at times the mundane nature of routine life leads a person to fantasise or day dream, and this stimulates his latent needs to satisfy his emotion.

3. Cognitive arousal – this occurs when we come across some information incidentally and this triggers our thought process & arouses a need in us.

4. Environmental arousal – the various signals that we come across in our environment in the form of the sights, smell & sound surrounding us also prompt many needs.

6.5 THEORIES OF MOTIVATION

6.5.1 Maslow's Theory of Need Hierarchy

Dr Abraham Maslow, a clinical psychologist formulated a widely accepted theory of human motivation based on the notion of a universal hierarchy of human needs. This identifies five basic levels of human need which rank in order of importance from lower level needs (biogenic) to higher level needs (psychogenic). The theory says that individuals need to satisfy the lower level needs before higher level needs arise. The lowest level of unsatisfied need that the individual experiences serves to motivate its behaviour. Only when it is satisfied fairly well then he can think of the next level & so on. According to this theory it's the "dissatisfaction" which motivates and not the "satisfaction". Marketers need to know how to satisfy a need at what level, by studying the need hierarchy.

1. Physiological needs – food, water, air, clothing, shelter. These are the lowest or the first level needs. They are also called basic, frugal, primary, biological, biogenic, physiological, innate etc.

2. Safety or Security needs – physical safety, protection, stability, security, mental piece. Once the first level needs are satisfied, the individuals go for the next level where they need an uninterrupted fulfilment of the above needs, like regular income, permanent shelter, etc.

3. Social needs – affiliation, friendship, and belonging. Once the second level is more or less satisfied, this level comes. In social needs they need to maintain themselves in a society and try to be accepted in that so that they can interact with other members of the society.

4. Egoistic needs – prestige, status, self-esteem, fame. Then comes the egoistic needs of a person that must be satisfied. He wants to rise above the general level/status of other members so that he gets some mental satisfaction.

5. Self-Actualisation – (self-fulfilment) This is extreme or highest end of the hierarchy, where the individuals try to excel in any field attaining very high order of achievement. These people are called "self-actualisers".

6.5.2 The Trio of Needs (McClellent's Theory)

Psychologists point out that sometimes it is not necessary that the individuals go through the same systematic process of going from one level of needs to the next while fulfilling them. Or how much a level must be satisfied to move to the next level, for no needs is absolutely satisfied and there is no way to measure precisely. Also some intermediate levels may be skipped. This has given rise to another concept of Trio of needs where it is envisaged that human behaviour is influenced by the needs of power, affiliation & achievement. They are given below:

1. Need of Power – the power need relates to individuals' desire to control their environment including other persons & objects around them. The need appears to be closely related to the ego, in that many individuals experience increased self-esteem when they exercise power over objects or people.

2. Need of Affiliation – affiliation is a well[known and well researched social motive that has far reaching influence on consumer behaviour. This suggeststhat behaviour is strongly influenced by the desire for friendship, acceptanceand belonging. People with high affiliation needs tend to be socially dependent on others.

3. Need of Achievement – individuals with a strong need for achievement often regard personal accomplishment as an end in itself. This is closely related to both the egoistic need & the self-actualisation need.

6.5.3 Sheth's Consumer Motives

Professor Jagdish N. Sheth, proposed a classification of needs more pertinent to marketing management. While he primarily researched in the area of travel industry, the findings are equally applicable across most products and services. Sheth classified motives into five dimensions, viz., functional motives, aesthetic/emotional motives, social motives, situational motives and curiosity motives. According to him, each of these is oriented to the achievement of specific goals.

(a) Functional motives: this refers to the utility of a product/service, the utility and the function that is performed.

(b) Aesthetic/emotional motives: this refers to the attractiveness in terms of appearance and looks of the product/service.

(c) Social motives: this is the esteem value attached to the product/service.

(d) Situational motives: this refers to the unanticipated and unexpected benefits attached to a product/service, like discounts and allowances.

(e) Curiosity motives: this is the interest aroused by a product/service.

The above three theories of motivation gives a clear picture of the way individuals are motivated by specific needs. The marketers need to study & understand each one of them separately and try to cater to their needs specifically.

6.5.4 Motivational Theory & Marketing strategy

Marketers who understand the motives of their potential customers enjoy good sales & brand loyalty of their customers. Often it is also important to understand the motivational conflict the consumer's face. A buyer has several motives and each change with cognitive, emotional and environmental elements. In such cases the marketers can readily help their customers by changing their marketing strategy so that the conflict is resolved. This can happen by re-adjustment of the marketing mix. The following three major conflicts may arise:

1. Approach – approach conflict – happens when the consumer has two different choices of similar or dissimilar category of product or services which he gives equal importance, but unable to choose one over the other. The marketer can come in to make his offer more attractive & important in any sense & help the customer to decide in its favour.

2. Approach – avoidance conflict – happens when the consumer has decides in favour of a product but somehow not satisfied with a particular feature or wants to avoid it. The marketer can come in to make some modifications in the product's features to suit & help the customer to decide in its favour.

3. Avoidance –avoidance conflict –happens when the consumer has to decide between two negative choices. The choices are said to be negative in relation to certain personal attributes of the consumer. The marketer can come in to make some suggestion in the decision making process to suit & help the customer to decide in its favour.

Motivation and Consumer Involvement

Involvement is defined as a person's perceived relevance of the object based on their inherent needs, values and interests. Involvement in marketing parlance is the deep and special interest the consumer has for a particular product or services. When the consumer's "involvement" is high, then he tries to learn, collect all information, updates his knowledge about that product/service. This will give a high leverage & scope to the marketers to help build a brand loyalty in & relationship with the customer.

Marketer should consider the following points

1. Needs and wants exhibit multiplicity. Various kinds of physiological and psychological needs have been proposed and listed; while physiological needs are few and universal, psychological needs are many and varied.

2. A person may experience many needs and wants simultaneously and one may be sacrificed at the cost of the other.

3. Needs/wants/goals/motives vary from person to person. They also vary within a person across situation to situation.

4. Needs/wants are never fully satisfied. Wants are satisfied temporarily but needs are never satisfied. They keep on emerging. As one need is satisfied, another emerges and so forth, and as they emerge, they trigger off desire and motives.

5. Needs/wants/goals/motives grow, develop and change in response to an individual and his environment.

6. Needs and wants may also lie dormant. They may suddenly trigger owing to physiological factors, social factors, and/or external environmental factors. Success and failure to fulfil needs and wants also affect the future choice of goals.

Self Assessment

Short Answer Questions

1. Define motivation.
2. What is motive?

Long Answer Questions

1. Define motivation and theories

Multiple Choice Questions

1. _____ is the definition of reference groups.

   (a) Groups that an individual looks to when forming attitudes and opinions.

   (b) Groups of people who have been referred to by someone they know.

   (c) Groups of office colleagues

   (d) None of the above   **[Ans: a]**

2. The theory of motivation that views people as responding to urges that are repressed but never fully under control was developed by_____.

   (a) Marshall.   (b) Kant.

   (c) Freud.   (d) Maslow.   **[Ans: c]**

3. The energising force that activates behaviour and provides purpose and direction to that behaviour is known as _____.

(a) motivation   (b) personality

(c) emotion   (d) perception   **[Ans: a]**

6.6 CONSUMER ATTITUDE

6.6.1 Introduction to Consumer Attitudes

An attitude is an enduring organisation of motivational, emotional, perceptual, and cognitive processes with respect to some aspect of our environment. It is a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object. Thus, an attitude is the way one thinks, feels, and acts toward some aspect of his or her environment such as a retail store, television programme or product.

Attitude serves four key functions for individuals:

1. Knowledge function: Some attitudes serve primarily as a means of organizing beliefs about objects or activities such as brands and shopping. These attitudes may be accurate or inaccurate with respect to objective reality, but the attitude will often determine subsequent behaviours rather than that reality. For example, a consumer's attitude toward cola drinks may be 'they all taste the same.' This consumer would be likely to purchase the least expensive or most convenient brand.

2. Value-expressive function: Other attitudes are formed and serve to express an individual's central values and self-concept. Thus consumers who value nature and the environment are likely to develop attitudes about products and activities that are consistent with that value. These consumers are likely to express support for environmentprotection initiatives, to recycle, and to purchase and use 'green' products.

3. Utilitarian function: This function is based on operant conditioning. People tend to form favourable attitudes toward objectives and activities that are rewarding and negative attitudes toward those that are not. Marketers frequently promise rewards in advertising and conduct extensive product testing to be sure the products are indeed rewarding.

4. Ego-defensive function: People form and use attitudes to defend their egos and self-images against threats and shortcomings. Products promoted as very macho maybe viewed favourably by men who are insecure in their masculinity. Or individuals who feel threatened in social situations may form favourable attitudes toward products and brands that promise success or at least safety in such situations. These individuals would be likely to have favourable attitudes toward popular brands and styles of clothes and use personal care products such as deodorants, dandruff shampoo, and mouthwash.

Attitudes are formed as the result of all the influences we have been describing in the previous chapters, and they represent an important influence on an individual's lifestyle.

5. Combination function – More often individuals develop attitudes towards a product, which are a combined effect of all these functions.

6.7 ATTITUDE COMPONENTS

It is useful to consider attitudes as having three components: cognitive (beliefs), Affective (feelings), and behavioural (response tendencies).

1. Cognitive Component: Cognitive component consists of a consumer's belief about an object. For most attitude objects, people have a number of beliefs. Many beliefs about attributes are evaluative in nature; for example, high gas mileage, attractive styling, and reliable performance are generally viewed as positive beliefs. The more positive beliefs associated with a brand, the more positive each belief is, and the easier it is for theindividual to recall the beliefs, the more favourable the overall cognitive component is presumed to be.

2. Affective Component: Feelings or emotional reactions to an object represent the affective component of an attitude. A consumer who states 'I like Pepsi" or "Pepsi isa tasty drink" is expressing the results of an emotional or affective evaluation of theproduct. The overall evaluation may be simply a vague, general feeling developed without cognitive information or beliefs about the product.

3. Behavioural Component: The behavioural concept of an attitude is one's tendency to respond in a certain manner toward an object or activity. A series of decisions to purchase or not purchase Pepsi or to recommend it or other brands to friends would reflect the behavioural component of an attitude. Actual behaviours reflect these intentions as they are modified by the situation in which the behaviour will occur.

6.8 FORMATION OF ATTITUDE

People are not born with an attitude. But they develop it over the growing & learning period. There are several ways the attitude can be formed:

1. Classical conditioning – Attitudes about the products are formed over the years by continuous tutoring & exposing the consumers to product's attributes. Thus slowly the consumer's attitude is reinforced.

2. Instrumental conditioning – Sometimes this attitude is formed out of an incidence. This is not intentional, but due to some reason if the consumer tries some new product &develops a favourable or unfavourable attitude, which lays the foundation of future strengthening of attitude.

3. Cognitive learning theory – This is similar to classical conditioning, with a difference that it is associated with learning through mental processing & evaluation and experience of using the products over a period of time.

6.9 THEORIES OF ATTITUDE DEVELOPMENT (THEORY OF COGNITIVE DISSONANCE)

Usually behaviour is the result of attitude. But there are certain theories which suggest that behaviour precedes attitude. They also suggest that on the basis of behaviour & experience, a person modifies his attitude. This is the theory of cognitive dissonance. Dissonance is a state of discord where one experiences between one's own behaviour & attitude. Even if a person doesn't like certain things (attitude) he compels himself to do that (behaviour). Thus the attitude is said to be in conflict with the behaviour. The theory further states that in the case of such a conflict, the person changes any of them to match the other. This is very important to the marketer, because, in this process a buying decision is involved which may be favourable or unfavourable to it. This theory is supported by the following:

1. Self-perception theory – According to this theory, the consumer has an opinion about his taste, attitude personality & these are reflected in his buying decision / action, and he justifies his action.

2. Social judgement theory – According to this theory, the consumer will evaluate any new information regarding a product in the light of the opinion already has about the product. In other words, they will accept all info about the product they already like, & it's difficult to change that attitude.

3. Balance theory – According to this theory, the consumer tries to balance three things–

    (1) His own perception about the product,

    (2) Other's perception about the product, and

    (3) What the marketer or product itself communicates. After balancing if he finds all three favourable, then he decides buying the product. In case of a conflict between any two of them, the consumer tries to find out another product which balances the three factors favourably.

6.10 ATTITUDE CHANGE

Attitudes can be formed, and so also they can be changed. Forming & changing both may slow or fast and may be easy or difficult. This phenomenon is very important & a big opportunity for the marketers to try to make the consumers' attitude favourable to them &their product. The following are the best possible ways:

1. By changing functional utility – Here the functional theory of the attitude is utilised and the marketers try to change these functions of the products by adding or improving them. Such a move can bring about change in attitude to a particular product.

2. By associating with a famous personality – Marketers often try to change or influence attitude by associating themselves or their products to a famous personality or an established & reputed firm. This changes the attitude of the consumer who likes to be associated with such products.

3. By changing the features & presenting the product in a new light – Marketers sometimes break the monotony & present the products in a new light as ifthey are newly launched by adding some extra features & outlook. This may change the attitude of consumers who are looking for new/ fresh looks / features.

4. By changing the belief of consumer about a product – Consumers have some belief &notion about a product. Marketers try to change & enhance that belief by giving additional facts & figures about the product's enhanced image.

5. By changing the perception of consumer about a competitor's product – Most consumers have some belief & perception about the competitor's products. Marketers try to change that perception in such a way that their product would look more advantageous. They don't directly say the competitors' products are bad but they do devise certain methods to tell the consumers so that they can compare & test themselves & see the difference.

6.11 STRUCTURAL MODELS OF ATTITUDE

Attitudes play an important role in influencing a person's behaviour. The study of attitudes is the key to understanding consumers' behaviour towards a particular brand or product.

6.11.1 The Attitude Object

The word object in our consumer oriented definition of attitude should be interpreted broadly to include specific consumption or marketing related concepts such as product, product category, brand, service, possessions, product use, causes, issues, people, advertisements, medium, retailer, price, internet sites, etc. While conducting attitudes research & studies, the marketer has to be object specific.

6.11.2 Attitude Models

In order to study the relationship between attitude & behaviour of an individual, psychologists have developed several models that can better explain or predict the behaviour. The following are the models

6.11.3 Tri-Component Model

According to the tri-component model, attitudes consist of three major components – (1) cognitive (knowledge, leering), (2) affective (feelings, emotions), & (3) conative (tendency, intention or inclination)

1. Cognitive component – The first part of the tri-component attitude model cognitive component consists of a person's cognitions, i.e., the knowledge and perceptions thatare acquired by a combination of direct experience with the attitude object and related information from various sources. This knowledge & resulting perceptions commonly take the form of beliefs, i.e., the consumer believes that the attitude object processesvarious attributes and that specific behaviour will lead to specific outcomes.

2. Affective component – The second part of the tri-component attitude model affective component consists of a person's emotion or feelings about a particular product or a brand. These emotion emotion & feelings are frequently treated by consumer researchers as primarily evaluative in nature,i.e., they can be rated with degrees of an attribute – good/bad, favourable/unfavourable. Additionally the state of mind (emotionally charged states like happiness, sadness, anger, disgust, distress, shame, guilt, surprise etc.) also affects the attitudes by enhancing positive or negative emotions emotions or feelings.

3. Conative component - The third part of the tri-component attitude model conative component consists of a person's likelihood or tendency to undertake a specific action or behaviour towards the attitude object. Often this means the actual action or behaviour itself, or the intention to buy a particular product. Buyer intention scales like – "How likely one is to buy" or "The chance that one will buy" are used to assess the likelihood /chances of a person buying a product.

6.11.4 Multi-Attribute Model of Attitudes

These models portray consumers' attitudes with regard to an attitude object as a function of consumers' perception and assessment of the key attributes or beliefs held with regards to the particular attitude object. There are several variations of this kind of models, a few of which are given below

1. Attitude towards object model – This model is especially suitable for measuring attitudes towards a product/service category or specific brands. According to this model the consumers' attitude towards a product or specific brands of a product is a function of the presence or absence and evaluation of certain product specific beliefs and/or attributes.

2. Attitude towards behaviour model – This model is individual's attitude towards "behaving or acting" with respect to an object rather than the attitude towards the object itself.

3. Theory of reasoned action model – This model is similar to the tri-component model of Reason- Emotion-Intention. In the tri-component model all these components complement & supplement one another and the result is a combined one. But in the theory of reasoned action model we have another component "subjective norms" which additionally influences the intention. This subjective norm is the perception & belief of others about the intention or behaviour that are very close to the buyer.

6.12 SUMMARY

This unit summarises consumer needs are the quintessence of the marketing concept. Psychologists and consumer researchers agree that human beings have the same needs; however, these needs get translated differently into different wants, resulting in varied motives. With consumers being different and unique to each other, it is important that the marketers understand the various needs, and provide relevant product and service offerings that blend with the consumer(s) segment(s) and their wants. An understanding of human needs and motives would also help marketers understand and to predict consumption behaviour. It also discusses about an attitude is an enduring organisation of motivational, emotional, perceptual, and cognitive processes with respect to some aspect of our environment. It is a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object. Thus, an attitude is the way one thinks, feels, and acts toward some aspect of his or her environment such as a retail store, television programme, or product.

6.13 SHORT ANSWER QUESTIONS

3. Define need, want and desire

4. What is the difference between need and want?

5. What are the motivational factors that make the buyer to buy the products?

6. Define attitudes.

7. What is attitude change?

8. What is multi attribute model of attributes?

9. What is attitude change ?

6.14 LONG ANSWER QUESTIONS

1. Explain learning and attitude of consumers.

2. Explain the characteristics of Attitudes.

3. Write down the functions of Attitudes.

4. What are the models of customer attitude? Explain in detail.

6.15 MULTIPLE CHOICE QUESTIONS

4. Which of the following reflects the relatively stable behavioural tendencies that individuals display across a variety of situations?

(a) Motivation   (b) personality

(c) emotion   (d) perception   **[Ans: a]**

5. If a consumer tells friends "I like my car more than any other car on the road," then the consumer has expressed an _____.

(a) Rule.   (b) Attitude.

(c) Belief.   (d) Cue.   **[Ans: b]**

6. _____ puts people into a frame of mind of liking or disliking things, of moving toward or away from them.

(a) A rule   (b) An attitude

(c) A belief   (d) Acue   **[Ans: b]**

7. _____ are the groups that individuals look to when forming attitudes and opinions.

(a) Reference groups   (b) Teenage groups

(c) Religious groups   (d) Adult groups   **[Ans: c]**

6.16 CASE STUDY

TUPPERWARE - INFLUENCING OPINIONS THROUGH WORD-OF-MOUTH

Abstract: Tupperware's famed 'Party Plan' strategy helped the company to connect with potential customers and generate sales from products which were priced at a premium as compared to similar products in the market. The company entered into tie- ups with FMCG players like P&G to increase visibility in the market. The caselet alsomentions how Tupperware developed a fun atmosphere in the company.

Issues:

- Effectiveness of peer group promotions over traditional mode of promotions like advertising
- How alliances help in improving visibility among the brands involved in the alliance
- The need to look for alternative sales generating options other than direct selling to generate revenues

Introduction

Tupperware, a direct selling company entered India in November 1996. Tupperware adopted a three-tier network structure. At the lowest level was the Dealer.

One rank above the dealer was the Manager who operated a team of six dealers. The manager also had to sell like the dealers, in addition to motivating and training dealers. She got a commission on the sales of her team...

Questions for Discussion

1. How did Tupperware use parties to increase sales of its products?

2. "Tupperware's marketing strategy was described by its three Ps - Product, Party Plan, and People." What was unique about Tupperware's marketing?

KEY WORDS

- Need: A need is something that is necessary for the survival of a person.
- Want: A want indicates something that a person wishes or desires to possess.
- Consumer motivation: urge or drive to satisfy needs through product purchase and its consumption.
- Aesthetic: concerned with appreciation of beauty.

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CONSUMER EMOTIONS AND LEARNING

7

Table of Contents

Chapter Objectives _____

The students will learn about the customer emotions and learn elements of consumer learning from this unit.

Learning Outcomes

The contents of this unit have been developed to achieve the following outcomes:

- To understand about the consumer emotions and types of emotions

- To learn about the elements of consumer learning of theories

7.1 INTRODUCTION TO CUSTOMER EMOTIONS

Needs and emotions are closely related. Emotions are generally triggered by environmental events. Anger, joy and sadness are most frequently a response to a set of external events. However, we can also initiate emotional reactions by internal processes such as imagery. Athletes frequently use imagery to "psych" themselves into a desired emotional state.

Emotions are accompanied by physiological changes. Some characteristic changes are

    (1) Eye pupil dilation,

    (2) Increased perspiration,

    (3) More rapid breathing,

    (4) Increased heart rate and blood pressure, and

    (5) Enhanced blood sugar level.

Emotions also have associated behaviours. While the behaviours vary across individuals and within individuals across time and situations, there are unique behaviours characteristically associated with different emotions: fear triggers, fleeing responses, anger triggers striking out, grief triggers crying, and so forth. Finally, emotions involve subjective feelings. In fact, it is the feeling component we generally refer to when we think of emotions. Grief, joy, anger, jealousy, and fear feel very different to us. These subjectively determined feelings are the essence of emotion.

7.2. NATURE OF EMOTIONS/TYPES OF EMOTION

If asked, you could doubtless name numerous emotions and your friends could name others that did not appear on your list. Thus, it is not surprising that researchers have attempted to categorise emotions into manageable clusters. Some researchers have suggested that three basic dimensions – pleasure, arousal, and dominance (PAD) – underlie all emotions. Specific emotions reflect various combinations and levels of these three dimensions. Following table lists the three primary PAD dimensions, a variety of emotions or emotional categories associated with each dimension, and indicators or items that can be used to measure each emotion.

Self Assessment

Short Answer Questions

  1. Define consumer emotions

  2. What are the types of emotions?

  3. What is the nature and scope of consumer emotions?

1. _____ are generally triggered by environmental events.

   (a) Motives   (b) Learning

   (c) Emotions   (d) Response   **[Ans: c]**

7.3 LEARNING AND CONSUMER BEHAVIOUR INTRODUCTION / DEFINITION

Different theorists have different views about Learning. But somehow the following are themost generally accepted definitions in the context of Marketing Management.

Kotler's Definition: Learning involves changes in an individual's behaviour arising out of experience. Most of the human behaviour is learned over time out of experience.

Schiff man and Kanuk's Definition: Learning is a process by which individuals acquire the purchase and consumption knowledge and experience that they apply to future related behaviour.

Loudon and Della Bitta's Definition: Learning can be viewed as a relatively permanent change in behaviour occurring as a result of experience.

7.4 SALIENT FEATURES OF LEARNING

1. Consumer learning is a process, and thus it continuously changes and evolves as a result of newly acquired knowledge

2. This knowledge can be obtained from reading, discussing, observing, thinking, etc. Or from actual experience.

3. Both the newly acquired knowledge and personal experience serve as a feedback.

4. This also serves as a future behaviour in similar situations.

5. Not all learning is deliberate. Learning can be:

   A. Intentional: acquired as a result of careful search for information with effort.

   B. Incidental: acquired as a result of accident or by the way, without much effort.

6. The term "Learning" generally covers all ranges of learning from simple reflexive responses to abstract concepts or complex problem solving capability.

7.5 ELEMENTS OF LEARNING

Consumers learn in various ways. In order for learning to take place, certain elements must be present. The exact nature and strength of these elements or components influence what are learned, how and at what pace. The most important among them are presented below:

Motives

Motives, motivation or drive is very important for learning. People learn by being driven by some motives or motivating factor. Motives arouse individuals in increasingtheir readiness to respond to a learning activity. It also activates the energy needed to do so. The degree of relevance or involvement determines the consumer's level of motivation to search for information about a product / service. Marketers must be aware of thiskind of motive so that they are ready to provide product info right at that moment. For example, showing ads for winter goods just before winter and summer products justbefore summer.

Cues

Motives stimulate learning, whereas "cues" are the stimuli that give direction to these motives. These are not so strong as motives, but they can influence in the manner consumers respond to a motive. For example, in the market place, price, styling, packaging, store display all serve as cues to help consumer to decide a particular product from a group. But if the consumer doesn't have a motive to buy a particular product group, he may not buy. Marketers must be careful in providing cues so that they don't upset the consumers' expectations driven by motives.

Response

Response is how the consumers react to the motives or a cue, and how they behave. Response can be overt (open, physical or visible) or covert (hidden or mental), but in either case learning can occur. Responses appropriate to a particular situation are learned overtime through experience in facing that situation. Often marketers may not succeed in stimulating a purchase. But over a period of time they may succeed in forming a favourable image of a particular product in the consumer's mind. So when the consumer is ready, he is likely to buy that.

Reinforcement

Reinforcement is an important element which increases the probability (tendency or likelihood) of a particular response to occur in future as a result of a given set of motives and cues. Because reinforced behaviour tends to be repeated, consumers can learn to develop successful means of responding to their needs or changing conditions.

7.6 BEHAVIOURAL LEARNING THEORIES

Various theories have been developed to explain different aspects of learning. The most acceptable are those based on stimulus-response theory. These theories assume that observable response to specific external stimuli indicate that learning has taken place. When a person acts or responds in a predictable manner to a known stimulus, then he is said to have "learned".

The "process" of learning is not at all important here. The only important factors are "inputs" or stimulus and the "outcomes" or response of learning. There are two distinct types:

1. Classical (or respondent) conditioning, and
2. Instrumental (or operant) conditioning. They are discussed below:

7.6.1 Classical Conditioning

This theory says that all living beings learn from or taught by "repetition". Thisis referred to as "conditioning" which means a kind of spontaneous response to a particular situation achieved by repeated exposure. Classical conditioning or respondent conditioning pairs or connects one stimulus with another that has already established a given response. Over repeated trials of exposure, the new stimulus will also begin to get the same or similar response.

Ivan Pavlov, a Russian physiologist was the first to postulate the above theory about classical conditioning. (Hence. some authors call it Pavlovian Learning Theory). He made a study of dogs. The dogs are hungry and eagerly waiting for the food. Pavlov rang a bell, and immediately after it, gave some meat to the dogs. This caused the dogs to salivate. Here the meat is the "unconditioned stimulus" and the dogs are already associated with it by showing a response of salivating. After a sufficient number of repetitions of this procedure, learning (conditioning) occurs and the dogs started associating the bell sound (conditioned stimulus) with the meat and showed the same response of salivating. That means now if the bell rang, the dogs would start salivating. Thus the pairing or associating of an "unconditionedstimulus" and a "conditioned stimulus" is said to be successfully done.

In the context of Consumer Behaviour, unconditioned stimulus may be a well-known brand (say Amul milk and milk products) whose product quality is well known. This previously acquired perception of Amul is the "unconditioned response". The conditioned stimulus maybe a new product (Amul Ice-cream) having the same brand name. And the "conditioned response" would be trying the Ice-Cream because of the belief that the product may have the same quality attributes as the Amul name is associated with.

7.6.2 Instrumental Conditioning

This theory suggests that living beings learn by a method of trial-and-error, and finding out the particular stimulus having the best (or the most favourable/satisfactory) response. And subsequently this is formed as a habit with the rewards received for certain response of behaviour.

B F Skinner, an American psychologist was the first to develop this model of learning. He suggested that most of the individual learning take place in controlled environment in which individuals are rewarded by choosing a right behaviour. This theory, named

as instrumental conditioning was shown by an experiment by working with animals. He made a box called the Skinner box and placed a few small animals. The box wasfitted with several keys/levers. When an animal pressed the right lever, it got some foodas reward. Pressing other levers didn't get any rewards. In the beginning the animals pressed the levers at random. But slowly they "discovered" the right one. This kind of learning and teaching has wonderful and successful results.

In the context of consumer behaviour, this model is very important and applies to many common situations. It suggests that consumers learn by means of trial-and-error method in which some purchase behaviours result in more favourable outcomes (i.e., rewards) than other purchase behaviours. Thus, a favourable experience becomes "instrumental" in teaching the individual to repeat a specific behaviour.

For example, the consumer, who tries several brands and styles of jeans finally finds a particular brand and style that fits her figure and personality best, has in fact undergone instrumental learning. Presumably, this is the brand she is likely to continue buying.

7.6.3 Cognitive Learning Theory

There is another type of theory of learning, which doesn't involve repeated trials or a connection between a stimulus and response. This type of learning arises out of using the mental faculty of the individual to discover things, perceive things, seeking knowledge, search for information, sudden impulsive learning, solving problems, etc. Learning based on the mental activity is known as "cognitive learning". Human beings are the most evolved animals who have the most prominent characteristics of thinking, deliberation and problem solving. Unlike behavioural theories, the cognitive theories involve a complex mental processing of information, and emphasise the role of motivation and mental processes in producing the desired response.

Wolfgang Kohler's experiment with a chimpanzee provides an interesting example to understand this theory of learning. A chimp was placed inside a cage with a box ina corner of the cage and bananas hung from the roof of the cage beyond reach. The chimp jumped several times and tried to reach the bananas, but in vain. Suddenly by impulse, the chimp placed the box just under the bananas and jumped from it to reach the bananas, and he got them. This suggests that the ape's learning was not a result of repetition or trial-and-error, but because of some thinking and a sudden insight into the problem solving method. The bananas in this experiment are not rewards, but a kind of motivation to apply thinking and problem solving methods.

In the context of consumer behaviour, the individuals are considered to show problem-solving behaviour and have active understanding of situations confronting them. This view is most important in understanding how consumers learn which stores, method of shopping, or products will best meet their needs.

For example, it can take the form of learning about the uses and benefits of new products in the market, especially if they represent significant innovations. It can also explain how consumers learn about existing products for which they have developed a recent interest or need.

7.7 SUMMARY

This unit summarises the needs and emotions of the consumers and that they areclosely related. Emotions are generally triggered by environmental events. Anger, joy,and sadness are most frequently a response to a set of external events. However, wecan also initiate emotional reactions by internal processes such as imagery. Athletes frequently use imagery to "psych" themselves into a desired emotional state. It also explains the salient features of learning and elements of consumer learning.

7.8 SHORT ANSWER QUESTIONS

1. What is learning?

2. What are the elements of learning?

3. What is reinforcement?

7.9 LONGANSWER QUESTIONS

1. Discuss about the salient features of consumer learning.

2. Write about the theories of learning

3. Explain it in detail about the elements of learning

4. Explain the characteristics of learning

5. Define cues. Explain classical conditioning theory of learning.

7.10 MULTIPLE CHOICE QUESTIONS

1. _____ describes changes in an individual's behaviourarisingfrom experience.

   (a) Modeling   (b) Motivation

   (c) Perception   (d) Learning   **[Ans: d]**

2. _____ stimulates learning.

   (a) Cues   (b) Response

   (c) Reinforcement   (d) Motive   **[Ans: d]**

7.11 .CASE STUDY

HALDIRAM'S - THE NO:1 CHOICE OF CONSUMERS

Abstract: The caselet, Haldiram's: The No: 1 Choice of Consumers, explains how Haldiram's, which markets snack products in India, became the primary choice among

Indian consumers. Haldiram's came out with different products which suited the tastes of various ethnic and geographical groups. The caselet deals with how the company used the 4Ps effectively to influence consumer decision making.

Issues:

- Ways in which a company can influence consumer decision making
- Importance of the pricing strategy in the ready-to-eat snack market in India
- The need to offer products which suit the tastes of a heterogeneous group

Haldiram's, a household name in ready-to-eat snack foods in India, offered a wide range of products to its customers. The product range included namkeens (savouries), sweets, sharbats, bakery items, dairy products, papads, and ice-creams.

Namkeens remained the main focus area for the group. By specialising in the manufacture of namkeens, the company created a niche market. Haldiram's sought to customise its products to suit the tastes and preferences of customers from different parts of India. For example, it launched 'Murukku,' a South Indian snack, and 'Chennai Mixture' for south Indian customers...

Questions for Discussion:

1. What were the ways in which Haldiram's influenced the decision making of the consumers?

2. What were the marketing strategies followed by Haldiram's to ensure that its products became the No 1 choice among the consumers?

KEY WORDS

- Emotion: a strong feeling
- Reinforcement: the action of strengthening or encouraging something
- Conditioning: the process of making a person accustomed to behave in a certain way

FURTHER READING

1. David L.Loudon And Albert J.DellaBitta – Consumer Behavior (Fourth Edition)
2. Leon Sciffman, Leslie Lazar Kanuk -Consumer Behavior (8th Edition)
3. Phi – Leon G Shiffman& Leslie Lazar Kanuk, Consumer Behavior (7th Edition)
4. https://www.icmrindia.org/case%20volumes/Case%20Studies%20in%20 Consumer%20Behavior.htm

COMMUNICATION, GROUP, LEADERSHIP

8

Chapter Objectives _____

The students learn about the strategies of communication and leadership in consumer behaviour and group behaviour.

Learning Outcomes

The contents of this unit have been developed to achieve the following outcomes:

- To understand the meaning of communication and strategies

- To know about the types of groups and strategies

- To learn about the leadership types and its meaning

8.1 INTRODUCTION TO COMMUNICATION AND PERSUASION

Communication with existing and potential consumers, for moulding consumer behaviour, is a must for any company. Persuasion is the subtle part of communication that will encourage continued favourable behaviour of existing consumers and convert potential consumers into customers. Communication and persuasion are important tools in the hands of the marketers used by them to create a customer base large enough to generate profitability, to keep and expand the base, to keep existing business and develop it for further new business.

Communication can be defined as the transmission of information and message to consumer via the media or personal contact, mail, print, tele/electronic means and broadcast. Receiving feedback and learning from it is also a part of communication.

8.2 COMMUNICATION MIX

Today the concept of communication mix is equally important for a company to achieve the most effective communication. The following are the elements from among which choices are to be made by the marketer in arriving at the most appropriate communications mix.

1. Face to face (vis-à-vis) meetings and interactions between sales force and customers.

2. Direct marketing by means of mailing of letter and catalogues, telephone, fax, or e-mail, to convey information, develop dialogue and achieve interaction.

3. Advertising in one or several mass media available like Print/Radio/TV/Internet.

4. Sales promotion, which may include a variety of incentives, to stimulate trial purchases and to establish dialogue with the consumers.

5. Publicity and Public relations exercises to project a general favourable image of the company or the product to consumers at large.

Some Marketplace Beliefs and Myths Develop Due to Insufficient Communication

Where there is insufficient communication, consumers form their own assumptions and these assumptions solidify into beliefs and myths. Some examples particularly encountered in the developing world are the following:

- Price and quality are directly related and therefore a low-priced product cannot have good quality.

- A big company's products are costlier per se and its consumer is made to pay for the high overheads of the company.

- New products are always costly. If you wait sufficiently the prices will come down.

- Synthetic products are lower in quality than those made of natural materials.

- Large quantities of a same product presented in economy packages are always economical.

- If the seller is losing (clearance sale, closing down sale etc.) it must be a good bargain.

- Advertised goods are costly because customers pay for the advertisements.

8.3 COMMUNICATION AND THE CONSUMER PROFILE

The profile of the consumer exhibits among other things 'exposure to media' and 'values'. Depending on these the marketer can decide on the selection of media for communication and the strategy for appeal in the communication. In fact, the other particulars in the consumer profile like the age, income, and education etc. of the consumer will also help in formulating the message about the benefit of the product.

Strategies

It is worthwhile to examine the actual strategies available to the marketer for making benefit appeals and emotional appeals. In the benefits route the communication focuses on one or more of the following:

- Economy of price
- Guarantees
- Value for money
- Economy in maintenance
- Technical features
- Expert endorsement

Groups and Reference Groups

A group may be defined as two or more people who interact to accomplish some goals. Within the broad scope of this definition are both an intimate "group" of two neighbours who informally attend a fashion show together and a larger, more formal group, such as a neighbourhood.

8.4 TYPES OF GROUPS

To simplify our discussion, we will consider four different types of group classification:

Primary versus secondary groups, formal versus informal groups, large versus small groups, and membership versus symbolic groups.

8.4.1 Primary versus Secondary Groups

If a person interacts on a regular basis with other individuals (with members of his or her family, with neighbours, or with co-workers whose opinions are valued), then these individuals can be considered as a primary group for that person. On the other hand, if a person interacts only occasionally with such others, or does not consider their opinions to be important, then these others constitute a secondary group for that person.

8.4.2 Formal versus Informal Groups

Another useful way to classify groups is by the extent of their formality; that is, the extent to which the group structure, the members' roles, and the group's purpose are

clearly defined. If a group has a highly defined structure (e.g., a formal membership list), specific roles and authority levels (a president, treasurer, and secretary), and specificgoals (to support a political candidate, improve their children's education, increase the knowledge or skills of members), then it would be classified as a formal group. On the other hand, if a group is more loosely defined, if it consists, say, of four women who werein the same college group and who meet for dinner once a month, or three co- workers who, with their spouses, see each other frequently then it is considered an informal group.

8.4.3 Large versus Small Groups

It is often desirable to distinguish between groups in terms of their size or complexity. A large group might be thought of as one in which a single member is not likely to know more than a few of the group's members personally, or be fully aware of the specific roles or activities of more than a limited number of other group members. In contrast, members of a small group are likely to know every member personally and to be aware of every member's specific role or activities in the group.

8.4.4 Membership versus Symbolic Groups

Another useful way to classify groups is by membership versus symbolic groups. A membership group is a group to which a person either belongs or would qualify for membership. In contrast, a group in which an individual is not likely to receive membership, despite acting like a member by adopting the group's values, attitudes, and behaviour, is considered a symbolic group.

Consumer Relevant Groups

To more fully comprehend the kind of impact that specific groups have on individuals, we will examine six basic consumer-relevant groups: the Family, Friendship groups, Formal social groups, Shopping groups, Consumer action groups and Work groups.

Self Assessment

Short Answer Questions
1. What is communication?
2. What is group?

Long Answer Questions
1. Write short notes on communication channels and consumer profile.
2. Discuss the types of groups.

1. Many sub-cultural barriers are decreasing because of mass communication, mass transit, and a _____. .

   (a) Decline in the influence of religious values

   (b) Decline in communal influences

   (c) Strong awareness of brands in the market.

   (d) Strong awareness of pricing policies in the market.   **[Ans: a]**

2. Marketing communications play a critical role in informing consumers about _____ including where they can be purchased and in creating favourable images and perceptions.

   (a) Buying their products   (b) Price reductions

   (c) Products and services   (d) The advantage over competition **[Ans: c]**

8.5 THE FAMILY

An individual's family is the most important group to influence his or her consumer decisions. The family's importance in this regard is due to the frequency of contact that the individual has with other family members and that the family has a greater extent of influence on the establishment of a wide range of values, attitudes, and behaviour.

8.6 FRIENDSHIP GROUPS

Friendship groups are informal groups because they are, usually unstructured and lack specific authority levels. In terms of relative influence, after an individual's family,it is friends who are most likely to influence the individual's purchase decisions. Seeking and maintaining friendships is a basic drive of most people. Friends fulfil a wide rangeof needs: they provide companionship, security, and opportunities to discuss problems that an Individual may be reluctant to discuss with members of his or her own family. Friendships are also a sign of maturity and independence, for they represent a breaking away from the family and the forming of social ties with the outside world. Consumers are more likely to seek information from those friends they feel have values or outlooks similar to their own.

8.7 FORMAL SOCIAL GROUPS

In contrast to the relative intimacy of friendship groups, formal social groups are more remote and serve a different function for the individual. A person joins a formal social group to fulfil such specific goals as making new friends, meeting "important" people (e.g., for career advancement), or promoting a specific cause. Membership in a formal social group may influence a consumer's behaviour in several ways. For example,

members of such groups have frequent opportunity to informally discuss products, services, or stores. Some members may copy the, consumption behaviour of other members whom they admire.

8.8 SHOPPING GROUPS

Two or more people who shop together-whether for food, for clothing, or simply to pass the time, can be called a shopping group. Such groups are often offshoots of family or friendship groups. People like to shop with others who they feel have more experience with or knowledge about a desired product or service. Shopping with others also provides an element of social fun to an often boring but necessary task. In addition, it reduces the risk that a purchase decision will be socially unacceptable.

8.9 CONSUMER ACTION GROUPS

A particular kind of consumer group-a consumer action group- has emerged in response to the consumerist movement. This type of consumer group has become increasingly visible since the 1960s and has been able to influence product design and marketing practices of both manufacturers and retailers. Consumer action groups can be divided into two broad categories: those that organise to correct a specific consumer abuse and then disband, and those that organise to address broader, more pervasive, problem areas and operate over an extended or indefinite period of time. A group of tenants who band together to voice their dissatisfaction with the quality of service provided by their landlord, or a group of irate community members who unite to block the entrance of a fast-food outlet into their middle-class neighbourhood, are examples of temporary, cause- specific consumer action groups.

8.10 WORK GROUPS

The sheer amount of time that people spend at their jobs, frequently more than thirty five hours per week, provides ample opportunity for work groups to serve as a major influence on the consumption behaviour of members. Both the formal work group and the informal friendship/work group have the potential for influencing consumer behaviour. The formal work group consists of those individuals who work together as a team. Their direct and sustained work relationship offers substantial opportunity for one or more members to influence the consumer-related attitudes and activities of other team members. Members of informal work groups may influence the consumption behaviour of other members during coffee or lunch breaks or after-hours meetings.

8.11 REFERENCE GROUPS

Reference groups are groups that serve as a frame of reference for individuals in their purchase decisions. This basic concept provides a valuable perspective for understanding

the impact of other people on an individual's consumption beliefs, attitudes, and behaviour. It also provides some insight into methods that Groups can be used to effect desired changes in consumer behaviour.

A reference group is any person or group that serves as a point of companion (or reference) for an individual in the formation of either general or specific values, attitudes, or behaviour. The usefulness of this concept is enhanced by the fact that it places no restrictions on group size or membership, nor does it require that consumers identify with a tangible group (i.e., the group can be symbolic: prosperous business people, rock stars, and sports heroes). Reference groups that influence general values or behaviour are called normative reference groups. An example of a child's normative reference group is the immediate family, which is likely to play an important role in mouldingthe child's general consumer values and behaviour (e.g., which foods to select for good nutrition, appropriate ways to dress for specific occasions, how and where to shop, what constitutes "good" value).

8.11.1 Types of Reference Groups

Reference groups can be classified in terms of a person's membership or degree of involvement with the group and in terms of the positive or negative influences they have on his or her values, attitudes, and behaviour. Four types of reference groupsthat emerge from a cross-classification of these factors: contactual groups, aspirational groups, disclaimant groups, and avoidance groups.

1. A contactual group is a group in which a person holds membership or has regular face-to-face contact and of whose values, attitudes, and standards he or she approves. Thus a contactual group has a positive influence on an individual's attitudes or behaviour.

2. An aspirational group is a group in which a person does not hold membership and does not have face-to-face contact, but wants to be a member. Thus it serves as a positive influence on that person's attitudes or behaviour.

3. A disclaimant group is a group in which a person holds membership or has face-to-face contact but disapproves of the group's values, attitudes, and behaviour. Thus the person tends to adopt attitudes and behaviour that are in opposition to the norms of the group.

4. An avoidance group is a group in which a person does not hold membership and does not have face-to-face contact and disapproves of the group's values, attitudes, and behaviour. Thus the person tends to adopt attitudes and behaviour that are in opposition to those of thegroup. Consider Ratheesh, a senior graduate student in advertising at the Calicut University. The University Advertising Club, of which he is Student coordinator, serves as one of Ratheesh's contractual groups. Ratheesh believes that continuing his education to obtain

an MBA will enhance his career opportunities. It is clear those individuals who hold the MBA degree serve as an aspirational group for him. Still further, although he enjoys his position as a writer on the university's magazines, the recent editorials (endorsed by most of the staff) urging students to adopt a more conservative political philosophy run counter to his own views. Thus the newspaper staff is currently a disclaimant group. Finally, Ratheesh personally knows a number of students who have quit college during their final year; these former students serve as an avoidance group.

8.11.2 Factors that Affect Reference Group Influence

The degree of influence that a reference group exerts on an individual's behaviour usually depends on the nature of the individual and the product and on specific social factors. This section discusses how and why some of these factors operate to influence consumer behaviour.

1. Information and Experience

An individual who has first-hand experience with a product or service, or can easily obtain full information about it, is less likely to be influenced by the advice or example of others. On the other hand, a person who has little or no first-hand experience with a product or service, and does not expect to have access to objective information about it (e.g., a person who believes that relevant, advertising may be misleading or deceptive), is more likely to seek out the advice or example of others.

For example, if a medical student wants to impress his new girl-friend, he may take her to a restaurant that he knows from experience to be good or to one that has been highly recommended by the local newspaper's Dining-Out Guide. If he has neither personal experience nor information he regards as valid, he may seek the advice of friends or imitate the behaviour of others by taking her to a restaurant he knows is frequented by physicians whom he admires.

2. Credibility, Attractiveness, and Power of the Reference Group

A reference group that is perceived as credible, attractive, or powerful can induce consumer attitude and behaviour change. For example, when consumers are concerned with obtaining accurate information about the performance or quality of a product or service, they are likely to be persuaded by those they consider to be trustworthy and knowledgeable. That is, they are more likely to be persuaded by sources with high credibility.

When consumers are primarily concerned with the acceptance or approval of others they like, with whom they identify, or who offer them status or other benefits, they are likely to adopt their product, brand, or other behavioural characteristics.

When consumers are primarily concerned with the power that a person or group can exert over them, they might choose products or services that conform to the norms of that person or group in order to avoid ridicule or punishment. However, unlike other reference groups that consumers follow either because they are credible or because they are attractive, power groups are not likely to cause attitude change.

3. Conspicuousness of the Product

The potential influence of a reference group varies according to how visually or verbally conspicuous a product is to others. A visually conspicuous product is one that can be seen and identified by others, and that will stand out and be noticed (e.g., a luxury item or novelty product). Even if a product is not visually conspicuous, it may beverbally conspicuous it may be highly interesting or it may be easily described to others.Products that are especially conspicuous and status-revealing (a new automobile, fashion clothing, home furniture) are most likely to be purchased with an eye to the reactions of relevant others. Products that are less conspicuous (canned fruits, laundrysoaps) are less likely to be purchased with a reference group in mind.

Reference Group Impact on Consumer decisions

In some cases, and for some products, reference groups may influence both a person's product category and brand (or type) choices. Such products are called product plus, brand-plus items. In other cases, reference groups influence only the product category decision. Such products are called product-plus, brand minus items. In still other cases, reference groups influence the brand (or type) decision. These products are called product minus, brand-plus items. Finally, in some cases, reference groups influence neither the product category nor the brand decision; these products are called product- minus, brand minus items. The idea of classifying products and brands into four groupsin terms of the suitability of a reference group appeal was first suggested in the mid- 1950s, along with an initial classification of a small number of product categories.

Reference Groups and Consumer Conformity

Marketers are particularly interested in the ability of reference groups to change consumer attitudes and behaviour (i.e., to encourage conformity). To be capable of such influence, a reference group must

1. Inform or make the individual aware of a specific product or brand;
2. Provide the individual with the opportunity to compare his or her own thinking with the attitudes and behaviour of the group;
3. Influence the individual to adopt attitudes and behaviour that are consistent with the norms of the group;
4. Legitimise an individual's decision to use the same products as the group. The

ability of reference groups to influence consumer conformity is demonstrated by the results of a classic experiment designed to compare the effects.

8.11.3 Benefits of the Reference Group Appeal

Reference group appeals have two principal benefits for the advertiser: they increase brand awareness and they serve to reduce perceived risk.

1. Increased Brand Awareness: Reference group appeals provide the advertiser with the opportunity to gain and retain the attention of prospective consumers with greater ease and effectiveness than is possible with many other types of promotional campaigns. This is particularly true of the celebrity form of reference group appeal, where the personality employed is generally well known to the relevant target segment. Celebrities tend to draw attention to the product through their own popularity. This gives the advertiser a competitive advantage in gaining audience attention, particularly on television where there are so many brief and similar commercial announcements.

2. Reduced Perceived Risk: The use of one or more reference group appeals may also serve to lower the consumer's perceived risk in purchasing a specific product. The example set by the endorser or testimonial-giver may demonstrate to the consumer that uncertainty about the product purchase is unwarranted: Following are examples of how reference group appeals serve to lower the consumer's perceived risk.

Celebrity: Consumers who admire a particular celebrity often have the following reactions to the celebrity's endorsement or testimonial, e.g. "She wouldn't do a commercial for that product if she didn't believe it was really good."

Expert: When consumers are concerned about the technical aspects of a product, they welcome the comments of an acknowledged or apparent expert, e.g. "If he says it works, then it really must work."

Common Man: When consumers are worried about how a product will affect them personally, they are likely to be influenced by a common man endorsement or testimonial, e.g. "People just like me are using the product"

8.12 THE FAMILY AND FAMILY LIFE CYCLE

The importance of the family or household unit in consumer behaviour arises for two reasons:

1. Many products are purchased by a family unit.
2. Individuals' buying decisions may be heavily influenced by other family members.

How families or households make purchase decisions depends on the roles of the various family members in the purchase, consumption, and influence of products.

Household products like food and soaps may be purchased by a person but consumed by many, whereas personal care items, such as cosmetics or shaving cream, might be purchased by an individual family member for his or her own consumption. Homes and cars, on the other hand, are often purchased by both spouses, perhaps with involvement from children or other member of the extended family. Visits to shopping malls often involve multiple family members buying clothing and accessories, something with a heavy dose of influence by family member's children may buy clothing paid for and approved of by parents, whereas teenagers may influence the clothing purchase of a parent.

What is a Family?

A family is a group of two or more persons related by blood, marriage, or adoption who reside together. The nuclear family is the immediate group of father, mother, and child (ren) living together. The extended family is the nuclear family, plus other relatives, such as grandparents, uncles and aunts, cousins, and parents-in-law. The family into which one is born is called the family of orientation, whereas the one established by marriage is the family of procreation. In a more dynamic sense, the individuals who constitute a family might be described as members of the most basic social group who live together and interact to satisfy their personal and mutual needs.

What is a Household?

The term household is used to describe all person, both related and unrelated, who occupy a housing unit. There are significant differences between the terms household and family even though they are sometimes used interchangeably. It is important to distinguish between these terms when examining data.

The term household is becoming a more important unit of analysis for marketers because of the rapid growth in non-traditional families and non-family households. Among non-family households, the great majority consist of people living alone. The remaining non-family households include those consisting of elderly people living with non-family members. For example, persons of Opposite Sex Sharing Living Quarters, friends living together, and same sex couples.

8.13 SOCIOLOGICAL VARIABLES AFFECTING FAMILIES AND HOUSEHOLDS

Marketers can understand family and household decisions better by examining the sociological dimensions of how families make consumer decisions. Three sociological variables that help explain how families function include cohesion, adaptability, and communication.

- Cohesion is the emotional bonding between family members. It measures how close to each other family members feel on an emotional level. Cohesion reflects a sense of connectedness to or separateness from other family members.

- Adaptability measures the ability of a family to change its power structure, role relationships, and relationship rules in response to situational and developmental stress. The degree of adaptability shows how well a family can meet the challenges presented by changing situations.

- Communication is a facilitating dimension, critical to movement on the other two dimensions. Positive communication skills (such as empathy, reflective listening, and supportive comments) enable family members to share their changing needs as they relate to cohesion and adaptability. Negative communication skills (such as double messages, double binds, criticism) minimise the ability to share feelings, thereby restricting movement in the dimensions of cohesion and adaptability. Understanding whether family members are satisfied with family purchase requires communication within the family.

To determine how the family makes its purchase decisions and how the family affects the future purchase behaviour of its members, it is useful to understand the functions provided and the roles played by family members to fulfil their consumption needs.

8.14 FUNCTIONS OF THE FAMILY

Four basic functions provided by the family are particularly relevant to a discussion of consumer behaviour. These include:

(1) Economic Well-Being

Providing financial means to its dependents is unquestionably a basic family function. How the family divides its responsibilities for providing economic well-being has changed considerably during the past 25 years. The traditional roles of husband as economic provider and wife as homemaker and child bearer are still valid. The economic role of children has changed. Today, even if some teenage children work, they rarely assist the family financially. Their parents are still expected to provide for their needs. But some of them get enough pocket money to decide their consumption of discretionary items.

(2) Emotional Support

The provision of emotional nourishment (including love, affection, and intimacy) to its members is an important basic function of the contemporary family. In fulfilling this function, the family provides support and encouragement and assists its members in coping with personal or social problems.

(3) Suitable Family Lifestyles

Another important family function in terms of consumer behaviour is the establishment of a suitable lifestyle for the family. Family lifestyle commitments, including the allocation of time, greatly influence consumption patterns. For example, the increase in the number of married women working outside the home has reduced the time they have available for house, and has created a market for convenience products and fast-food restaurants.

(4) Socialisation of Children and Other Family Members

The socialisation of family members, especially young children, is a central family function. In large part, this process consists of imparting to children the basic value and modes of behaviour consistent with the culture. These generally include moral and religious principles, interpersonal skills, dress and grooming standard, appropriate manners and speech, and the selection of suitable educational and occupational or career goals. Marketers often target parents looking for assistance in the task of socialising preadolescent children.

8.15 FAMILY LIFE CYCLES

Families pass through a series of stages that change them over time. This process historically has been called the family life cycle (FLC). The concept may need to be changed to household life cycle (HLC) or consumer life cycle (CLC) in the future to reflect changes in society. However, we will use the term FLC to show how the life cycle affects consumer behaviour.

Family Life Cycle Characteristics

The traditional FLC describes family patterns as consumers marry, have children, leave home, lose a spouse, and retire.

1. Young Singles

Young singles may live alone, with their nuclear families, or with friends, or they may cohabitate with partners in this stage. Although earnings tend to be relatively low, these consumers usually don't have many financial obligations and don't feel the need to save for their futures or retirement. Many of them find themselves spending as much as they make on cars, furnishings for first residences away from home, fashion, recreation, alcoholic beverages, food away from home, vacations, and other products.

2. Newly Married Couples

Newly married couples without children are usually better off financially than they were when they were single, since they often have two incomes available to spend on

one household. These families tend to spend a substantial amount of their incomes on cars, clothing, vacations, and other leisure activities. They also have the highest purchase rate and highest average purchases of durable goods (particularly furniture and appliances) and appear to be more susceptible to advertising.

3. Full Nest I

With the arrival of the first child, parents begin to change their roles in the family, and decide if one parent will stay to care for the child or if they will both work and buy day- care services. In this stage, families are likely to move into their first home; purchases furniture and furnishings for the child; and purchase new items such as baby food, toys, sleds, and skates. These requirements reduce families' ability to save, and the husband and wife are often dissatisfied with their financial position.

4. Full Nest II

In this stage, the youngest child has reached school age, the employed spouse's income has improved. Consequently, the family's financial position usually improves, but the family finds itself consuming more and in larger quantities. Consumption patterns continue to be heavily influenced by the children, since the family tends to buy large-sized packages of food and cleaning suppliers, bicycles, music lessons, clothing, sports equipment, and a computer.

5. Full Nest III

As the family grows older and parents enter their min-40s, their financial positionusually continues to improve because the primary wage earners income rises, the second wage earner is receiving a higher salary, and the children earn from occasional and part-time employment. The family typically replaces some worn pieces of furniture, buys some luxury appliances, and spends money on education. Families also spend more on computers in this stage, buying additional PCs for their older children. Depending onwhere children go to college and how many are seeking higher education, the financial position of the family may be tighter than other instances.

6. Married, No Kids

Couples who marry and do not have children are likely to have more disposable income to spend on charities, travel, and entertainment than others in their age range.Not only do they have fewer expenses, these couples are more likely to be dual-wage earners, making it easier for them to retire earlier if they save appropriately.

7. Older Singles

Single, age 40 or older, may be single again (ending married status because of divorce or death of a spouse), or never married (because they prefer to live independently or

because they cohabitate with partners), either group of which may or may not have children living in the household. This group now has more available income to spend on travel and leisure but feels the pressure to save for the future, since there is no second income on which to rely as they get older.

8. Empty Nest I

At this stage, the family is most satisfied with its financial position. The children have left home and are financially independent allowing the family to save more. In this stage discretionary income is spent on what the couple wants rather than on what the children need. Therefore, they spend on home improvements, luxury items, vacations, sports utility vehicles, food away from home, travel, and product for their grand children.

9. Empty Nest II

But this time, the income earners have retired, usually resulting in a reduction in income and disposable income. Expenditures become health oriented, centring on such items as medical appliances and health, and medicines. But many of these families continue to be active and in good health, allowing them to spend time travelling, exercising, and volunteering. Many continue working part time to supplement their retirement and keep them socially involved.

10. Solitary Survivor

Solitary survivors can be either employed or not employed. If the surviving spouse has worked outside the home in the past, he or she usually continues employment or goes back to work to live on earned income (rather than saving) and remain socially active. Expenditures for clothing and food usually decline in this stage, with income spent on health care, sickness care, travel entertainment, and services.. Those who are not employed are often on fixed incomes and may move in with friends to share housing expenses and companionship, and some may choose to remarry.

11. Retired Solitary Survivor

Retired solitary survivors follow the same general consumption patterns as solitary survivors; however, their income may not be as high. Depending on how much they have been able to save throughout their lifetimes, they can afford to buy a wide range of products. These individuals have special needs for attention, affection, and security based on their lifestyle choices

8.16 FAMILY DECISION-MAKING

Families use products even though individuals usually buy them. Determining what products should be bought, which retail outlet to use, how and when products are

used, and who should buy them is a complicated process involving a variety of roles and actors.

8.17 ROLE BEHAVIOUR

Families and other groups exhibit what sociologist Talcott Parsons called instrumental and expressive role behaviours.

- Instrumental roles, also known as functional or economic roles, involve financial, performance, and other functions performed by group members.
- Expressive roles involve supporting other family members in the decision making process and expressing the family's aesthetic or emotional needs, including upholding family norms.

Individual Roles in Family Purchases

Family consumption decisions involve at least five definable roles, which may be assumed by spouses, children, or other members of a household. Both multiple roles and multiple actors are normal. Marketers need to communicate with consumers assuming each of these roles, remembering that different family members will assume different roles depending on the situation and product. Children, for example, are users of cereals, toys, clothing, and many other products but may not be the buyers. One or both of the parents may be the decider and the buyer, although the children may be important as influencers and users.

Family Roles

For a family to function as a cohesive unit, roles or tasks-such as doing the laundry, preparing meals, setting the dinner table, taking out the garbage, walking the dog must be carried out by one or more family members. In our dynamic society, family-related roles are constantly changing.

Key Family Consumption Roles

The roles played by the different family members will vary from product to product. While shopping in the market, a housewife comes across a new variety of juice that she buys for the family. Her decision to purchase does not directly involve the influence of other family members. She is the decider, buyer; but she may or may not be the preparer and is not the only user. In case of products such as television, car, music systems, furniture or any other product which is likely to be used by some or all thefamily members, the purchase decision is likely to be joint or group decision.

There are eight distinct roles in the family decision-making process. A look at these roles provides further insight into how family members act in their various consumption related roles:

1. **Influencers:** Those family members who provide information and advice and thus influence the purchase. The housewife tells her family about the new eatery that has opened in the neighbourhood and her favourable description about it influences her husband and teenaged children.

2. **Gatekeepers:** Those family members who control the flow of information about a product/service thus influencing the decisions of other family members. The teenaged son who wants a racing bicycle, may withhold from his father much of the relevant information on all brands except the one that he fancies, thereby influencing his father's decision in favour of his preferred brand.

3. **Deciders:** Family members who have the power to unilaterally or jointly decide whether or not to buy a product or service. The husband and wife may jointly decide about the purchase of a new refrigerator.

4. **Buyers:** Those family members who actually buy a particular product or service. A housewife may be the person who actually buys all the foodstuffs, rations and toiletries, which are consumed by all the family members.

5. **Preparers:** Those family members who transform or prepare the product into the form in which it is actually consumed. The housewife may prepare the family meal using raw vegetables, lentils, spices, oil and other ingredients.

6. **Users:** Those family members who use or consume a particular product or service. All family members may use the car, watch the television, and listen to the stereo music system

7. **Maintainers:** Family member(s) who service or repair the product so that it will provide continued satisfaction.

8. **Disposers:** Family member(s) who initiate or carry out the disposal or discontinuation of a particular product or service.

Self Assessment

Short Answer Questions

3. What are the key family consumption roles of the consumer behaviour?

4. What is meant by gatekeeper in context of family?

5. Define 'contactual group'.

Long Answers Questions

3. What are the factors that affect reference group? Discuss.

4. Discuss about the family life cycle.

Multiple Choice Questions

3. _____ is the definition of reference groups.

    (a) Groups that an individual looks to when forming attitudes and opinions

    (b) Groups of people who have been referred to by someone they know

    (c) Groups of office colleagues

    (d) Chat groups on the internet   **[Ans: a]**

4. _____ are the groups that individuals look to when forming attitudes and opinions.

(a) Reference groups	(b) Teenage groups
(c) Religious groups	(d) Adult groups **[Ans: a]**

8.18 SOCIAL CLASS AND CONSUMER BEHAVIOUR

Social class is more of a continuum, i.e., a range of social positions, on which each member of society can be place. But, social researchers have divided this continuum into a small number of specific classes. Thus, we go by this framework, social class is used to assign individuals or families to a social-class category.

Social class can be defined as 'The division of members of a society into a hierarchy of distinct status classes, so that members of each class have relatively the same status and the members of all other classes have either more or less status.'

8.18.1 The main characteristics of Social class

1. Persons within a given social class tend to behave more alike

2. Social class is hierarchical

3. Social class is not measured by a single variable but is measured as a weighted function of one's occupation, income, wealth, education, status, prestige, etc.

4. Social class is continuous rather than concrete, with individuals able to move into a higher social class or drop into a lower class.

8.18.2 Impact of social class

- Provides a sense of identity

- Imposes a set of 'normative' behaviours

- Classes share values, possessions, customs and activities

- Marketing response to customers of different economic means

- Marketing to the low-income consumer

- Some marketers ambivalent as not perceived as long-term customers constitutes a substantial group

- Target with value-oriented strategies.

Factors showing social class differences

Sl. No	Status, Value & prestige enjoyed	Social Class	Factors affecting social class
1	Low	Lower class	Lower level occupation with no authority, less income, and no education or minimum education. For example, labour class or clerks etc.
2	Medium	Middle class	Graduates, or postgraduates executives' managers of companies with authority, drawing handsome salary of which certain amount can be saved and invested. For example, executives or middle level managers of companies
3	High	Higher class	Authoritative person, drawing handsome salary, very often professionally qualified, working in a very senior position or a person born into a rich family, with a good background of education.

Opinion Leadership and Consumer Behaviour

Opinion Leadership is the process by which one person (opinion leader) informally influences the actions or attitudes of others, who may be opinion seekers or merely opinion recipients. The definition of opinion leadership emphasises on informal influence. This informal flow of opinion related influence between two or more people is referred to word-of-mouth communication.

8.19 BENEFITS OF WORD-OF-MOUTH

There are three situations in which opinion leadership takes place:

- When an individual actively seeks advice from others
- When an individual voluntarily provides information to others
- When information is generated in the course of normal interaction of a group

8.20 DYNAMICS OF OPINION LEADERSHIP

1. Credibility

Opinion seekers regard opinion leaders as trustworthy and a credible source of information pertaining to a particular product or brand – the opinion leaders have no hidden commercial motives, like cash rewards, in promoting a brand. Also opinion seekers seek their help in decision- making because they have expertise or usage

experience with a product or brand, which considerably reduces the perceived risk of the opinion seeker. The information given by the opinion leader can be either positive or negative, based on personal experience, and this further strengthens their credibility.

2. Information and Advice

Opinion leaders are a source for product or brand specific information as well as advice. They might just share casual information about a certain product that they have used, they might even aggressively advice opinion seekers whether to buy it or not. The information passed can be related to which product or brand to purchase and from where.

3. Category-specific

Opinion leaders can have expertise in one product category, but can reverse the role to opinion seekers in case of another product category in which they are not knowledgeable. A person known for his/her cooking talent may be an expert in the 'what' and 'how' of packed edible food products, spices, food nutrition, etc, but when he or she has to buy a bike, is more likely to seek information from another person whom he/she regards as knowledgeable about bikes. Therefore, an opinion leader in one product may be an opinion seeker in another product.

4. Two-way communication

Opinion leadership phenomena are face-to-face communication between opinion givers and opinion seekers. Both parties communicate with their respective experience with each other. Some scholars, thus, believe that the difference between opinion giver and opinion seekers is somewhat artificial as the person who is knowledgeable about a certain product and gives related advice to opinion seekers, is also most likely to listen to others' comments regarding the product.

8.21 MOTIVATION BEHIND OPINION LEADERSHIP

The opinion leadership process happens due to the following underlying motives of both parties the opinion leader and opinion seeker and receiver. There are four main motives behind the role of opinion leader – self-involvement, product involvement, social involvement and message involvement.

1. Self-involvement

Giving advice to others provides big gratification to the opinion leaders in terms of the attention they receive. Also, since they can display their expertise and experience in the subject matter, it makes them feel superior to others in terms of knowledge. The role of the opinion leader also involves good feeling of helping others take a decision

and increasing the knowledge of opinion seekers and receivers. Sometimes, the motive behind opinion leadership could be to reduce post- purchase dissatisfaction with a product or brand. In such cases, the opinion leader will propagate the advantages of the product, thereby trying to reassure him that his purchase decision was right.

2. Product involvement

Product involvement opinion leaders may feel the necessity to talk to others (opinion receivers) about the product if it is either too good or too bad. The information transmitted would be positive if they are satisfied with the product or brand and negative, if they are dissatisfied with it.

3. Social involvement

Social involvement opinion leaders like to share their product expertise with people in general as an expression of bonding. It is important to note that in this case, the opinion leader does not feel the urge to talk about the product/brand due to positive or negative experience, as in the case of product involvement.

4. Message involvement

With an increasing number of advertisements being targeted at consumers these advertisements often become the topic of discussion. In case of message-involvement, advertisements and slogans are the basis of group discussions. Such conversations often use poplar slogans like Surf's "Dhoondhte reh jaoge" or Maggi Noodles "bas 2 minute."

8.22 OPINION SEEKER AND RECEIVER

The main motive for an opinion seeker in looking for information is reducing the perceived risk associated with the product purchase. It also reduces the task of searching for information through other sources. Sometimes opinion is sought with the sole purpose of buying a product to win the approval of an opinion leader. For the opinion receiver, the interaction with an opinion leader provides a lot of new and/or existing product knowledge as well as information related to their purchase, use, etc.

8.23 TYPES OF OPINION LEADERS

Opinion leaders, in general, are people who have expertise in one subject/product and have the capability of influencing others. They may or may not be be users of the product and/or brand that they recommend to others. Opinion leaders can be of varying types based on their knowledge, and influence on the purchase decision of the opinion receiver and/or opinion seeker. There are some special types of opinion leaders, like generalised opinion leaders, market mavens, surrogate buyers and purchase pals.

1. Generalised Opinion Leader

Generalised Opinion Leaders are masters of various subjects (say, all kinds of consumer durable products, books, etc.) and are very hard to find. Usually, opinion leaders are knowledgeable about one product category and have high involvement insome related areas.

2. Market Maven

Market mavens belong to a special category of opinion leaders who have market involvement, rather than product involvement of the normal opinion leaders. They are people who actively seek market information which they feel may be useful from friends and relatives and are a great source of information like – which place offers the best deals, where there are discounts at that time of the year, what new products/brands are in the market, which outlets to visit for which product, the new outlet in town, etc.

3. Surrogate buyer

Surrogate buyer is the term used for the professionals hired by actual purchasers to filter the huge amount of store, product and brand information available, evaluate the product options available and make recommendations. Sometimes, they also make transactions on behalf of their employer. Surrogate buyers play a wide variety of roles like tax consultants, wardrobe consultants, interior designers, stock brokers, etc. The reasons for hiring a surrogate buyer can range from personal reasons like high perceived risk, lack of time, lack of expertise or product knowledge, or low interest in shopping to environmental issues like limited product availability.

4. Purchase pals

Purchase pals are people who accompany an individual on shopping trips. Purchase pals are considered to be quality influential opinion leaders at the point of purchase (in store) in consumer decisions. The major benefit of purchase pals is that they help reduce the stress and anxiety an individual experiences while make a purchase, especially in a high involvement expensive product. The other benefit is information support they provide like better product knowledge, better bargaining skills and better knowledge of outlets, prices and products. Thus the choice of purchase pals depend on the relationship they have with the individual and the type of purchase they make.

8.24 SUMMARY

This unit discusses about the communication with existing and potential consumers, for moulding consumer behaviour, is a must for any company. Persuasion is the subtle part of communication that will encourage continued favourable behaviour of existing

consumers and convert potential consumers into customers. Communication and persuasion are important tools in the hands of the marketers used by them to create a customer base large enough to generate profitability, to keep and expand the base, to keep existing business and develop it for further new business. It also discusses about the aspects of group and leadership behaviour of consumer behaviour.

8.25 SHORT ANSWER QUESTIONS

6. What are the main characteristics of social class?

7. What is word of mouth?

8. Define leadership.

9. Who is a leader?

10. Define self-involvement.

11. Who is a surrogate buyer?

8.26 LONG ANSWER QUESTIONS

5. Write the impact of group on consumer decisions.

6. What are the dynamics of opinion leadership? Explain.

8.27 MULTIPLE CHOICE QUESTIONS

5. Secondary reference groups include   .

   (a) Family and close friends

   (b) Sports groups

   (c) Ethnic and religious groups

   (d) Fraternal organizations and professional associations   **[Ans: d]**

6. Primary reference groups include

   (a) College students   (b) Office colleague

   (c) family and close friends   (d) sports groups   **[Ans: c]**

7. The_____is a person within a reference group who, because of special skills, knowledge, personality, or other characteristics, exerts influence on others.

   (a) facilitator

   (b) b. Referent actor

   (c) opinion leader

   (d) Social role player   **[Ans: c]**

8. With respect to adopter categories, the _____ are guided by respect, are the opinion leaders in their communities, and adopt new ideas early but carefully.

(a) seekers
(b) innovators
(c) early adopters
(d) early majority   **[Ans: c]**

8.28 CASE STUDY

Dove - Campaigning for Real Beauty

Abstract: Dove's new promotional campaign tried to break away from the stereotype images of beauty portrayed by the media and advertisements. The campaign titled 'Campaign for real beauty' caught the attention of the public. The caselet deals with the challenges the company had to face while implementing the promotional campaign.

Issues:

- The role played by advertising companies and the media in portraying images of beauty
- How companies are trying to be authentic in their promotional campaigns
- Influence of peer groups and reference groups in influencing beliefs of people

Introduction

Dove, a leading cleansing brand from Unilever, has been criticized for coming out with campaigns portraying stereotypic definitions of beauty which promoted the idea that looking great meant being thin.

"People feel under pressure to improve their appearance, even at times such as childhood, pregnancy and later in life, when, traditionally, it was OK not to bother," said Tamar Kasriel, Head - Knowledge Venturing, Henley Center, a marketing consultancy...

Questions for Discussion:

1. Assess the challenges the "Campaign for real beauty" campaign faced and will face in the future.

2. In which ways were "Campaign for real beauty" unique as compared to promotional campaigns of beauty companies?

KEY WORDS

- Communication: the act of conveying meanings from one entity or group to another through the use of mutually understood signs, symbols, and semiotic rules.

- Transmission: the act or process of passing on something.

- Public Relations: the business of inducing the public to have understanding for and goodwill toward a person, firm, or institution

- Reference Group: A reference group is a collection of people that we use as a standard of comparison for ourselves regardless of whether we are part of that group

- Gatekeeper: person who controls the flow of information access to a particular group.

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MODELS OF CONSUMER BEHAVIOR AND CONSUMER BUYING PROCESS

9

Table of Contents

Chapter Objectives _____

This unit discusses about the buyer decision making process and models of consumer behaviour.

Learning Outcomes

The contents of this unit have been developed to achieve the following outcomes:

- To understand the types of consumer behaviour models

- To learn consumer buying process

9.1 ECONOMIC MODEL

According to economic theory, the buyers are assumed to be rational in their decision making. They follow the law of marginal utility. Consumers evaluate the alternatives available & they choose the alternative which would provide them with highest utility & lowest cost. Consumer allocates his/her expenditure over different products at given price so as to maximize utility. Thus, the law of equi marginal utility enables him/her to secure maximum utility from limited purchasing power. The purchasing decision is based on economic calculation & reasons.

The Economic Model, one of the oldest models of Consumer Behaviour tries to explain what a person is likely to buy and in what quantity. This model takes into consideration the behaviour of an economic man, who would give foremost importance to the monetary or financial considerations while making a decision. The ultimate objective of an individual, as per this model, is the maximisation of satisfaction by investing the minimum money resources for the satisfaction of needs and wants.

Despite having certain limitations, it is one of the widely used models of consumer behaviour and is a must know for all the students of marketing and business management.

Economic model of consumer behaviour is un-dimensional. The following presumptions are made about buying behaviour.

- Lower the price of the product, larger will be the quantity bought- Price effect.
- Higher is the purchasing power, higher will be the quantity- Income effect.
- Lower the price of a substitute product, lesser the quantity that will be bought of the original product- Substitution effect.
- Higher the promotional expenditure, higher will be the sales - Communication effect.

9.2 PSYCHOANALYTIC MODEL & SOCIOLOGICAL MODEL

The model suggests that human needs operate at various levels of consciousness. His motivation which is in these different levels, are not clear to the casual observer. They can only be analysed by vital and specialised searching.

According to Freud, our personality develops from the interactions among what he proposed as the three fundamental structures of the human mind: the id, ego, and superego. Conflicts among these three structures, and our efforts to find balance among what each of them "desires," determines how we behave and approach the world. What balance we strike in any given situation determines how we will resolve the conflict between two overarching behavioural tendencies: our biological aggressive and pleasure-seeking drives vs. our socialised internal control over those drives.

The Id

The id, the most primitive of the three structures, is concerned with instant gratification of basic physical needs and urges. It operates entirely unconsciously (outside of conscious thought). For example, if your id walked past a stranger eating ice cream, it would most likely take the ice cream for itself. It doesn't know, or care, that it is rude to take something belonging to someone else; it would care only that you wanted the ice cream.

The Superego

The superego is concerned with social rules and morals—similar to what many people call their " conscience " or their "moral compass." It develops as a child learns what their culture considers right and wrong. If your superego walked past the same stranger, it would not take their ice cream because it would know that that would be rude. However, if both your id and your superego were involved, and your id was strong enough to override your superego's concern, you would still take the ice cream, but afterward you would most likely feel guilt and shame over your actions.

The Ego

In contrast to the instinctual id and the moral superego, the ego is the rational, pragmatic part of our personality. It is less primitive than the id and is partly conscious and partly unconscious. It's what Freud considered to be the "self," and its job is to balance the demands of the id and superego in the practical context of reality. So, if you walked past the stranger with ice cream one more time, your ego would mediate the conflict between your id ("I want that ice cream right now") and superego ("It's wrong to take someone else's ice cream") and decide to go buy your own ice cream. While this may mean you have to wait 10 more minutes, which would frustrate your id, your ego decides to make that sacrifice as part of the compromise– satisfying your desire for ice cream while also avoiding an unpleasant social situation and potential feelings of shame.

9.3 SOCIOLOGICAL MODEL

This is concerned with the society. A consumer is an element of the society and he may be a member of many groups and institutions in a society. His buying behavior is influenced by these groups. Primary groups of family friend's relatives and close associates extract a lot of influence on his buying.

A consumer may be a member of a political party where his dress norms are different from different member. As a member of an elite organization, his dress needs may be different, thus he has to buy things that confirm to his lifestyle in different groups.

Short Answer Questions

1. What is ID?

2. Define super ego?

3. What is ego?

Long Answer Questions

1. What is the difference between the psychoanalytical and sociological model. Discuss.

2. Explain about the economic model of buyer behaviour.

Multiple Choice Questions

1. _____ to explain what a person is likely to buy and in what quantity.

    (a) Economic Model   (b) Psychoanalytic Model

    (c) Sociological Model   (d) None of the above   **[Ans: a]**

9.4 BUYER BEHAVIOUR MODEL, BUYING PROCESS OF THE CONSUMER

9.4.1 BLACK BOX MODEL

The black box model shows the interaction of stimuli, consumer characteristics, decision process and consumer responses. It can be distinguished between interpersonal stimuli (between people) or intrapersonal stimuli (within people).
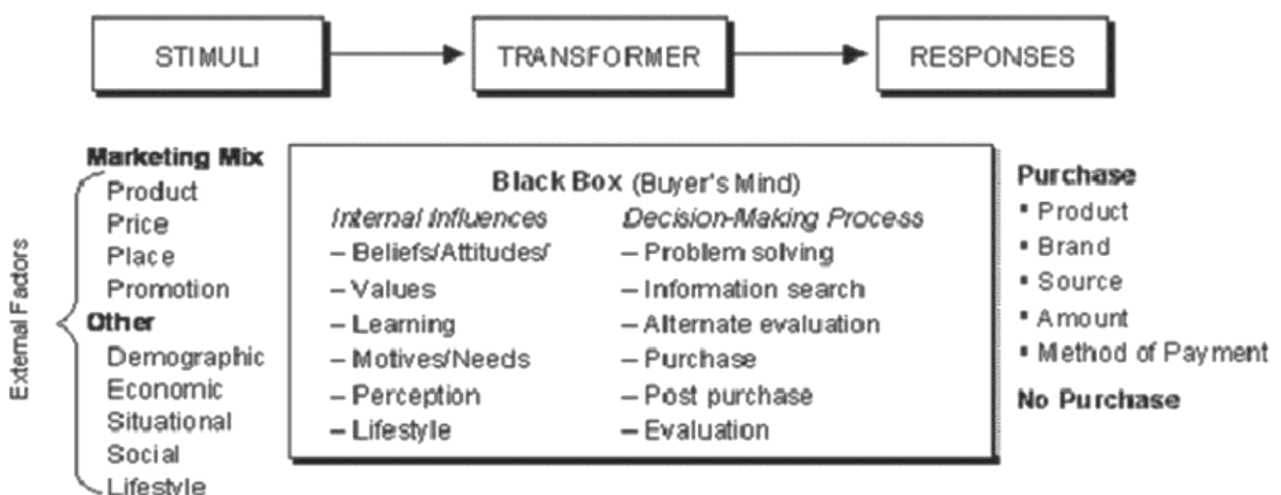
The black box model is related to the black box theory of behaviourism, where the focus is not set on the processes inside a consumer, but the relation between the stimuli and the response of the consumer.

The marketing stimuli are planned and processed by the companies, whereas the environmental stimulus is given by social factors, based on the economical, political and cultural circumstances of a society. The buyer's black box contains the Buyer Characteristics and the Decision Process, which determines the buyer's response.

The black box model considers the buyer's response as a result of a conscious, rational decision process, in which it is assumed that the buyer has recognised the problem. However, in reality many decisions are not made in awareness of a determined problem by the consumer. Once the consumer has recognised a problem, they search for information on products and services that can solve that problem.

9.4.2 NICOSIA MODEL (CONFLICT MODEL)

This model focuses on the relationship between the firm and and consumers. The firm communicates with consumers through its marketing messages (advertising), and the consumers react to these messages by purchasing response. Looking to the model we will find that the firm and the consumer are connected with each other, the firm tries to influence the consumer and the consumer is influencing the firm by his decision. The Nicosia model is divided into four major fields:

Nicosia model
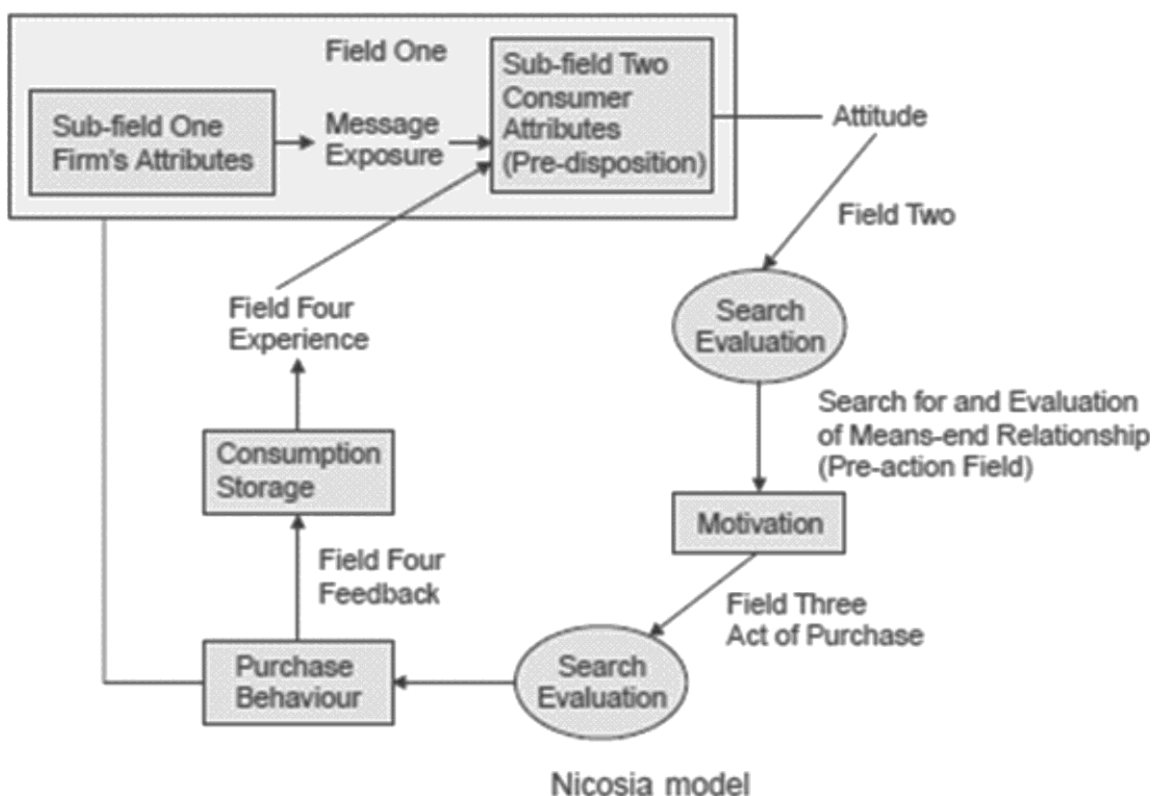
Field 1: The consumer attitude based on the firms' messages: The first field is divided into two subfields. The first subfield deals with the firm's marketing environment and communication efforts that affect consumer attitudes, the competitive environment, and

characteristics of target market. Subfield two specifies the consumer characteristics e.g. experience, personality, and how he perceives the promotional idea toward the product. In this stage the consumer forms his attitude toward the firm's product based on his interpretation of the message.

Field 2: Search and evaluation: The consumer will start to search for other firm's brand and evaluate the firm's brand in comparison with alternate brands. In this case the firm motivates the consumer to purchase its brands.

Field 3: The act of the purchase: The result of motivation will arise by convincing the consumer to purchase the firm products from a specific retailer.

Field 4: Feedback: This model analyses the feedback of both the firm and the consumer after purchasing the product. The firm will benefit from its sales data as a feedback, and the consumer will use his experience with the product affects the individuals attitude and predisposition concerning future messages from the firm.

The Nicosia model offers no detail explanation of the internal factors, which may affect the personality of the consumer, and how the consumer develops his attitude toward the product. For example, the consumer may find the firm's message very interesting, but virtually he cannot buy the firm's brand because it contains something prohibited according to his beliefs. Apparently it is very essential to include such factors in the model, which give more interpretation about the attributes affecting the decision process.

9.4.3 HOWARD-SHETH MODEL

The Howard Sheth Model is an approach for analysing the combined impact of the social, psychological and marketing factors on the buying behaviour or preference of the consumers and the industrial buyers into a logical order of information processing.

John Howard and Jagadish Sheth introduced the Howard Sheth Model in the year 1969. The concept was published in their book 'The Theory of Buyer Behaviour'.

Three Levels of Decision-Making in Howard Sheth Model

The model has described the three significant stages of the buyer's decision-making or selection of a particular brand. Let us now discuss each of these in details below:
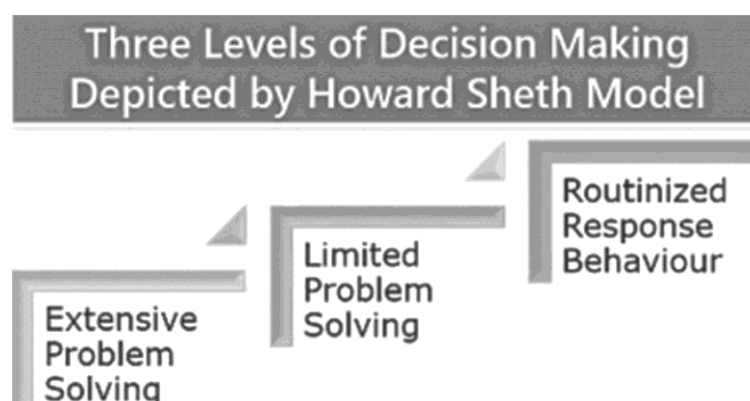
Extensive Problem Solving

This is the initial stage of decision-making, where the buyer is new to the market. He/she has no or little information about the brands and has no preference for a particular product or service.

Thus, a consumer is an information seeker at this level, who check out different brands available in the market, before making a buying decision.

Limited Problem Solving

At this level, the buyer has inadequate or incomplete information about the product, market or the brands operating in it. Sometimes the buyer is confused among the various alternatives.

Therefore, to make a buying decision, he/she look for a comparative study of the different brands and the products available in the market.

Routinized Response Behaviour

The habitual response behaviour stage is where the buyer is entirely aware of the products offered by different brands and the features, pros and cons of each product.

He/she is capable of evaluating and comparing the multiple options available in the market.

Here, the buyer decides in advance, which product is to be purchased.

To understand the Howard Sheth Model, we must have an idea of its arrangement. So, let us have a look at the design of this model:
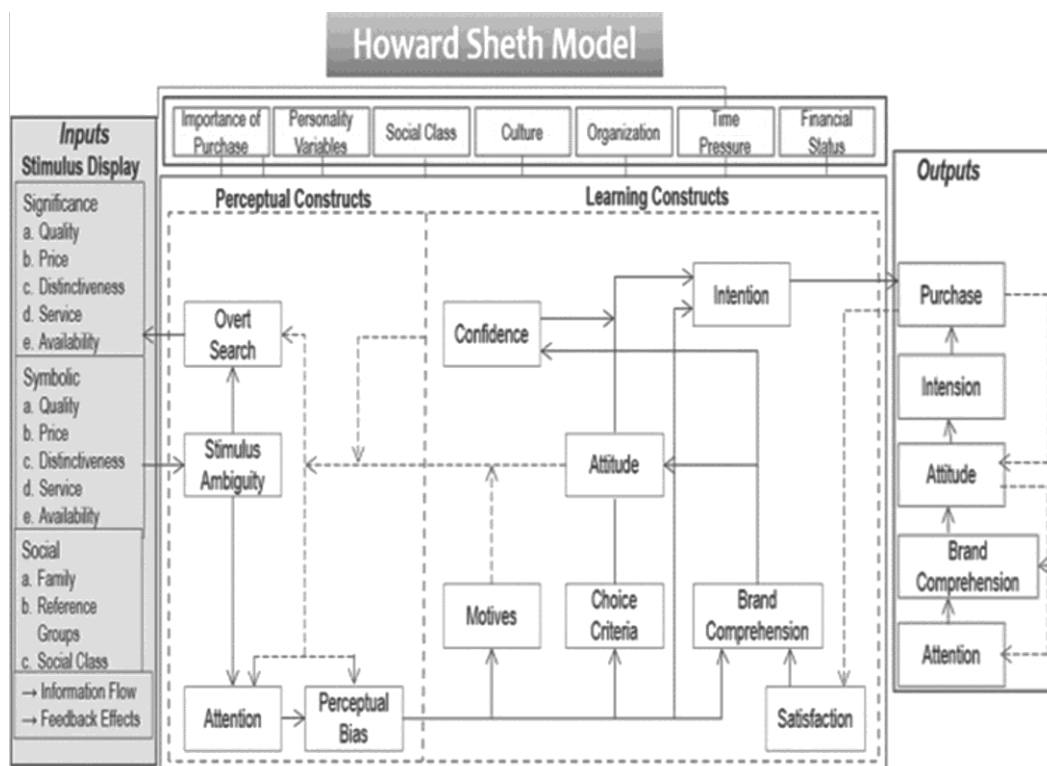
Variables of Howard Sheth Model

Beginning with the stage of extensive problem solving, the buyer slowly converts into a regular customer of the organisation, at the routinized response behaviour level.

This whole process of buyer's decision-making functions on four pillars of this model or the four essential elements of this model. These variables are elaborated below:

Input Variables

The stimulus inputs refer to the idea or information clue about the brand and its product in terms of product quality, distinctiveness, price, service offered and availability.

These can be further classified as follows:

1. **Significant Stimuli:** The significant stimuli are the physical traits of the product and the brand. It includes the product's price, quality, availability, distinctive characteristics and service.

2. **Symbolic Stimuli:** The marketing strategies like advertisement and publicity creates a psychological impact on the buyer's perception of a product's rhetorical and visible features.

3. **Social Stimuli:** The social stimuli comprises of the various environmental factors which are considered as a source of information for the buyers. It includes family, social class and reference groups.

Hypothetical Constructs

The hypothetical constructs depict the central part of the model. It includes all those psychological variables which play a vital role in the buyer's decision-making process.

It can be further bifurcated into the following two categories:

Perceptual Constructs

These components define the consumer's procurement and perception of the information provided at the input stage.

It is an essential element since it drives the buyer's brand selection and purchases, which includes:

- **Sensitivity to Information:** The buyer's level of understanding or openness towards the information received by him/her.

- **Perceptual Bias:** On the grounds of individual perception of each brand, the buyer is partial towards a particular brand.

- **Search for Information:** The buyer also seeks for more information to ensure the right decision-making.

Learning Constructs

The learning constructs define the buyer's knowledge, opinion, attitude and end decision on product or brand selection.

Following are the various learning constructs of a buyer:

- **Motive:** The specific goal or purpose for which the product purchase is carried out.
- **Choice Criteria:** The set of principles or benchmarks defined for product selection.
- **Brand Comprehension:** The information about the product or brand pertained by the buyer.
- **Attitude:** The buyer's perspective and willingness to purchase a product of a particular brand defines his/her attitude.
- **Confidence:** The trust or faith of the buyer in a specific brand and its products builds his/her confidence.
- **Intention:** The buyer's purchase motive, preference criteria, brand comprehension, consumer attitude and confidence, results in the selection of a particular brand.
- **Satisfaction:** After-purchase, the buyer evaluates his/her level of contentment, to find out whether the product has fulfilled the expectations or not.

Output Variables

The output or as we say, the result of the buyer's decision-making can be seen in the form of his/her response towards the input variables.

It consists of five major components which are arranged systematically below:

1. **Attention:** The buyer's level of concentration and alertness with which he/she understands the information provided, is termed as attention.
2. **Brand Comprehension:** The awareness of the buyer regarding a particular brand and its products is known as brand comprehension.
3. **Attitude:** The buyer's evaluation of a brand in terms of individual likes and dislikes, determines his/her behaviour, interest and awareness towards it.
4. **Intention:** The aim or objective of the buyer for purchasing a product can be seen as the buying intention.
5. **Purchase Behaviour:** All the above elements result in the actual purchase of a product by the buyer.

Exogenous Variable

There are certain other external factors which influence the buying behaviour of an individual or a firm by hampering the product purchase of a preferred brand.

The exogenous variables are the environmental forces or components of this model. These are as follows:

1. **Importance of Purchase:** If the buyer perceives the product to be less crucial, involving a low cost, then there is a little brand preference.

2. **Personality Variables:** Personal traits like ego, self-esteem, anxiety, dominance, authoritarian, etc. influences a buyer's decision-making while purchasing a product.

3. **Social Class:** A buyer's social group, including the family, friends and other reference groups impact the selection or rejection of a particular brand.

4. **Culture:** The buyer's values, beliefs and ideas frame his/her purchase motive and inhibitors.

5. **Organisation:** The buyer's interaction with the social groups define their authority, status and power. The hypothetical constructs of a buyer are affected by such formal or informal communications.

6. **Time Pressure:** The buyer, at times, is under the pressure of taking a timely decision, which makes him/her look for alternatives if the product of the preferred brand is unavailable at the moment.

7. **Financial Status:** The buyer's inability to purchase a product or unaffordability restricts him/her from buying it.

The decision-making process, which Howard-Sheth Model tries to explain, takes place at three Inputs stages: Significance, Symbolic and Social stimuli. In both significant and symbolic stimuli, the model emphasises on material aspects such as price and quality. These stimuli are not applicable in every society. While in social stimuli the model does not mention the basis of decision-making in this stimulus, such as what influence the family decision? This may differ from one society to another. Finally, no direct relation was drawn on the role of religion in influencing the consumer's decision-making processes. Religion was considered as external factor with no real influence on consumer, which give the model obvious weakness in anticipation the consumer decision.

9.4.4 ENGEL, BLACKWELL, MINIARD MODEL (OPEN SYSTEM)

This model was created to describe the increasing, fast-growing body of knowledge concerning consumer behaviour. This model, like in other models, has gone through many revisions to improve its descriptive ability of the basic relationships between components and sub-components, this model consists also of four stages;

Engel-Blackwell-Miniard Model

Source: Blackwell, Miniard and Engel, 2001; Rau and Samiee, 1981; Foxall, 1980.
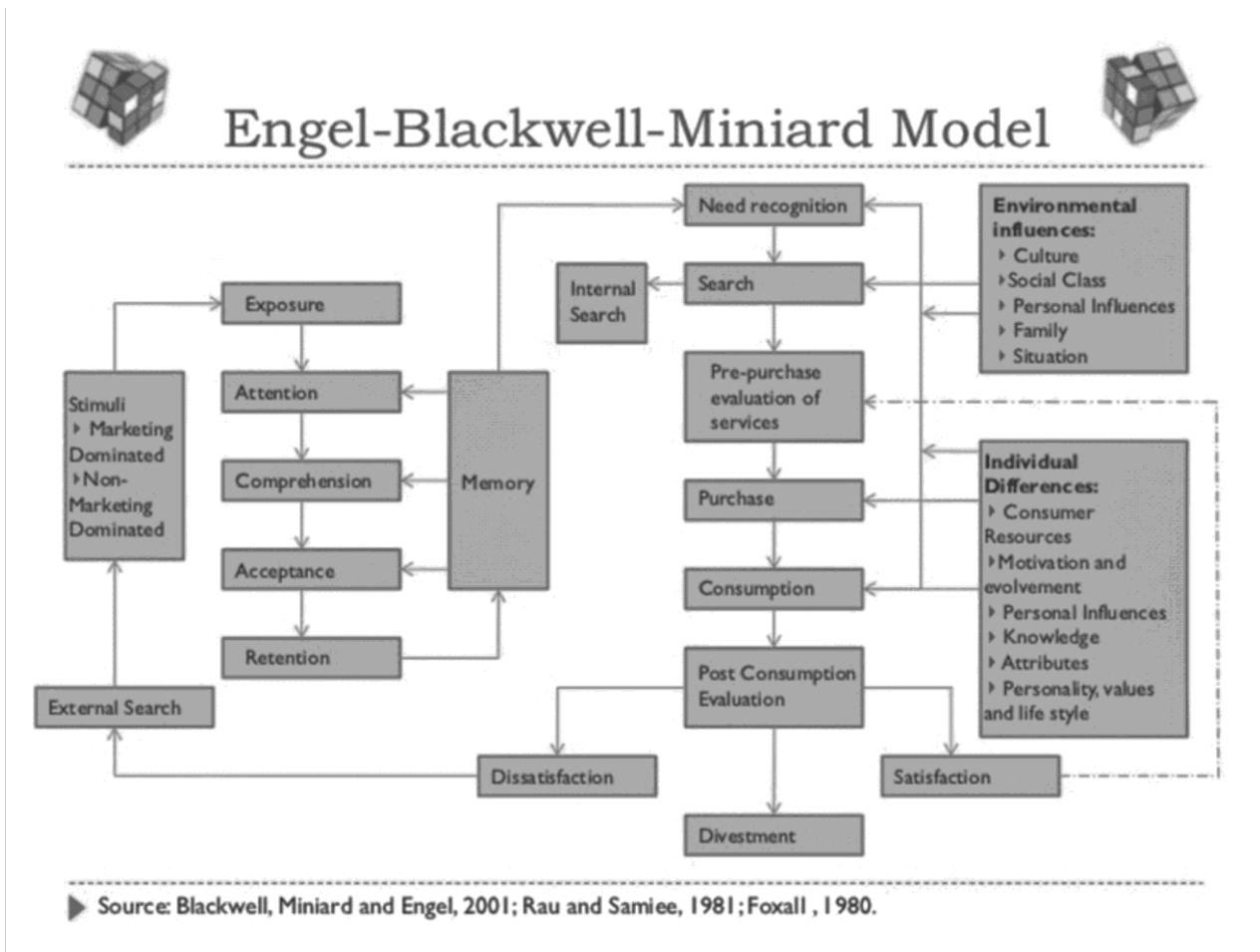
First stage: (decision-process stage) The central focus of the model is on five basic decision-process stages:

Problem recognition, search for alternatives, alternate evaluation(during which beliefs may lead to the formation of attitudes, which in turn may result in a purchase intention) purchase, and outcomes. But it is not necessary for every consumer to go throughall these stages; it depends on whether it is an extended or a routine problem-solving behaviour.

Second stage: (Information input) At this stage the consumer gets information from marketing and non-marketing sources, which also influence the problem recognition stage of the decision-making process. If the consumer still does not arrive to a specific decision, the search for external information will be activated in order to arrive to a choice or in some cases if the consumer experience dissonance because the selected alternative is less satisfactory than expected.

Third stage: (information processing) This stage consists of the consumer's exposure, attention, perception, acceptance, and retention of incoming information. The consumer must first be exposed to the message, allocate space for this information, interpret the stimuli, and retain the message by transferring the input to long-term memory.

166

Fourth stage: (variables influencing the decision process) This stage consists of individual and environmental influences that affect all five stages of the decision process. Individual characteristics include motives, values, lifestyle, and personality; the social influences are culture, reference groups, and family. Situational influences, such as a consumer's financial condition, also influence the decision process.

This model incorporates many items, which influence consumer decision-making such as values, lifestyle, personality and culture. The model did not show what factors shape these items, and why different types of personality can produce different decision-making? How will we apply these values to cope with different personalities? Religion can explain some behavioural characteristics of the consumer, and this will lead to better understanding of the model and will give more comprehensive view on decision-making.

9.4.5 The Engel Kollat Blackwell Model of Consumer Behaviour

The Engel Kollat Blackwell Model of Consumer Behaviour was created to describe the increasing, fast-growing body of knowledge concerning consumer behaviour. This model, like in other models, has gone through many revisions to improve its descriptive ability of the basic relationships between components and sub-components.

The Engel Kollat Blackwell Model of Consumer Behaviour or consists of four distinct stages;

1. **Information Input Stage:** At this stage the consumer gets information from marketing and non-marketing sources, which also influence the problem recognition stage of the decision-making process. If the consumer still does not arrive to a specific decision, the search for external information will be activated in order to arrive to a choice or in some cases if the consumer experience dissonance because the selected alternative is less satisfactory than expected.

2. **Information Processing Stage:** This stage consists of the consumer's exposure, attention, perception, acceptance, and retention of incoming information. The consumer must first be exposed to the message, allocate space for this information, interpret the stimuli, and retain the message by transferring the input to long-term memory.

3. **Decision Process Stage:** The central focus of the model is on five basic decision-process stages: Problem recognition, search for alternatives, alternate evaluation (during which beliefs may lead to the formation of attitudes, which in turn may result in a purchase intention) purchase, and outcomes. But it is not necessary for every consumer to go through all these stages; it depends on whether it is an extended or a routine problem-solving behaviour.

4. **Variables Influencing the Decision Process:** This stage consists of individual and environmental influences that affect all five stages of the decision process. Individual characteristics include motives, values, lifestyle, and personality; the social influences are culture, reference groups, and family. Situational influences, such as a consumer's financial condition, also influence the decision process.
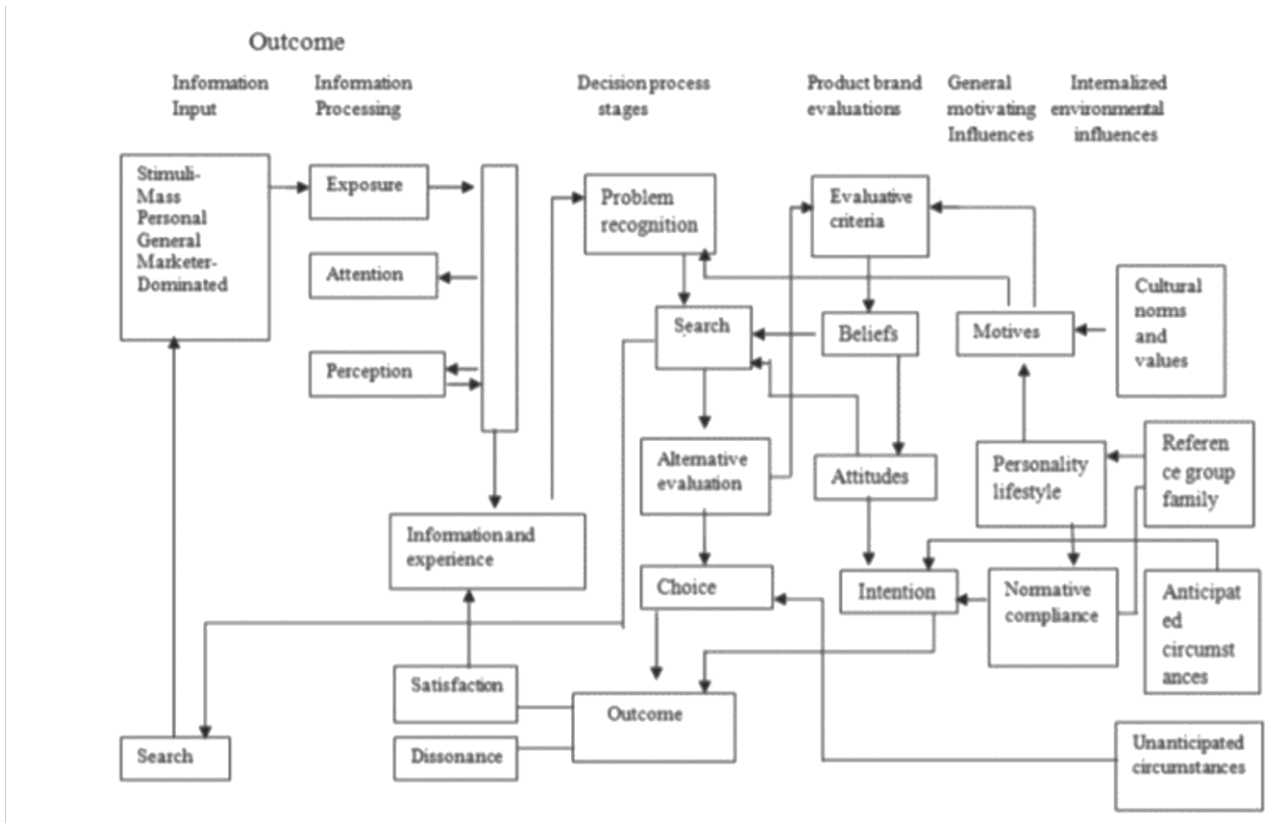
It can be seen that many of the elements of the model are similar to Howard Sheth model of consumer behaviour, however the structure of presentation and relationship between the variables differs somewhat.

The Engel Kollat Blackwell Model of Consumer Behaviour incorporates many items, which influence consumer decision-making such as values, lifestyle, personality and culture. The model did not show what factors shape these items, and why different types of personality can produce different decision-making? How will we apply these values to cope with different personalities? Religion can explain some behavioural characteristics of the consumer, and this will lead to better understanding of the model and will give more comprehensive view on decision-making.

CONSUMER BUYING PROCESS

Marketers are interested in consumers' purchase behaviours, i.e., the decision making process. The consumers' decision making is a choice amongst various alternatives that address problematic issues like:

- What to buy;

- Where to buy;

- When to buy;

- How to buy;

- How much to buy.

Consumer decision making involves a continuous flow of interactions among environmental factors, cognitive and affective processes and behavioural actions. Consumer's decisions are based on knowledge, affect and behaviour related to the marketing mix.

Stages in Consumer Decision Making Process: There are five stages in the consumer decision making process. These are

1. Need recognition/Problem recognition
2. Pre-purchase information search
3. Evaluation of alternatives
4. Purchase decision
5. Post-purchase outcome and reactions

Each of these stages is explained as follows:

1. Need recognition/Problem recognition:

This is a stage of perceiving a deficiency/need. A need could be triggered off by an internal stimulus or an external stimulus. For example, a person is thirsty and feels like having a cola drink. The stimulus is internal. On the other hand, while walking across the street, he sees a hoarding which shows a person having a frosted, chilled cola, and he too desires to have the same, the need is said to have been stimulated by an external stimuli.

A need or problem recognition could be simple or Complex.

(a) **Simple:** Simple problem recognition is similar to Structured Problems; they occur frequently as a routine and can be dealt with automatically without much effort.

(b) **Complex:** Complex problem recognition is similar to Unstructured Problems; they occur infrequently as unique and non-routine and need considerable effort to be solved.

A need or problem recognition could result when:

(a) The Actual State changes (AS type):

- The product is failing, or the consumer is running short of it;
- There is a problem that exists.

Consumers who react in such situations are called AS Types.

Example: A product stops functioning and the customer needs a replacement; e.g. A refrigerator; Samsung One door: Standard;

(b) The Desired State changing (DS type):

- there is an imbalance between the actual state and the desired state
- another product seems better and superior to the one that is being currently used;

Consumers who react in such situations are called DS Types.

Example: The product is functioning properly; but the consumer wants to buy an upgraded model;

Samsung Two doors: Deluxe: Frost free;

Which of the particular styles operates depends on the product or service in question as well as the situation?

Whether a problem is an AS or DS Type also gets affected by an individual and his personality. Some consumers are AS Types, who realise that there is a problem after it has arisen, and so they go in for a purchase; they are reactive by nature; e.g.The consumer reacts after the refrigerator breaks down. Other consumers are the DS Types, who want to upgrade to better/newer products; They are proactive; e.g. Want to purchase a newer model of the refrigerator.

A need is recognised in any of the following situations:

- When a current product brand X is not performing well.
- When the current product brand X is nearing depletion.
- When another brand Y seems superior to the one currently owned, X.

2. Pre-purchase information search:

After a need is recognised, the consumer goes for an information search, so as to be able to make the right purchase decision. He gathers information about the:

(i) Product category and the variations

(ii) Various alternatives

(iii) Various brands.

The amount of information a consumer will gather depends on the following:

(i) **The consumer:** demographics (age, gender, education), psychographics (learning, attitudes, involvement, personality type)

(ii) **Product category:** differentiation and alternative brands available, risk, price, social visibility and acceptance of the product.

(iii) **Situation:** time available at hand, first time purchase, quantity of information required, availability of information.

170

Types of Search Activity

The information search activity may be of various types, viz, specific, ongoing and incidental.

(i) **Specific:** This type of search activity is specific to the problem and/ immediate purchase; it is spurred as the need arises, and the consumer actively seeks information. Example: student enters college and needs to buy a laptop so that he can work on his assignments.

(ii) **Ongoing:** Here the search activity is a gradual process that could span over time. Example: the same student has been thinking of purchasing the laptop since the past five years, and over these past 5-6 years, he has been gathering information specific to the laptop as a product category and also about thevarious brands available.

(iii) **Incidental:** This is a by-product of another search activity or experience. Consumers absorb information from their day to day routine activities and experiences. Example: the student goes to a mall; he has gone there to help his mother buy a microwave oven; there in the store, he attends a demonstration of a new laptop that is being launched.

Information Sources:

The information sources are of two types:

i)Internal sources: This includes the consumer and his self. He recalls information that is stored in his memory (comprising information gathered and stored, as well as his experiences, direct and indirect). Internal sources seem sufficient when:

- It is a routine purchase
- The product is of low involvement

(ii) **External sources:** Here the consumer seeks information from the external environment. External sources of information include:

- Interpersonal communication (family, friends, work peers, opinion leaders etc.)
- Marketing communication or commercial information (advertisements, salespeople, company websites, magazines etc.)
- Other public sources (editorials, trade magazines and reports, consumer awareness programmes on TV, Internet etc.)

External sources are resorted to in cases where:

- Past knowledge and experience is insufficient.
- The product is of high involvement and the risk of making a wrong decision is high.

3. Evaluation of alternatives:

Once the consumer has gathered information and identified the alternatives, he compares the different alternatives available on certain criteria. This involves:

   (i) Generation of choice alternatives;

  (ii) Identification of evaluative criteria: Attributes and Benefits;

 (iii) Application of Decision Rules.

  (i) **Generation of choice alternatives:** While generation of alternatives, a consumer moves from an evoked set towards the choice set.

- Evoked set/Consideration set: This is the set of alternatives that he actively considers while making a purchase decision; these exist either in his memory or feature prominently in the environment. The consumer perceives them to be acceptable.

- Inept set: These are those alternatives from the evoked set that the consumer excludes from further consideration, as he perceives them to be inferior and unacceptable.

- Inert set: These are those alternatives from the evoked set that the consumer excludes from further consideration, as he is indifferent towards them and perceives them as ones without much advantages or benefits.

- Choice set: This comprises the final set of one or two brands from which he finally decides.

  (ii) **Identification of Evaluative Criteria:** Attributes and Benefits: These are objective and subjective parameters of the brand that the consumer regards as important, and uses as standards to discriminate among the various alternatives. The consumer evaluates the different alternatives on one or few or many of these features and then makes a final choice. They are features that a consumer considers in choosing among alternatives; these could be functional/utilitarian in nature (benefits, attributes, features), or subjective/emotional/hedonic (emotions, prestige etc.). The major evaluative criteria are:

- Economic: Price, Value (Product Attributes, Brand image, Evaluation of Quality, Price, & Features).

- Behavioural: Need/motivation, Personality, self-concept and self-image, Lifestyle etc.

- Social influences: Group influences environmental issues etc.

 (iii) **Application of Decision Rules to make a final choice amongst alternatives:** The consumer uses certain decision rules. The decision rules help a consumer simplify the decision process; the various evaluative criteria are structured and integrated so as to simplify the evaluation process. There can be two kindsof Decision Rules, viz., Compensatory rules and Non-compensatory rules.

a. **Compensatory rules:** Under compensatory rules, the various evaluative criteria are listed as attributes. These attributes are scored and rated for the various alternative brands. A lower rating on an attribute may be offset by a higher rating on another; i.e. a higher rating on one attribute would compensate for a lower rating on another. Based on the final scores, the brands are ranked; the one with the highest score, being regarded as the best. The consumer would then select the brand that scores the highest among the various alternatives that have been evaluated. Compensatory rules could assume two forms: simple and weighted.

- Simple summated: The attributes are rated for each brand and the scores are totalled.

- Weighted: The attributes are first given weights relatively based on the level of importance; thereafter, the attributes are rated and finally scored after multiplication with the weights. The weighted scores are then totalled.

b. **Non-Compensatory rules:** Here, a negative evaluation of any one attribute eliminates the brand from consideration A lower rating on an attribute cannot be offset by a higher rating on another;

i.e. a higher rating on one attribute would not compensate for a lower rating on another. The consumer would then select the brand that scores the highest among the various alternatives that have been evaluated. Non-compensatory rules could assume three forms: conjunctive, disjunctive and lexicographic.

Conjunctive rule: A minimally acceptable cut off point is established for each attribute. The brands are evaluated, and, the brand that falls below the minimally acceptable limit on any of the attributes is eliminated/rejected.

Disjunctive rule: a minimally acceptable cut off point is established for each attribute. The brands are evaluated, and, the brand that falls above the cut-off point on any of the attributes is selected.

Lexicographic rule: The various attributes are ranked in terms of perceived importance. First, the brands are evaluated on the attribute that is considered the most important. If a brand ranks considerably high than the others on this attribute, it is selected. In case the scores are competitive, the process may be repeated with the attribute considered next in importance.

Sometimes the application of one rule may not be enough; And another may also be applied to reach a final decision.

Compensatory rule: The consumer chooses that laptop which he judges as the best when he balances the good and bad ratings with each other.

Non Compensatory rules:

Conjunctive rule - The consumer chooses that laptop that has no bad features.

Disjunctive rule - The consumer chooses that laptop that has at least one good feature.

Lexicographic rule - The consumer chooses that laptop that is the best on the most important of all features.

4. Purchase decision:

After the consumer has evaluated the various alternatives, he selects a particular brand. Consumer purchases may be trials/first purchases or repeat purchases.

Trials/First purchase: Trials could be elicited through market testing, or through promotional tactics such as free samples, coupons, etc.

Repeat purchases: If the consumer is satisfied, he would buy the brand again. Repeat purchases lead to brand loyalty. The consumer may further have to make decisions on:

    (a) Where to buy from? (Place: Real/brick and mortar or virtual/online);

    (b) Whom to buy from? (Which store: Depends on reputation of seller, past experience, etc.)

    (c) When to buy? (Time: Emergency or Routine; during season, off season, sale, rebate etc.)

It is noteworthy that a purchase intention (desire to buy the most preferred brand) may not always result in a purchase decision in favour of the brand; it could get moderated by

(i) Attitudes of others; and (ii) Unexpected situational factors.

5. Post-purchase outcome and reactions:

The post purchase outcome and reactions contains two stages; Stage I comprises Post purchase Cognitive Dissonance, and Stage II comprises Product usage and reaction.

Stage I: Post purchase Cognitive Dissonance: This is a feeling of tension and anxiety that a consumer experiences after the purchase of a product. The consumer begins to have a feeling of uncertainty with respect the performance of the product and begins to doubt his purchase decision "whether the decision was the right one". He begins to ask himself the following questions:

    (a) Have I made the right choice?

    (b) Have I purchased the right brand?

    (c) Have I got value for money?

The Fox and the Sour Grapes is a perfect example of Cognitive Dissonance.

Cognitive dissonance generally occurs in cases where:

(i) The decision making and purchase relates to a high involvement product;

(ii) The purchase activity is irrevocable;

(iii) The consumer cannot return the product;

(iv) The various alternatives have desirable features and are all comparable;

(v) The alternatives are also unique in some way or the other. Consumers try to reduce this dissonance by:

(i) Gaining more product information;

(ii) Discussing with other satisfied customers who have bought the same product/brand;

(iii) Going back to the dealer and asking for reassurances.

Other methods that consumers employ to reduce cognitive dissonance are by:

- Rationalizing that the choice that they have made is the right one.

- Refer to data (printed/audio visual) that supports and recommends the chosen product/brand.

- Make others buy the same product/brand to reassure their choice.

Marketers also employ strategies to reduce this dissonance by providing guarantees and warranties, membership to company consumer forums and communication and follow up with the customers.

Stage II: Product usage and reaction: After the purchase, the consumer uses the product and revaluates the chosen alternative in light of its performance viz. a viz. the expectations. This phase is significant as it

(i) acts as an experience and gets stored in the memory;

(ii) affects future purchase decisions;

(iii) acts as a feedback

There could be three situations that can arise:

- Performance meets expectations: This leads to a neutral feeling; Customer may think of more suitable alternatives next time.

- Performance exceeds expectations: The customer is satisfied and this leads to a positive feeling. He would tend to repeat purchase and it would lead to brand loyalty. He would also spread positive word of mouth.

- Performance falls short of expectations: Here, the customer is dissatisfied and this leads to a negative feeling. The customer would search for other alternatives, express grievances, spread negative word of mouth and may even resort to legal action.

It is important to note that the five staged decision making process is not so simple; it is complex. The decision making process is an interplay of reactions amongst a consumer and his cognition, affect and behaviour on the one hand, as well as the environmental forces on the other hand. Further, the procedure may not always follow a linear order,and the decision making may not always proceed through all the five stages; it wouldvary across

(i) The nature of the product (high and low involvement);

(ii) The purchase situation (emergency or planned or routine);

(iii) The personal characteristics of the consumer; and

(iv) The type of problem solving (EPS, LPS and RPS)

Buying process and implication to the marketer:

An understanding of the consumer decision making process can help a marketer formulate appropriate marketing strategies. He can also model his marketing mix accordingly. The implications of understanding the dynamics of consumer behaviour are discussed as follows:

1. Need/Problem recognition:

a. A marketer can create an imbalance between the actual and desired state; it would trigger of the purchase decision process.

b. He can launch newer models; marketing communication has a big role to play.

c. He can focus on both functional (utilitarian) and emotional (hedonic) benefits that the product purchases could offer.

d. He can activate a need through communication

2. Pre-purchase information search:

a. Marketing communication has an important role at this stage.

b. The marketer can identify the sources of information that the people generally access and use these to present information about his product and service offering.

c. The marketer can also identify the functional or hedonic utility and use appeals accordingly.

d. This would help create the right kind of cognitive and emotional touch point so as to elicit a favourable behaviour(purchase).

e. The marketer should be able to provide the right kind of information at the right place and at the right time.

f. The marketer must make sure that his product and service offering forms a part of the evoked/consideration set.

- For high involvement products: the marketer should ensure that information is available.
- For low involvement products: he should use emotional appeals, POP stimuli etc

3. Evaluation of alternatives:

- The marketer should be careful that his product is:

(i) positioned and promoted well;

(ii) is readily available and displayed well;

(iii) The product features prominently in the evoked/consideration set; and,

(iv) The highlights those attributes and benefits that are regarded as most important to the consumers, and which they are most likely to evaluate while selecting an alternative.

- The marketer should inform and educate the customer about the various criteria to use for evaluation of alternatives.
- While doing so an intelligent marketer should focus on those attributes, where his product is better and/superior.

4. Purchase decision

- The marketer should be careful to stock the product at the right place at the right time so that the consumer who has made a decision in favour of the brand can have access to the product; else the consumer may have to change his decision at the last moment.
- As far as trial and first time purchases are concerned, the marketer should encourage trials through market testing, or through promotional tactics such as free samples, coupons, etc.
- For repeat purchases:

(i) The marketer should make sure that he has satisfied the customer at the first time.

(ii) That his offering is a part of the evoked/consideration set. He should aim towards creation of brand loyalty.

5. Post-purchase outcome and reactions

The marketer can play an important role in reducing the dissonance that the consumer faces and reassuring him that the choice he made was the right one.

(i) The marketer can communicate with the customer about the various attributes/ features and benefits that the product has to offer in comparison with other alternatives.

(ii) He can follow up with the customer and address queries and concerns if any (e.g. follow up calls).

(iii) Marketers' assurances with respect to warranties, guarantees and exchange can also pacify the cognitive dissonance state.

Company websites with FAQs (frequently asked questions); satisfied customers' comments and blogs; and customer care information (e.g. toll free numbers etc) can also prove to be helpful.

9.5 SUMMARY

This unit summarises different types of consumer models and it also discusses about the steps in consumer decision making process. As a student they can understand about the consumer decision making process can help a marketer formulate appropriate marketing strategies.

9.6 SHORT ANSWER QUESTIONS

3. How do you collect information sources?

4. What do you mean by economic model?

9.7 LONG ANSWER QUESTIONS

3. Discuss about the black box model.

4. Explain the stages of consumer buying process.

9.8 MULTIPLE CHOICE QUESTIONS

2. In terms of consumer behaviour; culture, social class, and reference group influences have been related to purchase and   .

(a) Economic situations

(b) Situational influences

(c) Consumption decisions

(d) Physiological influences   [Ans: c]

3. Different social classes tend to have different attitudinal configurations and that influence the behaviour of individual members.

(a) Personalities

(b) Values

(c) Finances

(d) Decision makers   [Ans: d]

4. In terms of consumption decisions, middle class consumers prefer to

    (a) Buy at a market that sells at a whole sale rates

    (b) Buy what is popular

    (c) Buy only the brands which sell at affordable prices

    (d) Analyse the market and select the best at the lowest prices   **[Ans: b]**

5. Marketing strategies are often designed to influence _____ and lead to profitable exchanges.

    (a) Consumer decision making   (b) Sales strategies

    (c) Advertising strategies   (d) Export strategies   **[Ans: a]**

6. The decision-making unit of a buying organization is called as --------------the individuals and units that participate in the business decision-making process.

    (a) buying centre   (b) purchasing centre

    (c) bidding centre   (d) demand-supply centre   **[Ans: a]**

9.9 CASE STUDY

ITC's Foray into Convenience Food Market

Abstract: ITC Ltd. entered the convenience food market in India in 2003. It introduced its convenience food products under two brand names, 'Kitchens of India'and 'Aashirvaad', for the upmarket and middle-class segment respectively. The case let titled 'ITC's Foray into Convenience Food Market' examines ITC's launch and pricing strategy for these products in the country. The caselet also gives an overview of theprocessed food industry in India. ITC's use of retorting technology to ensure a long shelf life for their processed food products is also touched upon.

Issues:
  • The emergence of the convenience food industry in India
  • Market segmentation for convenience food
  • Use of technology to ensure long shelf life for convenience food products

Imperial Tobacco Company of India Limited (ITC), incorporated on August 24, 1910, was one of India's premier private sector companies with a turnover of US $ 3 billion and a market capitalization of nearly US $ 10 billion in 2004. ITC was a dominant player in its traditional businesses of cigarettes, hotels, paperboards, packaging and agri-exports.

ITC ventured into the branded and packaged foods business with the launch of the 'Kitchens of India' (KOI) brand in August 2001 and the 'Aashirvaad' brand in 2002. By entering the food business, ITC aimed at leveraging on its proven strength in the hospitality industry, packaging, and sourcing of agricultural products...

Questions for Discussion:

1. What are the factors which have prompted ITC to enter the convenience food market? How did they segment their target market?

2. How did ITC ensure long shelf life for its convenience food products?

KEY WORDS

 Consciousness: the thoughts and feelings, collectively, of an individual or of an aggregate of people.

 Brand comprehension: understanding of a particular brand.

 Marketing Communication: the methodologies and tactics adopted by the companies to convey the messages in a unique and creative manner to their existing and prospective customers about their offerings of products and services.

FURTHER READING

1. Roger D Blackwell, James F. Engel Paul W. Miniard, Consumer Behavior

2. Nair Suja, R. (2004) " Consumer Behavior And Marketing Research", Himalaya Publishing House, Mumbai, India

3. https://www.icmrindia.org/case%20volumes/Case%20Studies%20in%20 Consumer%20Behavior.htm

THE CONSUMER PROTECTION ACT, 1986

10

Chapter Objectives _____

This unit helps the students to understand Consumer Protection act 1986.

Learning Outcomes

The contents of this unit have been developed to achieve the following outcomes:

☐   Understand the definition of consumer protection Act 1986

☐   Learn about the rights of consumers under consumer protection act

☐   Know about the central, state and district consumer protection council

☐   Learn about consumer disputes redressal machinery and making complaints

10.1 INTRODUCTION

The Consumer Protection Act, 1986, (hereinafter referred as the "Act") is the most important legislation in the area of consumer protection. This is an umbrella legislation which has widened the scope of seeking redressal of grievances of consumers without affecting the common law remedies available to them. In other words, the Act provides protection to consumers in addition to and not in derogation of the provisions of any other law. The Act is applicable to government as well as corporative and other sectors and involves in the process all institutions—administrative, business, judicial and the society at large. Though earlier, there were certain regulative legislations dealing with various activities having a bearing on the consumer protection, but this Act has attained prominence for being directly and specifically concerned with the subject.

The Act provides for the adoption of various possible measures for the promotion and protection of the interest of consumers, mainly to desiderate on their protection against marketing of hazardous goods, whether affecting life or property. The most pragmatic feature of the Act is the recognition of consumers' right to be informed aboutthe quality, purity, standard and price of goods and services, which is a potential deviceto prevent exploitation. The Act enables taking up of measures for making available goods and services at competitive prices and to prevent activities detrimental to such measures. To improve the capability of consumers to get their rights better secured, theAct contains provisions for the establishment of state and central consumer councils for the advancement of consumer education. The Act also provides for the establishment of separate machinery for the settlement of consumer disputes in a speedier and effective manner. The machinery is based on Consumer Disputes Redressal Fora (District Fora), Consumer Disputes Redressal Commissions (State Commissions) and the National Consumer Disputes Redressal Commission (National Commission). Their jurisdiction for the redressal of grievances of consumers, resulting from exploitation by producers, suppliers and service providers, has been specifically mentioned. All kinds of goods and services are covered under the Act for remedial action unless the same have been specifically exempted from the purview of the Act. To make available consumer justice to the maximum number of people, the network of these consumer fora/courts has been spread over the whole country and the cases decided by them are being regularly reported in special as well as general law reporters. The Act has now been operative for nearly two decades and the decisions given by the consumer fora relate to most of the relevant areas of consumer interest. Though the notion of consumer sovereigntyis yet to take its practical shape, very important principles of consumer jurisprudence have been evolved to empower consumers to stand against exploitation by business houses and seek protection from both defective goods as well as deficiency in service. The unfortunate part of it is that these fora are getting formalised as ordinary courts and fall prey to the evil of delay in disposal of cases. The popularisation of the consumer

movement would definitely work as a catalyst to attain the objectives of the Act at its earliest.

10.2 RIGHTS OF CONSUMERS

The first concrete effort to enact a comprehensive legislation for the protection of the interests of consumers and to make provision for the establishment of consumer councils and other authorities for the settlement of consumers disputes was made in March, 1985, when the UN Guidelines on Consumer Protection were being adopted in New York. A 28-member National Consumer Protection Council consisting of various ministry representatives — after two meetings, decided to convene a National Workshop on Consumer Protection on March 11-15, 1985 with consumer representations. Following this, a draft bill was discussed at another meeting on January 20-21, 1986. Thereafter Consumer Protection Act, 1986 was passed on December 17, 1986. It was notified in May 1987

The Act sought, inter alia, to promote and protect the rights of consumers such as: -

    (a) the right to be protected against marketing of goods which are hazardous to life and property;

    (b) the right to be informed about the quality, quantity, potency, purity, standard and price of goods to protect the consumer against unfair trade practices;

    (c) the right to be assured, wherever possible, access to an authority of goods at competitive prices;

    (d) the right to be heard and to be assured that consumer' interests will receive due consideration at appropriate Fora;

    (e) the right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers; and

    (f) right to consumer education.

Right to safety

It means right to be protected against the marketing of goods and services, which are hazardous to life and property. The purchased goods and services availed of should not only meet their immediate needs, but also fulfil long term interests. Before purchasing, consumers should insist on the quality of the products as well as on the guarantee of the products and services. They should preferably purchase quality marked products such as ISI, AGMARK, etc.

Right to be informed

It means right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practices. Consumer

should insist on getting all the information about the product or service before making a choice or a decision. This will enable him to act wisely and responsibly and also enable him to desist from falling prey to high pressure selling techniques.

Right to choose

It means right to be assured, wherever possible of access to variety of goods and services at competitive price. In case of monopolies, it means right to be assured of satisfactory quality and service at a fair price. It also includes right to basic goods and services. This is because unrestricted right of the minority to choose can mean a denial for the majority of its fair share. This right can be better exercised in a competitive market where a variety of goods are available at competitive prices.

Right to be heard

It means that consumer's interests will receive due consideration at appropriate forums. It also includes right to be represented in various forums formed to consider the consumer's welfare. The consumers should form non-political and non-commercial consumer organisations which can be given representation in various committees formed by the Government and other bodies in matters relating to consumers

Rights to seek redressal

Means right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers. It also includes right to fair settlement of the genuine grievances of the consumer. Consumers must make complaint for their genuine grievances. Many a times their complaint may be of small value but its impact on the society as a whole may be very large. They can also take the help of consumer organisations in seeking redressal of their grievances.

Rights to consumer education

Means the right to acquire the knowledge and skill to be an informed consumer throughout life. Ignorance of consumers, particularly of rural consumers, is mainly responsible for their exploitation. They should know their rights and must exercise them. Only then real consumer protection can be achieved with success.

Self Assessment

Short Answer Questions

1. Define consumer protection Act 1986.
2. What are the rights of the consumers as per consumer protection act?

Long Answer Questions

1. Explain rights of consumers in detail.

Multiple Choice Questions

1. Consumer Protection Act is significant to

   (a) Immovable Goods　　　　　　(b) Movable Goods

   (c) Particular Goods and Services　(d) All Goods and Services　　**[Ans: d]**

2. How many rights does a consumer have under the Consumer Protection Act

   (a) 8　　　　　　　　　　　　(b) 6

   (c) 4　　　　　　　　　　　　(d) 5　　　　　　　　　　**[Ans: b]**

3. Under the Consumer Protection Act, the rights of a consumer don't include to be

   (a) Safety　　　　　　　　　　(b) Current

   (c) Presented　　　　　　　　　(d) Informed　　　　　　　　**[Ans: c]**

10.3 CENTRAL CONSUMER PROTECTION COUNCIL

For the promotion and protection of consumers, the Consumer Protection Act, inter alia, provides for the establishment of consumer councils at the central and state levels. Section 4 of the Act empowers the central government to establish the Central Consumer Protection Council with the Minister-in-Charge of Consumer Affairs in the central government as its chairman. There have to be other official or non-official members, as may be prescribed in this behalf, keeping in view the diverse interests which need to be represented in the Central Council. The Central Council should meet at least once in a year. The date and place for the meeting of the Central Council is to be fixed by the chairman. According to section 6 of the Act, the objects of the Central Council are to promote and protect the following rights of the consumers:

(a) the right to be protected against the marketing of goods and services which are hazardous to life and property;

(b) the right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, so as to protect the consumers against unfair trade practices;

(c) the right to be assured, wherever possible, access to a variety of goods and services at competitive prices;

(d) the right to be heard and to be assured that consumer's interests will receive due consideration at appropriate forums;

(e) the right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers; and

(f) the right to consumer education.

10.4 STATE CONSUMER PROTECTION COUNCILS

Section 7 makes provision for the establishment of consumer protection councils in states with the same objects, within the states as have been laid down in section 6 of the Act for the Central Council. The chairman of a state consumer protection council would be the Minister-in-charge of the Consumer Affairs in the state government who would have the power to call the meetings of the council and decide the time and venue for the meetings. As in the Central Council there should be such other official and non-official members as the state government may prescribe representing various related sectors. The central government may also nominate certain official or non-official members to the state council, not exceeding ten. The state consumer council should meet at least twice in a year. The procedure to be observed by the state councils in regard to the transaction of business may be prescribed by the state government.

10.5 DISTRICT CONSUMER PROTECTION COUNCILS

In 2002, two new sections, sections 8A and 8B have been inserted in the Act which empower the state government to establish for every district a consumer protection council. The collector of the district concerned should be the chairman of the council.The state government concerned is authorised to appoint the other members, officialand non-official, keeping in view various interests which need to be represented at the council. Each district council is supposed to meet at least twice in a year. The time and venue of the meetings is to be fixed by the chairperson. The procedure to be followedby the district councils may be laid down by the state government. The objects of each district council are to promote and protect the rights of consumers within the concerned district.

10.6 CONSUMER DISPUTES REDRESSAL MACHINERY

Section 9 of the Act provides for the establishment of a three-tier consumer dispute redressal system: (a) the Consumer Disputes Redressal Fora (District Fora) to be established in each district by the state government, (b) the Consumer Disputes Redressal Commission (State Commission) to be established in each state by the state government, and (c) the National Consumer Dispute Redressal Commission (NCDRC) to be established by the central government. The Act contains detailed provisions about the composition, jurisdiction and procedure to be followed by these fora.

10.7 MANNER OF MAKING COMPLAINTS

A complaint in relation to any goods or services may be filed with a district forum by any of the following: (a) the consumer himself; (b) any recognised consumer association; (c) one or more consumers; (d) the central government; or (e) the state government.

Earlier, a complaint could be made without paying any fee. By the amendment Act of 2002, provision regarding payment of fee has been inserted in the Act. The amount of fee for each complaint would be as may be prescribed by the central government. On a receipt of a complaint, the district forum may allow the complaint to be proceeded or may reject it. But a complaint can be rejected only after giving the complainant an opportunity of being heard. Any consumer forum may dismiss a complaint as frivolous or vexatious. If the complainant does not come to the forum with clean hands and conceals important facts, the complaint should be dismissed with reasons recorded in writing and with costs not exceeding rupees ten thousand, To avoid delay in proceedings, the admissibility of the complaint should be decided within twenty-one days from the date of receiving the complaint. Once the complaint is allowed by a district forum, it can proceed with the complaint in accordance with the provisions of the Act and the admitted complaint cannot be transferred to any court, tribunal or authority set up by or under any other law.

10.8 PROCEDURE ON ADMISSION OF COMPLAINT

After admitting a complaint, the district forum has to refer a copy of the admitted complaint within twenty-one days of its admission to the opposite party. The opposite party should be directed to give its version of the case within a period of thirty days or an extended period not exceeding fifteen days. If the opposite party denies or disputes the allegations of the complainant or does not give any reply to allegations, the district forum, has to proceed with the settlement of the consumer dispute.

Nature of relief granted by the district forum

If the district forum finds that the goods complained against suffer from any of the defects specified in the complaint or the deficiency in service has been established, itcan direct the opposite party:

(a) to remove the defect in goods;

(b) to replace the goods with new goods of similar description free from defects;

(c) to return to the complainant the price or the charges paid by him;

(d) to pay compensation to the consumer for loss or injury suffered due to the negligence of the opposite party;

(e) to remove the deficiencies in services;

(f) to discontinue an unfair trade practice or the restrictive trade practice Or not to repeat them;

(g) to desist from offering hazardous goods for sale;

(h) to withdraw the hazardous goods having been offered for sale;

(i) to stop manufacture of hazardous goods and offering hazardous services;

(j) to direct the opposite party to pay any determinate sum in case of loss or injury suffered by a large number of consumers who are not identifiable conveniently;

(k) to issue corrective advertisements to neutralise the effect of any misleading advertisement at the cost of the opposite party responsible for issuing such misleading advertisement; to provide for adequate costs to parties. The proceedings of the district forum should be conducted by the president along with at least one member of the forum. If a member is unable to continue with the proceedings up to completion, the president and any other member should continue the proceeding from the stage at which the previous member discontinued.

10.9 APPEAL

Any person aggrieved by an order of the district forum can prefer an appeal against such order before the state commission within a period of thirty days from the date of order. The state commission may, however, entertain an appeal after the given periodof thirty days on the ground of sufficient cause. According to the amendment Act of 2002 an appeal against an order of the district forum can be entertained by the state commission only after the appellant has deposited fifty percent of the amount payable under that order or twenty-five thousand rupees, whichever is less.

Conclusion

These laws provided relief or inadequate relief to aggrieved consumers. In order to provide for the better protection of the rights of the consumers, the Consumer Protection Act, 1986 was passed. The Act was effective and purposeful. But, in order to make it more effective, certain amendments were purposed.

10.10 SUMMARY

This unit covers definition of consumer protection act 1986.It also provides the better protection of the rights of the consumers, the Consumer Protection Act, 1986 was passed. It also covers the rights of consumers ,consumer redressal at national state and district level in this unit.

10.11 SHORT ANSWER QUESTIONS

3. Define consumer protection council.
4. Define state protection council.
5. Define appeal.

10.12 LONG ANSWER QUESTIONS

2. Short notes on State and district consumer protection council.

3. Discuss the procedures of making complaints .

4. What is Consumer Disputes Redressal Machinery? Discuss.

5. Short notes on Central consumer protection council.

10.13 MULTIPLE CHOICE QUESTIONS

4. When the seller manipulates the price, it is known as

   (a) Caveat Emptor   (b) Unfair trade practices

   (c) Restricted trade practices   (d) None of the above   **[Ans: c]**

5. Under this act, the minimum age of forum member of a district forum should be

   (a) 30   (b) 40

   (c) 35   (d) 65   **[Ans: c]**

6. The maximum age state commission member should be

   (a) 60   (b) 35

   (c) 70   (d) 65   **[Ans: d]**

7. The maximum age national commission member should be

   (a) 60   (b) 35

   (c) 70   (d) 65   **[Ans: c]**

8. Which of the following forum can reappoint the same person as to its member

   (a) National commission   (b) State commission

   (c) District commission   (d) None of the above   **[Ans: d]**

9. In which forum it is compulsory to have a female member

   (a) National commission   (b) State commission

   (c) District commission   (d) All of the above   **[Ans: d]**

10. Within how many days the opposite party has to answer after they are informed about the complaint?

    (a) 1   (b) 5

    (c) 20   (d) 15   **[Ans: a]**

10.14 CASE STUDY

THE PRICE WAR IN GUJARAT NEWSPAPER INDUSTRY

Abstract: Dainik Bhaskar, a leading business group in India, launched a Gujarati language newspaper - Divya Bhaskar, in Gujarat in 2003. The caselet examines the price promotion strategy adopted by Divya Bhaskar and the far reaching changes it sparked in the Gujarati newspaper industry.

Issues:

- Consumer survey and its relevance in pricing and promotion
- Price promotion strategies in the newspaper market
- Competitive strategies in the newspaper industry

In Gujarat, an Indian state, about 2000 newspapers were published in various languages, primarily in Hindi, Gujarati, and English in 2001. Two Gujarati newspapers, Gujarat Samachar and Sandesh, were the market leaders. Gujarat Samachar, started in 1932, had a circulation of 1.47 million during the period July to December 2002. The circulation of Sandesh for the same period was 0.75 million copies. These newspaper brands were well established in the market and they enjoyed customer loyalty.

At the beginning of 2002, the Dainik Bhaskar Group (Dainik), a leading business house in the country with a strong presence in the print media industry, decided to launch a Gujarati newspaper Divya Bhaskar in Ahmedabad, the capital of Gujarat...

Questions for Discussion:

1. Divya Bhaskar earned the distinction of being the first newspaper in India to reach the number one position in a city on its opening day. How far do you think the price promotion strategy adopted by the newspaper helped it to gain this unique position?

2. How did competitors respond to the entry strategy of Divya Bhaskar?

KEY WORDS

 Consumer protection: a group of laws and organizations designed to ensure the rights of consumers as well as fair trade, competition and accurate informationin the marketplace.

 Redressal: remedy or compensation for a wrong or grievance.

FURTHER READING

1. https://www.icmrindia.org/case%20volumes/Case%20Studies%20in%20 Consumer%20Behavior.htm

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ADVERTISING AND SALES PROMOTION

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TABLE OF CONTENTS

UNIT – I CONCEPT OF ADVERTISING

Introduction:

Advertising is multidimensional. It is a form of mass communication, a powerful marketing tool, a component of the economic system, a means of financing the mass media, a social institution, and an art form, an instrument of business management, a field of employment and a profession.

Today we are exposed to a larger number of commercial messages than at any time in the past. Newspapers and magazines are full of advertisements. Not only has the quantity increased, even the quality of advertisements has improved considerably over the past couple of years. Other means of advertising, such as the radio, television, the cinema and bill boards, etc., have also amply contributed to the growth of this industry. Advertising, which has become a marketing force helping mass selling and distribution, is also the object of much criticism, some justified, some not. It has been claimed that much advertising is false, deceptive and misleading, and that it conceals information which should be revealed and omits the limitations and comparative disadvantages of the item advertised. Not only this, some fear that the power of advertising to persuade and manipulate the consumer and the public at large has increased. However, before going into a serious debate on the benefits of advertising and its effect, we must understand fully what advertising is?

Adverting is only one element of the promotion mix, but it often considered prominent in the overall marketing mix design. Its high visibility and pervasiveness made it as an important social and encomia topic in Indian society. Promotion may be defined as "the co-ordination of all seller initiated efforts to set up channels of information and persuasion to facilitate the scale of a good or service." Promotion is most often intended to be a supporting component in a marketing mix. Promotion decision must be integrated and co-ordinate with the rest of the marketing mix, particularly product/brand decisions, so that it may effectively support an entire marketing mix strategy. The promotion mix consists of four basic elements. They are:-

1. Advertising
2. Personal Selling
3. Sales Promotion, and
4. Publicity

1. Advertising is the dissemination of information by non-personal means through paid media where the source is the sponsoring organization.

2. Personal selling is the dissemination of information by non-personal methods, like face-to-face, contacts between audience and employees of the sponsoring organization. The source of information is the sponsoring organization.

3. Sales promotion is the dissemination of information through a wide variety of activities other than personal selling, advertising and publicity which stimulate consumer purchasing and dealer effectiveness.

4. Publicity is the disseminating of information by personal or non-personal means and is not directly paid by the organization and the organization is not the source.

ORIGIN AND DEVELOPMENT OF ADVERTISING

It has been wrongly assumed that the advertising function is of recent origin. Evidences suggest that the Romans practiced advertising; but the earliest indication of its use in this country dates back to the Middle Ages, when the use of the surname indicated a man's occupation. The next stage in the evolution of advertising was the use of signs as a visual expression of the tradesman's function and a means of locating the source of goods. This method is still in common use. The seller in primitive times relied upon his loud voice to attract attention and inform consumers of the availability of his services. If there were many competitors, he relied upon his own personal magnetism to attract attention

to his merchandise. Often it became necessary for him to resort to persuasion to pinpoint the advantages of his products. Thus, the seller was doing the complete promotion job himself.

Development of retail stores, made the traders to be more concerned about attracting business. Informing customers of the availability of supplies was highly important. Some types of outside promotion were necessary. Signs on stores and in prominent places around the city and notices in printed matters were sometimes used.

When customers were finally attracted to the store and satisfied with the service at least once, they were still subjected to competitive influences; therefore, the merchant's signs and advertisements reminded customers of the continuing availability of his services. Sometimes traders would talk to present and former customers in the streets, or join social organizations in order to have continuing contacts with present and potential customers.

As the markets grew larger and the number of customers increased, the importance of attracting them also grew. Increasing reliance was placed on advertising methods of informing about the availability of the products. These advertising methods were more economical in reaching large numbers of consumers. While these advertising methods were useful for informing and reminding and reminding, they could not do the whole promotional job. They were used only to reach each consumer personally. The merchant still used personal persuasion once the customers were attracted to his store. The invention of hand press increased the potentialities of advertising. By Shakespeare's times, posters had made their appearance, and assumed the function of fostering demand for existing products. Another important event was the emergence of the pamphlet as an advertising medium. The early examples of these pamphlets disclose their sponsorship by companies want to generate goodwill for their activities. The low cost of posters and handbills encouraged a number of publishers to experiment with other methods.

The word advertising originates from a Latin word advertise, which means to turn to. The dictionary meaning of the term is "to give public notice or to announce publicly".

Advertising may be defined as the process of buying sponsor-identified media space or time in order to promote a product or an idea.

The American Marketing Association, Chicago, has defined advertising as "any form of non-personal presentation or promotion of ideas, goods or services, by an identified sponsor."

Definition of Advertising

American Marketing Association has defined Advertising as any paid form of non-personal presentation and promotion of Ideas, goods and services by an identified Sponsor.

1. Paid

Advertising is a paid form of communication. It is a commercial one. Thus any sponsored communication designed to influence buyer's behavior is advertising, because advertiser pays for it.

2. Non-Personal

Advertising is non-personal. Advertising is done in non-personal manner through communication media. It is directed at the mass Audience and not Individuals as in personnel selling

3. Promotes

Advertising promotes Ideas, Goods and Services. Although most advertising is designed to sell Goods and Services. It is also used for Public Interest goals. Eg. Creating Awaseriss about Road safety, Evils of child Labor, Importance of adult Education.

4. Source

Source means the Advertiser and the person appearing in the advertisement. Advertisement will succeed when the sources are attractive and believable.

Nature of Advertising

Advertising is an art and science:

Advertising, as it is generally known, is a paid method of mass communication which is aimed at promoting ideas, goods of services by an identified sponsor. It is also non-personal

communication for it is not delivered by an actual person but only through a media, nor is it addressed to any specific person. Advertising is done by commercial and non-commercial organization but it is mainly referred to commercial organization, because it is used to help assure the advertiser of a long business life with profitable sales.

As far as India is concerned, advertising is a growing business today and gaining importance day by day. Advertising as a potent and recognized means of sales promotion was accepted only recently. This delay is attributed to the late industrialization in our country.

Advertising as a profession is in its infancy. Because of this fact, there is a tremendous scope for the development if this industry so that advertising may be used productively for the benefits of producers, traders, consumers and country's economy.

Advertising has been recognized as an art because the creative function of advertising very much depends upon the creativity its message, theme and its layout including caption, illustration etc, is an art in which the success and failure of advertising campaign depend. The individual capability and an instinct of creating always new are the essence of advertising.

Advertising has been developed as a science also. The advertising management has been emerged as a new discipline where the study of planning, organizing, directing and decision making is learnt. Various principles, objectives, techniques and strategies in advertising have been developed and with the study if those techniques are successful, effective advertising campaign be carried out. Thus, it may be concluded that advertising is both an art and a science.

Advertising Objectives

Each advertisement is a specific communication that must be effective, not just for one customer, but for many target buyers. This means that specific objectives should be set for each particular advertisement campaign. Advertising is a form of promotion and like a promotion; the objectives of advertising should be specific. This requires that the target consumers should be specifically identified and that the effect which advertising is intended to have upon the consumer should be clearly indicated. The objectives of advertising were traditionally stated in terms of direct sales. Now, it is to view advertising as having communication objectives that seek to inform persuade and remind potential customers of the worth of the product. Advertising seeks to condition the consumer so that he/she may have a favorable reaction to the promotional message. Advertising objectives serve as guidelines for the planning and implementation of the entire advertising program.

The basic objectives of an advertising programme may be listed as below:

- To stimulate sales amongst present, former and future consumers. It involves a decision regarding the media, e.g., TV rather than print;
- To communicate with consumers. This involves decision regarding copy.
- To retain the loyalty of present and former consumers. Advertising may be used to reassure buyers that they have made the best purchase, thus building loyalty to the brand name or the firm.
- To increase support. Advertising impliedly bolsters the morale of the sales force and of distributors, wholesalers, and retailers, ; it thus contributes to enthusiasts and confidence attitude in the organizational. :
- To project an image. Advertising is used to promote an overall image of respect and trust for an organization. This message is aimed not only at consumers, but also at the government, shareholders, and the general public.
- To Increase the number of users by pulling competitors, customers through comparative Advertisement. E.g. BPL vs. Onida Advertisement, by making non-users of present market to use our product. E.g. making all men to wear jeans, by entering into new markets. E.g. selling shirts to Girls and studs to men.
- To Increase the usage rate by increasing frequency of usage per occasion. E.g. Brush your teeth thrice a day. Always have Pepsi with food, by increasing usage per occasions. E.g. King size Bottle's in soft drinks. Family pack in Arun Ice creams, by informing new uses of the same product. E.g. sharing new varieties of dish from Milka Bread.
- To attract traders, retailers and wholesalers do not buy non advertised brands, because advertisements attract them to buy new and existing brands.

- To help the traders, advertisements convince the consumers by providing product details and its uses. So the traders need not spend their time to convince the consumers. This helps them to sell more and earn profit.
- To help sales man, consumers do not allow salesmen of non-advertised brands inside their home. Advertisement tells the uses of the product and makes it more attractive. This makes the consumers to welcome the salesman.
- To introduce new products
- To inform sales promotion.
- To increase non-season sales.
- To neutralize competitors' advertisements.
- To remind the Brand Name.

Scope of Advertising

In the scope of advertising, we study the various activities which are included in advertising and which are not included.

What Advertisement Is?

Advertisement is a mass communicating of information intended to persuade buyers to by products with a view to maximizing a company's profits.

The elements of advertising are:

(i) It is a mass communication reaching a large group of consumers.

(ii) It makes mass production possible.

(iii) It is non-personal communication, for it is not delivered by an actual person, nor is it addressed to a specific person.

(iv) It is a commercial communication because it is used to help assure the advertiser of a long business life with profitable sales.

(v) Advertising can be economical, for it reaches large groups of people. This keeps the cost per message low.

(vi) The communication is speedy, permitting an advertiser to speak to millions of buyers in a matter of a few hours.

(vii) Advertising is identified communication. The advertiser signs his name to his advertisement for the purpose of publicizing his identity.

Activities Included in Advertising

Advertising is a form of promotion and a means of non-personal mass communication to the existing and prospective customers in order to maximize the company's sales and profits. The Activities included in advertising are:

i. Selection of media with a view to stimulate sales amongst present and prospective consumers.

ii. Communication with consumers of the product and of the manufacturer.

iii. Maintenance of brand loyalty amongst customers. Advertising may be used the reassure buyers that they have made the best purchase, thus building brand loyalty or loyalty to the firm.

iv. Increasing support to dealers, distributors, wholesalers and retailers and the sales force are the main functions of advertising. It boosts morale and contributes to enthusiasm and confidence attitude in the organization.

v. It projects an image in the minds of the people who are customers of the company's products or who are closely related with the company such as share-holders, government, creditors and the general public. Advertising is used to promote the overall image of trust, confidence and respect for an organization.

The information in an advertisement should benefit the buyers. It should give them a more satisfactory expenditure of their rupees. It should suggest better solutions to their problems. The content of the advertisement is within the control of the advertiser, not the medium. Advertising without persuasion is ineffective. The advertisement that fails to influence anyone, either immediately or in the future is a waste of money. The function of advertising is to increase the profitable sales volume. That is, advertising expenses should not increase disproportionately

Advertising includes the following forms of messages:
The messages carried in are

❖ Newspapers and magazines;
❖ On radio and television broadcasts;
❖ Circular of all kinds, (whether distributed by mail, by person, thorough tradesmen, or by inserts in packages);
❖ Dealer help materials,
❖ Window display and counter – display materials and efforts;
❖ Store signs, motion pictures used for advertising,
❖ Novelties bearing advertising messages and Signature of the advertiser,
❖ Label stags and other literature accompanying the merchandise.

Activities Excluded from Advertising

Some activities resembling those with advertising are actually not advertising.

a. Advertising which are designed to deceive the consumers cannot be said to be an advertising apart form ethics, the desire and hope for repeat sales requires a high degree of hones by in advertising.

b. Advertising is not a game or a toy which the advertiser can play in any way he likes. It requires a mature under standing and should not be aimed to injure the feeling of any person or institution. He should realize that funds must be used only to achieve the firm's objectives and not against it

c. The advertising does not include the offering of premiums to stimulate sale of products, the use of exhibitions and demonstration at fairs, shows and conventions, the use if samples and the so called publicity activities involving news release and the activities of personal selling forces, the payment of advertising, the entertainment of customers, etc. Though these activities are not identified as advertising, they all have some economic objectives of stimulating sales.

Advertising is not an exact science. An advertiser's circumstances are never identical with those of another; he cannot predict with accuracy what results his future advertising efforts will produce. Advertising is not a game, because if advertising is done properly, both the buyer and the seller benefit from it. Advertising is not a toy. Advertiser cannot afford to play with advertising. Advertising funds come from sales revenue and must be used to increase sales revenue. Advertisements are not designed to deceive. The desire and hope for repeat sales insures a high degree of honesty in advertising.

The activities excluded from advertising are:

➢ The offering of premiums to stimulate the sale of products;
➢ The use of exhibitions and demonstrations at fairs, show and conventions;
➢ The use of samples and activities, involving news releases and the activities
of personal selling forces;
➢ The payment of advertising allowances which are not used for advertising;
➢ The entertainment of customers

Thus, the scope of advertising is very wide. Each and every type of activity which stimulates sales by communication through a mass media is included in it and all other activities which do not perform the communication function through mass media cannot be regarded as advertising.

Functions of Advertising

Advertising has to perform a number of functions. Some of these are

- Advertising informs the buyers about the existence of the product, its features, its benefits, and its availability.
- Advertising offers an incentive to buy by making several direct offers like price, offs or exchange of an old TV on buying a new TV
- Advertising provokes us to try the product, and once tried reminds us about its benefits so that we can buy it in time and again.

- Advertising builds brands, gives an image and personality to the brand distinguish them from competitive brands. Over a period of time, it works along with other elements of marketing mix to create brand equity.
- Advertising helps us to choose out of several brands available. It provides us reasons to buy a particular brand. It thus contributes to our brand preference and brand loyalty.
- Advertising being mass communication is the most cost effective way to reach our consumers. In absolute terms, the cost of a full-page advertisement in a magazine is very high. But when we divide the cost by the number of readers reached the per reader cost is very low. It is hardly a few paisas. Advertising thus reduces selling costs.
- Advertising persuades people to act.

Importance of Advertising

Generally, advertising is a relatively low-cost method of conveying selling messages to numerous prospective customers. It can secure leads for salesmen and middlemen by convincing readers to request more information and by identifying outlets handling the product. It can force middlemen to stock the product by building consumer interest. It can help train dealers salesmen in product uses and applications. It can build dealer and consumer confidence in the company and its products by building familiarity.

Advertising is to stimulate market demand.

While sometimes advertising alone may succeed in achieving buyer acceptance, preference, or even demand for the product, it is seldom solely relied upon. Advertising is efficiently used with at least one other sales method, such as personal selling or point-of-purchase display, to directly move customers to buying action. Advertising has become increasingly important to business enterprises – both large and small. Outlay on advertising certainly is the voucher. Non-business enterprises have also recognized the importance of advertising. The attempt by army recruitment is bases on a substantial advertising campaign, stressing the advantages of a military career. The health department popularizes family planning through advertising Labor organizations have also used advertising to make their viewpoints known to the public at large. Advertising assumes real economic importance too.

Advertising strategies that increase the number of units sold stimulate economies in the production process. The production cost per unit of output is lowered. It in turn leads to lower prices. Lower consumer prices then allow these products to become available to more people. Similarly, the price of newspapers, professional sports, radio and TV programmes, and the like might be prohibitive without advertising. In short, advertising pays for many of the enjoyable entertainment and educational aspects of contemporary life.

Advertising has become an important factor in the campaigns to achieve such societal-oriented objectives such as the discontinuance of smoking, family planning, physical fitness, and the elimination of drug abuse. Though in India, advertising was accepted as a potent and recognized means of promotion only 25 years ago, its growing productive capacity and output necessitates the finding of consumers and advertising plays an important role in this process. Advertising helps to increase mass marketing while helping the consumer to choose from amongst the variety of products offered for his selection. In India, advertising as a profession is in its infancy. Because of this fact, there is a tremendous scope for development so that it may be productively used for the benefit of producers, traders, consumers, and the country's economy.

Social, Economic, Legal implications of Advertisements

Social Responsibility of Advertisements

1) Existence of the press (Media)

The cost of production of news papers, cost of broad casting and Telecasting, Radio and TV. Programmes would have been much higher in the absence of income from advertising.

2. Better standard of Living

Advertising creates desire for possessing better and new items by educating the buyers.

3. Encouragement to Research

Advertising encourages research and discovery of new products and new users for existing products because advertising assures their marketing.

4. Employment opportunities

Direct Employment opportunities are created for artist, photographers, painters, writers, singers, actors, musicians, pressman, executives etc., Indirectly it helps trade employment to trade Employment opportunities as it stimulates production.

5. Responsibility towards Children

The Responsibilities of advertising is to educate the children and not to influence the moral values of children. E.g. Parle G, Live in Jeans.

6. Responsibility to Socio-Economic value

Advertising promotes social welfare project like Family – Planning, Saving Schemes etc.

7. Improves the Quality of the Product

Advertisement generally stands for a quality of product. If the product is not good the customers will switch over to other Brands. So producers maintain their quality to retain their market.

8. Educates the Customer

Advertisement Educates about the new product and new uses. By comparing advertisements of different brands and substitute products, consumers can choose the best one.

9. Increases the Purchasing Power

Advertised Brands lead to mass production and distribution. This reduces the cost of production and final price.

Ethics in Advertising or Socio Ethical objections in Advertising

Now people are educated. Product information is easily available through multiple media from newspaper to internet. Competition is also very high. So if a company sells its products by untruthful advertisements people will stop buying it. Hence to survive, the company should use the following unethical ways to advertise.

1. False Claims

Advertisements offering mixtures and substances which promise loss of weight, growth of hair, growth in height, make false claims.

2. Exaggerated Claims

The mouth watering visuals of TV advertisements of ice creams, cake and biscuits are generally exaggerated.

3. Unverifiable Claims

Advertisements of energy drinks (complan, Horlicks) tell us about the no. of vitamins and how they help children to grow strong and tall. There is just no way of verifying these tall claims.

4. Misleading Labels and Names

Popular Brand names and models are copied with a small change. Eg. Beta for Bata, Renolds for Reynolds.

5. The use of Endorsements

Advertisers pay heavy amount to film and sports personalities to endorse their products. They have nothing to do with the use of the product or service. E.g. Sachin for Boost, Madhavan for Pepsi.

6. Creating Erroneous Impressions

Advertisers frequently exploit the weakness of Indians for foreign products by giving foreign brand names. Mostly it is used for cosmetic products. E.g. Pavis Cologne, Yardley Powders, Pork Davis Shirb.

7. Use of women as Sex objects

Advertised products that are targeted at men such as perfumes, powders, cosmetics, automobiles. Women are used awkwardly. There are advertisements with women under water falls and both tubs. E.g. Fa scents, Axe wood, Ardeno LML.

8. Alcohol and Tobacco Advertisements

Alcohol advertising has made its appearance indirectly in soda and mineral waters. Furthers firms like McDowell, King fisher and wills sponsor sports Event.

9. Wastage of Natural Resources

Advertising destroys useless. A new model of automobile if advertised heavily when discard all old models long before they become useless. The same is true with furniture, dress etc. From the point of society it is considered as waste of natural resources.

10. Influencing Media

Advertisers influence the press. Because they provide a major income to the newspaper, magazine, TV. and Radio.

Advertisement is economically beneficial but not socially justifiable

Economical Benefits

Increases the sale

Goods produced on mass scale cannot be sold at their own. So mass persuasion is necessary and done through advertisements. By Repeating the advertisements manufacturers retain the existing sales and expand the market by attracting new consumers.

Steady demand

The sales volume is maintained through repeated advertisements. This maintains the demand of seasonal products over the whole year by suggesting alternative uses. E.g. Cold coffee during summer.

Reduces cost

Advertising leads to low cost of production and marketing due to increased sales volume.

Greater Dealer Interest

Retailers and wholesalers selling advertised goods are greatly assisted by the advertisements. Because dealers need not induce the customers to buy the advertised brands.

Creation of Goodwill

Advertising creates goodwill for the manufactures. He can use this during new product introduction. E.g. Institutional Ads of Tataland and Godrej.

Better Performance

An advertisement boosts morale of the company employees, because it gives a feeling of pride, in their jobs.

Controls Product Prices

By issuing advertisements with price tags ,the prices of the product can be controlled. Because retailers cannot over charge the consumers.

Reduces intermediaries

Consumers demand advertised brands and go to the shops where those brands are available. So the manufacturer need not appoint more distributors and pay more commission.

Advantages of Advertising

1. Benefit to Manufacturers

Increases the sale

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2. Benefits for Distributors

i) Attracts more Customers

Advertisement gives detailed information about the product and the place of availability. Thus, it attracts more customers to the particular shop.

ii) Increase the prestige of the store

The Goodwill earned by the manufacturer is also shared by the selling shops.

3. Benefits for sales people

a) Simplifies Sales mans Task

Advertisements create an interest in the product by highlighting the advantages. So it becomes easy for the salesman to sell.

b) Increases Productivity

Salesman time is saved and he can contact more customers in a shorter period with least effort. He can easily exceed the sales target.

c) Creates Confidence

Advertised brands have good brand image. So the sales man can easily approach new customers with confidence and enthusiasm.

4. Benefits for Consumers

a) Easy purchasing

Advertisement gives useful information about the reasonableness of the price and quality of a product. Advertisements give retailers address and competitors information. Thus it helps to buy the best product in a shortest time.

b) Quality Product

Advertisement generally stands for a quality product. If the product is not good the customers will switch over to other brands. So producers maintain their quality to retain their market.

c) Educates the customers

Advertisement educates about the new product and new uses. While comparing advertisements of different brands and substitute products consumers can choose, the best one.

d) Reduces Price

Advertised brands lead to mass production and distribution. This Reduces the cost of production and final price.

e) Mail order Business

Some products are not available in all places. Public will know those products through advertisements and get it by post.

Disadvantages of Advertisements OR Economic Arguments for and against Advertising

1. Advertising is not productive

a) Against – The critics say that advertising does not produce any tangible goods. It simply transfers business from one producer to another.

b) For - But they forget while arguing that all productive work need not bring tangible goods. On the other hand advertising renders valuable services to various hand advertising renders valuable services to various segments of society and services are always intangible.

2. Advertisement does not create New Demand

a) Against - Advertisement takes business from one concern and gives it to another. So it does not help in expanding the market.

b) For - But this criticism is also not true. Because the total consumption level of many products like automobiles, television is continuously increasing.

3. Advertising Cost the consumer

Against - The total cost includes advertising also and the customers are charged for it. The cost is added with the final price.

For - However it is wrong to say that if advertising cost are removed completely the Goods would become cheaper. Because advertisement brings savings in distribution, production and marketing expenses through large scale production.

4. Monopoly Argument

Against - An objection generally raised against advertising is that it develops monopoly's. Advertising generally emphasis's on brand which impresses the mind of the consumers. They say this brand is superior to all other brands.

For - This argument is not true. Because as soon as the manufacturer increases the price and reduces the quality the competitors will enter with mega advertising.

5. Advertising Encourages waste

Against - People are forced to use the product as fast as possible. Since new products with improved quality may be expected very soon. Newly introduced product may lead to the waste of the existing products. It also encourages exhausting of natural resources.

For - This Blame is also not acceptable because alternatives for scarce resources are invented. E.g. Plastic and steel for wood. Solar, wind and hydro energy are used instead of oil energy.

6. Advertising forces people to buy things beyond their capacity

Against - It creates demand for non-essential things. Modernity Society has become a society of chocolates, Ice creams, Cigarettes, Alcoholic Drinks.

For - The charge can be refused easily. Because No physical force is applied on consumers to buy unnecessary things. Careful people will not fall into these advertisements.

Advertising agency

An advertising agency is an independent organization set up to render specialized services in advertising in particular and in marketing in general. Advertising agencies started as space brokers for the handling of the advertisements placed in newspapers. Over the years, the function of the agencies has changed. Their main job today is not to aid media but to serve advertisers.

Working with Advertising Agency

Some organization does not employ advertising agencies because they may be eligible for the media discount. Others feel that they can accomplish the advertising objectives more effectively than the agencies themselves. These marketers often employ their own advertising specialists. Various organizations use captive agencies that work primarily or solely for the organization. Those organizations which do employ agencies are well-advised to establish a strong working relationship with them. It is especially important that the marketer fully inform the agency personnel of his marketing strategy and advertising objectives.

Advantage of Using Agencies

1. The marketer gains a number of benefits by employing agencies. An agency generally has an invaluable experience in dealing with various advertising and marketing issues.

2. The lessons which agency learned in working with other clients are useful inputs for the marketer.

3. An agency may employ specialists in the various areas of preparation and implementation of advertising plans and strategies.

4. The personnel are not members of the marketer's management team. They bring objective and unbiased viewpoints to the solution of advertising and other marketing problems.

5. The discounts that the media offer to agencies are also available to advertisers. This is a strong stimulus to them to use an agency, for the media cost is not much affected thereby.

6. The company normally does not have as many types of specialists as a large or medium-sized advertising agency has because an agency can spread the costs or its staff over many clients. It can do more for the same amount of money.

7. The company can also get an objective, outside viewpoint from an agency, assuming that the agency representatives are not acting as "Yes man" in order to keep the advertiser's account.

8. A related point is that the company can benefit from the agency's experience with many other products and clients.

9. Another advantage is that agency feels a greater pressure than the company's own department to produce effective results. The relations between an agency and a client are very easy to terminate; but it is difficult to get rid of an ineffective advertising department.

10. The manner in which agencies are compensated, the use of an agency may not cost the advertiser a single paisa.

Making the Final Decision

When you judge the final agency work, keep the following points in mind: If, despite your instructions, an expensive and glossy presentation has been produced, it is clear that the agency is desperate for business and is prepared to curt down on the service to existing clients in the hope of netting a new account. Would you wish to join the ranks of those clients? A good example of glossy presentations going adrift was reported in Advertising Age, October 9, 1967. Trans World Airlines **(TWA)** decided to remain with Foote, Cone & Belding after hearing presentations from 17 other invited agencies. The magazine states: "An executive from one of the losing shops said he was prepared fir the gamble, but not for the reaction of one of his clients. The Client, believing reports that the **TWA** presentations set back the contending agencies by as much as one million dollars, asked his shop to invest a proportionate amount of money in a new campaign for his top product. "He said, in effect, that we are spending this money to make a presentation for another account, and now we should spend some of his money to improve his advertising," the advertising executive said. Lastly, ask yourself, and if necessary, ask the agency, too: Is the team the produced the advertising really made up of the people who are going to handle your account afterwards? Or was it produced by the agency's star performers who spend most of their time on new business presentations and the rest of it on a few favored accounts?

Selecting an Agency

While selecting an advertising agency, the importance of compatibility should be borne in mind. An agency takes a long time to grasp the problems and accumulate the facts that are necessary for the smooth functioning of a client. Though this investment period is long, it pays rich dividends. Therefore, an agency should not be frequently changed.

Here are some points that can help the advertiser to:

(i) Choose an agency; and

(ii) Get the best out of an agency.

(iii)Choosing an Agency

The agency should be able to think independently on various problems, and not solve them by pre-conceived notions which it is unwilling to change. The agency should have experience in selling goods and ideas. It should be able to bring in more results than anticipated. The company should be financially sound and should be able to cover both local and national advertising campaigns. The size of the agency should not be seriously taken into account. A big agency is not necessarily a better than a small agency. The agency should not be one that hesitates to correct the advertiser if it feels that he is wrong. The agency should be able to use both research and brains to solve problems. An agency that plans to make a profit on an account should be chosen, rather than one that maintains that it will work on a no-profit-no-loss basis.

Getting the Best Out of an Agency

➢ The agency should be given all possible information if good service is expected from it.

➢ The advertiser should go as far as possible to keep the agency on its toes.

➢ The agency should be challenged to produce results.

➢ Criticism, when it is handed out, should not be only unfavorable. It should also be favorable.

- Unnecessary details should not be fussed over.
- The advertiser should appoint a special person for liaison work between his company and the agency, and not expect the agency to contact the junior staff.
- The advertiser should allow the agency, where necessary, to break away from convention in its presentations.
- The agency should be paid extra, if it does any extra work.
- The advertiser should examine the work his agency does for other parties to get new ideas.

It is about time that the top management looked upon advertising as a basic capital investment –a long-term investment –which does not necessarily always bring in immediate returns. The management should realize that advertising has two functions to perform. It has to sell products today and sell the name of the company, so that tomorrow's products, too, will sell.

Setting Advertising Objectives

For one who has no objective, nothing is relevant- Confucius. Without objectives, it is nearly impossible to guide and control decision making. Good performance occurred in the absence of objectives can rarely be sustained. The challenge today is to bring effective management to the advertising process in such a way as to provide simulation as well as direction to the creative effort. The solution is the meaningful objective. Advertising objectives, like organizational objectives, should be operational. They should be effective communication tools, providing a line between strategic and tactical decisions. A convenient and enticing advertising objective is immediate sales or market share. However, an increase in immediate sales is not operational in many cases for two reasons:

(1) Advertising is one of many factors influencing sales, and it is difficult to isolate its contribution to sales. The other forces include price, distribution, packaging, product features, competitive actions, and changing buyer needs and tastes.

(2) The second reason involves the long-term effect of advertising on sales. If advertising generates a substantial lagged effect on sales, then the impact of an advertising campaign may not be known until an unacceptable length of time has passed. For example, an important contribution of a 6-month campaign might be its impact 12 months hence. If immediate sales of not the basis of operational objectives, how does to proceed? The answer to the following questions will yield useful and effective objectives.

1. Who is the target segment?
2. What is the ultimate behavior that advertising is attempting to precipitate, reinforce, change, or influence?
3. What is the process that will lead to the desired behavior and what role can advertising play in the process?
4. Is it necessary to create awareness, communicate information about the brand, create an image or attitude, or associate feelings or a type of user personality with a brand?

- Identify the target audience. The specification of the target audience should be a part of the marketing objectives.
- The analysis of the ultimate desired behavior such as trial purchases of new customers, maintenance of loyalty of excising customers, creation of a more positive use experience, reduction of time between purchases, or the decision to visit a retailer use experience, reduction of time between purchases, or the decision to visit a retailer.
- An analysis of the communication and decision process the will affect the desired behavior. It might be that the key variable in inducing a new customer to try your brand is to inculcate high levels of brand awareness. The best way to maintain loyalty is to strengthen an attitude. Which intervening variables provide the best link to the desired behavior and which can be influenced economically by advertising are to be determined.
-An analysis of market dynamics can lead to behavioral measures that by themselves can provide the basis for operational objectives. If the advertising's target is new customers, the goal may be to get new customers to try a brand for the first time. The results would be

measured by the number of new customers attached. The use of behavioral measure as objectives is often appropriate in retailing (store traffic measures), direct marketing, and sales promotion and in lead generation for salespeople. It is useful to analyze the communication and decision process relevant to the desired behavior and to identify intervening variables on which to base objectives. Some situations could dictate the joint use of intervening and behavioral objectives.

Function of Advertising Agency

Advertising agency has different departments based on different functions. Functions like, client development, Media buying, Creative work, production work, research etc are performed by different departments. It is explained below.

1. Client or Account Development department

The word account means clients giving advertisement work to the agency. Accounts executive heads this department. Creating and Maintaining the clients are his main functions. New clients may come in the following ways.

a) New clients may approach the agency if they are not satisfied with their present agent.

b) Agent's present client may introduce a new client.

c) Agent's account executive may voluntarily approach the big companies to get new business.

To maintain these clients, agents have to provide more services at a reasonable cost.

2. Media contact Department

Media functions are there by media department. This department maintains circulation and cost details of all media. It recommends the suitable media for the given product. It negotiates advertisement rates and demands prime time or space of the media. It maintains good contact with all media.

3. Copy Creation Department

Copy department creates copy. It creates advertisement message with theme and appeal. It develops layout of a rough advertisement copy with all its components, like, headline, Sub headline, body copy, slogans, logo, closing idea and illustration body copy.

4. Art Work Department

Art department has painters and writers. It prepares a neat advertisement copy from the rough advertisement copy. It brings the expected effect in the pictures and letters. This department is used only for print ad's. Some agents use outside artist for this work and supervise them regularly.

5. Advertisement Production Department

This department produces advertisement for all media. It may be print or radio or T.V. advertisement. It uses multi-media and advanced packages to create sound and visual effect. It also has singers, actors, musicians, Cameraman, produce radio and T.V. ad's. Some agents use outside experts for this service and supervise them regularly.

6. Research Department

Research department does various types of research. copy research involves pre and post test. it is done to measure the effectiveness of advertisement copy. Media Research is done to find the best media mix for a particular brand. Market Research for a specific brand is done to find the suitable market segments and the improvements needed in product, price, distribution and selling. Research work helps advertising agent to get new clients and maintain the existing one.

7. Finance Department

Finance department collects the dues from its clients, verifies the appearance of advertisement in different media for different clients, and settles the dues of media and looks after all accounting works.

8. Public Relation Department

Public Relation work is done here. Here the public means business firms, media helpers in advertisement production, like artist, actors, singers, Cameraman etc. The agency can grow and survive only if it has good relation with all these public.

Factors in selecting advertising agency

1. Growth

Growth is measured in terms of no. of clients, No of successful advertisements, man power and functions. All these should be growing at least for the past 3 years.

2. Manpower

It should have experts in a good academic and Research experience from reputed institutions. They should have produce many successful advertisements. The Employees burn over should also be low.

3. Allotted Persons

It should be willing to allot reasonable number of talented employees. The team concentrates only on the companies Campaign.

4. Response

Agency people should respond immediately, whenever the client needs their help. Otherwise the client cannot alter the advertisement copy, media and timing or space when it is urgently needed.

5. Clients History

Number, type and duration of its past and present clients should be considered. It should be serving reputed clients for a long duration.

6. Media Contact

It should have reputed contact with all media. It should have circulation and tarif details of all media. It should recommend a suitable media mix for the given product based on the Clients budget.

7. Publicity

Agents with media contact can do free publicity about the product in reputed media.

8. Creativity

It should have people with creative talents to produce creative and successful advertisements

.9. Fees

Agency may charge commission or service based fees, with or without incentive for advertisement effectiveness. The fees should be reasonable in the industry and it should match with the work done by the agency.

10. Production Ability

It should have advanced equipments and talented artist to produce print, radio, as T.V. advertisement. If it does not have all these facilities, it should atleast have contact with outside special service agents with good production ability.

11. Research

It should do research on copy, Media and market. Copy Research involves pre and post test of advertisement effectiveness. Media Research is done to recommend the suitable media mix for a particular brand to reach their market segment effectively. Market Research is done to recommend improvements in product, package, price, distribution etc.

12. Campaign Planning and Doing Skill

It should have skill to analyze competitors and customers, set an advertisement objective, create the ad. , release in the right media at the right time and all these should be done within the budget limit.

13. Avoid Competitors Advertisement

It should not undertake competitor's advertisement. Otherwise it will lose the competitive spirit while making the advertisement.

Agency Remuneration/ Compensation

Companies remunerable advertisement agencies in 3 ways

1. Commission 2. Fees 3. Incentive. These are explained below.

Commission Method

Here the Media allows agencies to take a certain percentage of ad charge as Commission. E.g. If the advertisement rule is Rs.10,000 and the media allows 15% as commission, then the

agency collects Rs.10,000 from that company, takes Rs.1500 for its commission and pays the remaining Rs.8500 to the media.

Only with this commission the agency has to meet the advertisement production cash employee salary and all other expenses and should also make a profit. Sometimes it becomes very difficult to make a profit. So it charges production cost from the company in addition to the regular commission.

Merits

1. Free Service

The Company has to pay the same add. rate, though it produces the add, by itself and approaches the media directly. But, for the same advertisement, the agency produces the advertisement and provides many services, like, research and publicity at free of cost.

2. More Services

Competition is high in agency business. So agencies provide more no. of extra services than their competitors to attract their clients. So the company gets more services at the same cost.

De Merits

1. Low Profit to agency

Agency offers more services within the fixed commission to compete with other agencies. So the agencies get low profit.

2. Unreasonable Profit from Big Companies

Agencies spend a fixed amount to produce single advertisement. It is a one time investment. But it gets commission, whenever the same advertisement is released. Big companies release the same advertisement for many times. In this case, agency gets unreasonable Profit. E.g. An Agency may spend Rs.5, 000 to produce a single add. Whenever the advertisement is released it may get Rs.6000 as commission. If the same advertisement is released for 10 times, it gets Rs.60, 000 as Commission. Thus it makes unreasonable profit.

3. Size and Frequency Insisted

Agency gets more commission, (when) at the size and frequency of advertisement increases. So Agency may misguide the companies to increase the size and frequency of add's. to increase the sales.

4. Small companies are not considered

Small companies release the ad for one or 2 times. The agency gets a low commission, so small companies are not considered by the agencies.

5. Biased

Agencies are induced to recommend media's for getting more commission though they are ineffective. This against the Advertisers benefit.

Fees System

Here the agency adds fixed percentages with the total cost of ad Production to meet the overhead expenses and profit. Total cost includes cost of creating the idea and research cost and production cost. Media Rate is charged separately without commission.

Merits

i. Reasonable Profit

Since the agency charges a fixed percentage or total cost, there is no possibility to make a very low or a very high profit or as in commission system.

ii. More Service

Company can get more variety of services, if it is willing to pay for that. But it is not possible in the limited commission system , because the services are free.

iii. Un Biased

In fees system agencies, do not take commission from media. So it is unbiased in media recommendation.

iv. Size and Frequency not insisted

In Fees system the agency profit is based, only on the total cost of production and not on the size and frequency of advertisement like commission system. So the agency does not insist on more size and Frequency.

Demerits

i. Over service

Agency charges a fixed percentage on the total cost of all services. If it provides more services it gets more profit. so it offers some unwanted services. It increases the companies expense.

ii. Charge without service

Sometimes agencies may collect service charge for Research work but they do not do any field work. They just sit in the office and fill up some assumed data or they may use the data collected for some other company. It is not only waste of money for the Companies, but any decision based on this false data will be dangerous.

iii. Clients over Involvement

Companies pay for each services it gets. So it may like to supervise all the services. So the company may involve too much in all the activities of the agency. Finally it becomes a great disturbance for the agency.

Incentive System

Here in addition to Commission or Fees, the agency gets incentive, based on the effectiveness terms of brand awareness, brand preference, buying intention and sales. It is easy to measure in terms of sales. E.g. (if) the Company accepts to pay 1% incentive on sales effect of the advertisement. The company gets an additional sale for Rs.1, 00,000 after the advertisement. Then the Company pays Rs.10, 000 as incentive to the agency.

Tips to Improve Company and Advertising Agency Relationship

1. Team Spirit

Company should not consider the agent as their servant just because it pays them rather both the Company and agency people should work like a team.

2. Avoid Ego

Company should not think that, only they know about their product and customers much better than the agency. Similarly agency should not think, only they know, How to make effective advertisements for all types of products and customers. So both should not refuse to listen others idea. Both the Company and agency would have better knowledge than the other in some field. So both should listen each other without any ego.

3. Accept Mistake

Advertisement may fail due to the wrong ideas of either the company or the agency or both. In this case they should accept their mistakes without blaming each other. This Generous approach will maintain a good relationship.

4. Creative Risk

Every advertisement will have a certain idea. Some ideas will succeed and other may fail. The Company should not (mistake) hesitate too much to accept the risk of failure. Otherwise the agency cannot do any work.

5. Approval Process

Company should not have too many levels with many people and long duration to approve the advertisement for release. Each one will insist his own idea. Too many people and levels may create ego problems. All this will discourage the agency.

6. Research vs. Judgment

Company should not insist too much on research for each and every decision, like creating theme, appeal, media mix and timing. It will be time consuming and very expensive. The data may not be fully reliable. The tedious process may discourage the agency. So the Company should allow the agency to apply its judgments based on its experience.

7. Don't Interfere

The Advertiser should not interfere in the day today works of the agency. He should allow the agency to work independently.

8. Give Information

The Advertiser should provide information about its product, customers and competitors to the agency.

9. Fear of Withdrawal

The agency should be challenged to produce results. It should be very clear from the very beginning, that the agency will be withdrawn, if it does not satisfy the company.

10. Fees

The Agency should be given reasonable fees. Incentives for successful advertisements will motivate the agency to work hard.

11. Supervise

The Advertiser should supervise regularly, all the works done by the agency. This avoids difference of opinion at the last moment. Because prevention is better than cure.

Is advertising agency essential?

Introduction

Ad Agency may not be essential for big companies, but it is essential for small and medium size company.

Big companies with huge funds and managerial talent may have a full service, "in house ad. department", to do all activities of the ad. Campaign. It is economical for them. But even big companies may not have experts in some fields. So they need help from special service agencies.

Small and medium companies may not have sufficient funds and managerial talent to own an advertisement department. So they approach advertising agencies. Ad agencies provides the following benefits.

1. Economical

Agency works on a large scale for many clients. So the production and media cost comes down. The same work becomes costly for small firms, if it is done by their own department.

2. Experts

Experts with more education and experience are available in advertising agencies. They can make creative and successful adds. But small firms cannot get experts, because salary, prestige and growth opportunities are low.

3. Media Contact

Agents can command the media by their regular business. So they can easily get prime time and space of media and alter the advertisement schedule. They negotiate and reduce the advertisement rates. It is impossible for the small firms.

4. Publicity

Agents can publish the product message at free of cost, by their regular contact with media. It is impossible for small firms.

5. Production Quality

Agents may have advanced camera, recorders, Multi-media kits and efficient artist. So the dd. Quality would be excellent. But small firms cannot have such facilities.

6. Research

Agents do pre and post test of ad. Copy, Media Research and market Research, they may have ready made data about all media competitors, different market segments. These data are very useful for the companies. Small firms cannot collect such data.

Conclusion

Considering all these, it is safe and advisable to go for an agency, than owning a department.

Steps in advertising/ad. Campaign planning process/scientific advertising

Introduction

Many Advertisements fail because they are not scientific. Advertiser should consider the following steps to make it scientific. They are as follows.

1. Aim

Aimless advertisement is a useless advertisement. Though the ultimate aim is sales, ad may have other specific goals. It may be

  a. To inform an offer or a price change.
  b. To change the habits of people. E.g. Pepsi insisting people to drink Pepsi instead of water along with food.

2. Market Segment

The seller should know his customers. Market segment may be old or young, Rich or Poor, Educated or uneducated, modern or orthodox. Advertisement copy should suit the customers segment.

3. Budget

Small companies allocate the budget based on the availability of funds or judgmental method. Big Companies may allocate based on objective and task method or fixed guidelines methods.

4. Media Selection

Big Companies prefer more than one media to advertise. Media with high effective circulation among the target audience are selected. Media should be suitable for the product and customers. Media schedules with area of coverage, length and frequency of add. are also decided based the aim and budget.

5. Advertisement Production

Theme and appeal are important while producing the advertisements, ad. should easily convince the target audience and ads for various media are prepared.

6. Pre Test

Pre test means testing the effectiveness of the advertisement before releasing it on a full scale. An Advertisement is considered effective if it reaches its aim. The Effectiveness of many advertisement copies may be tested among the customers, and the best copy is selected and improved further. Different Ad Copies may be released in 2 or 3 similar cities and the effective copy is selected and released on a full scale.

7. Execution

Advertisement schedule containing the date and time of ads. For different media is prepared. The Release of a ad is monitored regularly. During this stage the production department should provide sufficient no of products with all qualities as promised in the ad. Sales Department should ensure the availability of the products at the right time by motivating the distributors. Non-Availability of products of right quality in right quantity at the right time will make even a good ad. Utter failure.

8. Post Test

Effectiveness of an advertisement is tested after it is released on a full-scale. If it has not achieved its aim, then the defect might have occurred due to ineffective ad. Copy, improper media, length, timing and frequency. Rectification of these defects will improve the effectiveness of ad inspires of all these, noise may reduce the ads effectiveness.

ADVERTISING BUDGET

The size of the advertising budget can have an impact upon the composition of the advertising mix. In general, a limited promotion budget may impel the management to use types of promotion that would not be employed otherwise, even though they are less effective than the others. Industrial firms generally invest a larger proportion of their budgets in personal selling than in advertising, while the reverse is true of most producers of consumer goods. Organizations with small budgets may be forced to use types of advertising that are less effective than others. Some marketers find it necessary to restrict their efforts primarily to personal selling and publicity. There are organizations with small promotion budget which take the opposite course of action. They concentrate on advertising and sales promotion, and neglect other methods. Some marketers advertise in expensive ways (through classified advertisement in newspapers and magazines) and spend virtually nothing on personal selling. There is universal difficulty of relating advertising expenditures to sales and profit results. Determining the results of advertising and consequently the amount of money to be allocated in advertising budget are complicated by several major difficulties as follows:

(i) The effects of external variables such as population, or income, changes on economics conditions and competitive behavior;

(ii) Variations in the quality of advertising;

(iii) Uncertainly as to the time-lag effect of advertising; and

(iv) The effect of the firm's other marketing activities, such as product improvement and stepped-up personal selling.

The above complexities make the companies resort to more than one method of determining the size of their advertising budget. Advertising Budget involves the allocation of a portion of the total marketing resources to the advertising function in a firm. The size of the budget allocation should be based on the potential contribution that advertising can make. Advertising budgeting should be based on a careful analysis of the opportunity for using advertising.

Advertising Budget Allocation by "Rule of Thumb"

Under this approach, the decisions on the amount to be spent are made by advertising managers in co-operation with advertising agency. Many companies resort to more than one method of determining the size of their advertising budgets.

Some methods which are in common use are as follows:-

1. ProfitMaximization:

The best method for determining advertising expenditure is to identify a relationship between the amount spent on advertising and profits, and to spend that amount of money which maximizes the net profits. Since the effects of advertising may be reflected in future sales too, the advertiser maximizes the present value of all future profits at an appropriate rate. Therefore, a very few advertisers are able to implement the profit-maximizing approach to determine their advertising expenditure.

2. Advertising as a Percentage of Sales:

Advertising Allocation = % × Rs. Sales

A pre-determined percentage of the firm's past sales revenue (or projected sales revenue) is allocated to advertising. But the question is - What is the relationship between advertising expenditure and sales revenue? Though it looks simple, it is not an effective way of achieving the objectives. Arbitrary percentage allocation fails to provide for the flexibility.

This method ignores the real nature of the advertising job. It is not necessarily geared to the needs of the total marketing programme. But this method is widely used. Its wide use reflects the prevailing uncertainty about the measurement of advertising effectiveness. It is an easy way of minimizing the difficulties of annual budgeting negotiations. It is also safe method as long as competitors use a similar method. The fixed sum per unit approach differs from the percentage of sales approach in only one respect that it applies a pre-determined allocation to each sales or production unit.

3. The Objective and Task Approach:

The most desirable method is the objective and task approach. It is goal oriented. The firm agrees on a set of marketing objectives after intensive market research. The costs of advertising are then calculated. When the resulting amount is within the firm's financial means, it is the advertising budget. It involves the following two steps:

(a) First, the organization must define the goals the promotional mix is to accomplish. For example, a 5 per cent increase in market share, or a 10 per cent rise in gross sales, or a 3 per cent addition to net profit, or more likely, a combination of several items.

(b) Second, it must determine the amount and the type of promotional activity required to accomplish the objectives set. The sum of these becomes the firm's promotion budget.

A crucial assumption underlies the objective and task approach is that the productivity of each advertising rupee is measurable. The task approach starts by asking what the objectives of the advertising campaign are. The "advertisability" of the product is more sharply defined. This approach requires that assumptions about media, copy, and all the other parts of a campaign be co-ordinate to achieve a specific set of objectives. The task approach has special merit in the introduction of a new product.

The main problem with this approach is that it is not easy to determine the cost of fulfilling an objective or to decide whether an objective is worth fulfilling. The task method forces advertising managers to engage in advance planning.

4. Competitive Parity Approach

This approach ties its budget to the rupees or percentage of sales expended by its competitions. This approach tries to match the competitor's outlays and meet competition either on absolute or relative basis. It involves an estimate of industry advertising for the period and the allocation of an amount that equal to its market share in the industry. Meeting competition's budget does not necessarily relate to the objective of promotion and is inappropriate for most marketing programme. It is a defensive approach. It assumes that the promotion needs of the organization are the same as those of its rival and makes it easy for analyzing the realities of its own competitive situation and to ignore the possibility of other strategies. But the needs will never be the same. It also assumes that budgets arrived at by competitors are correct, but they may have arrived at in a haphazard manner.

Besides, their marketing strategies may also be different from our organization.

Therefore, this method may be recommended only as a supplement to others. However, the imitate-competitors strategy is most applicable in industries where competition is in order to prosper and even to survive. In a way, is better than the per cent of sales method as it recognizes that the competition as a key element in marketing and promotes stable relationships.

Competitive parity budgets can be determined in several ways; but all are based on spending approximately the same amount or percentage of sales as one's competitors. Some of the ways include:

(a) Spend the same rupee amount on advertising as a major competitor does.

(b) Spend the same percentage of sales on advertising as a major competitor does.

(c) Spend the same percentage of sales on advertising as the average for the entire industry.

(d) Use one of these "rules of thumb" in a particular market.

All these have one common characteristic, that is, the actions of competitors determine the company's advertising budget. But under this situation, a company faces several risks. Sufficient information may not be readily available to estimate the competitor's advertising budget. Such information is derived from secondary sources for some products than others. When only partial information can be obtained, such as expenditure on media, competitive parity may be misleading. It implies that all firms in an industry have the same opportunities but not so in practice. For example, a company introduces a new product to compete with a competitor's already established brand, the opportunity for advertising for these two brands would be entirely different.

5. All the Organization can afford approach

It involves the income statement and the balance sheet. It asks how much is available to the firm. This question is partially answered by anticipated sales and margins. The decisions based wholly on them ignore the requirements of the advertising. The basic weakness is that it does not solve the problem of "how much should we spend" by asking: "What can we profitably spend?" In some instance, companies adopt pricing policies or others strategies intended to yield more advertising rupees. Some may spend whatever rupees are available for promotion, the only limit being the firm's need for liquidity. This approach does ensure that advertising expenditures are assessed in the light of the profit objectives. It does put advertising in perspective with other corporate functions as contributors to the achievements of objectives.

6. By Using Judgment

This method relays upon the judgment of experienced managers. Over the years, some of these individuals develop a feel for the market that permits them to arrive at appropriate decisions, given the organization's objectives and limitations. It is a vital input for the determination of the budget. When the management uses other methods, it should temper them with the judgmental evaluations made by experienced managers. Judgment is subject to error and bias. Other methods should supplement this technique.

To conclude, promotion may be viewed as a long-run process. Joel Dean has indicate that advertising should be seen as a business investment, in the same sense as opening a new plant or spending additional funds on improved package design.

Conclusion:

Each medium has its merits and its handicaps. The suitability and profitability of any one type varies from manufacturer to manufacturer and may vary for a single manufacturer too. Changes are the only rule. The buyers constitute his market; they are to receive his advertising coverage consists of the advertiser's reaching the maximum number of these buyers include both his current and prospective customers. The advertiser has to determine how many there are and where they are. Then the selection process involves how to send an effective advertising message economically to the group of buyers, the length of the campaign period and the cost which he can afford-at a figure which will make the advertising effort profitable.

Questions:

1. Define Advertising.
2. Trace out the origin of Advertising.
3. Enumerate the classification of advertising.
4. Bring out the relationship between advertiser and advertising agency.
5. Discuss the process of setting advertising objectives
6. Explain the steps involved in advertising budget.

Books for further study:

1. Wells, Burnett & Moraiarty – Advertising Principles and Practices; Prentice Hall
2. Wright,Winter & Zeigler – Advertising ; Tata McGraw Hill
3. J. V. Vilanilam & A. K. Varghese – Advertising Basics – A Resource Guide for Beginners: Response Books, Sage Publications.

UNIT – II ADVERTISEMENT MEDIA

INTRODUCTION

Within the last decade, the media planning function has acquired a lot of significance in developing advertising campaigns. The proliferation of media choices and their increased costs have made the task of media planners more difficult and risky. Mass media options include television, radio, newspapers, magazines, out-of-home media and others. The choice may seem to be straightforward, but it is not. The characteristics of each alternative must be considered carefully. For example, TV can show action, combining both sight and should, and can produce an impact that simply is not possible through other media. Newspapers can carry ads containing, much detailed information as compared to TV or radio. Magazines can convey detailed information, which remains available to a potential buyer for a longer time. The process of choosing between alternatives becomes even more complicated considering the wide range of alternatives within the same medium. For example, *Femina, Vogue, Reader's Digest, Film fare, Stardust, etc.,* are well-known fortnightly or monthly magazines, New and evolving media have further contributed to the difficulty of planning when, where, and how the ad message will be delivered.

CLASSIFICATION AND TYPES OF ADVERTISING

1. Product – Related Advertising

It is concerned with conveying information about and selling a product or service. Product advertising is of three types, viz,

A. Pioneering Advertising
B. Competitive Advertising
C. Retentive Advertising

i. Pioneering Advertising:

This type of advertising is used in the introductory stages in the life cycle of a product. It is concerned with developing a "primary" demand. It conveys information about, and selling a product category rather than a specific brand. For example, the initial advertisement for black – and – white television and color television. Such advertisements appeal to the consumer's emotions and rational motives.

ii. Competitive Advertising:

It is useful when the product has reached the market-growth and especially the market-maturity stage. It stimulates "selective" demand. It seeks to sell a specific brand rather than a general product category. It is of two types:

A. Direct Type: It seeks to stimulate immediate buying action.
B. Indirect Type: It attempts to pinpoint the virtues of the product in the expectation that the consumer's action will be affected by it when he is ready to buy.

Example: Airline advertising. Air India attempts to bid for the consumer's patronage either immediately - direct action-in which case, it provides prices, time tables and phone numbers on which the customer may call for reservations; or eventually – indirect action – when it suggests that you mention Air India's name when talking to your travel agent.

iii. Retentive Advertising:

This may be useful when the product has achieved a favorable status in the market – that is, maturity or declining stage. Generally in such times, the advertiser wants to keep his product's name before the public. A much softer selling approach is used, or only the name may be mentioned in "reminder" type advertising.

2. Public Service Advertising

This is directed at the social welfare of a community or a nation. The effectiveness of product service advertisements may be measured in terms of the goodwill they generate in favour of the sponsoring organization. Advertisements on not mixing drinking and driving are a good example of public service advertising. In this type of advertising, the objective is to put across a message intended to change attitudes or behavior and benefit the public at large.

3. Functional Classification

Advertising may be classified according to the functions which it is intended to fulfill.

(i) Advertising may be used to stimulate either the primary demand or the selective demand.

(ii) It may promote either the brand or the firm selling that brand.

(iii) It may try to cause indirect action or direct action.

i. Advertising Based on Demand Influence Level.

A. Primary Demand Stimulation

Primary demand is demand for the product or service rather than for a particular brand. It is intended to affect the demand for a type of product, and not the brand of that product. Some advertise to stimulate primary demand. When a product is new, primary demand stimulation is appropriate. At this time, the marketer must inform consumers of the existence of the new item and convince them of the benefits flowing from its use. When primary demand has been stimulated and competitors have entered the market, the advertising strategy may be to stimulate the selective demand.

B. Selective Demand Stimulation

This demand is for a particular brand such as Charminar cigarettes, Surf detergent powder, or Vimal fabrics. To establish a differential advantage and to acquire an acceptable sort of market, selective demand advertising is attempted. It is not to stimulate the demand for the product or service. The advertiser attempts to differentiate his brand and to increase the total amount of consumption of that product. Competitive advertising stimulates selective demand. It may be of either the direct or the indirect type.

ii. Institutional Advertising

Institutional Advertising may be formative, persuasive or reminder oriented in character. Institutional advertising is used extensively during periods of product shortages in order to keep the name of the company before the public. It aims at building for a firm a Positive public image in the eyes of shareholders, employees, suppliers, legislators, or the general public. This sells only the name and prestige of the company. This type of advertising is used frequently by large companies whose products are well known. HMT or DCM, for example, does considerable institutional advertising of its name, emphasizing the quality and research behind its products. Institutional advertisements are at consumers or focus them upon other groups, such as voters, government officials, suppliers, financial institutions, etc. If it is effective, the target groups will respond with goodwill towards, and confidence in the sponsor. It is also a useful method or introducing sales persons and new product to consumers. It does not attempt to sell a particular product; it benefits the organization as a whole. It notifies the consumers that the company is a responsible business entity and is patriotic; that its management takes ecologically responsible action, is an affair-motive-action employer, supports the socialistic pattern of society or provides employment opportunities in the community.

When Indian Oil advertisements describe the company's general activities, such as public service work, this may be referred to as institutional advertising because it is intended to build an overall favorable attitude towards the company and its family of products. HMT once told the story of the small-scale industries supplying it with component parts, thus indicating how it aided the development of ancillary industries.

iii. Product Advertising

Most advertising is product advertising, designed to promote the sale or reputation of a particular product or service that the organization sells. Indane's Cooking Gas is a case in point. The marketer may use such promotion to generate exposure attention, comprehension, attitude change or action for an offering. It deals with the non-personal selling of a particular good or service. It is of three types as follows:-

A. Informative Product Advertising

B. Persuasive Product Advertising

C. Reminder-Oriented Product Advertising

A. Informative Product Advertising:

This form of advertising tends to characterize the promotion of any new type of product to develop an initial demand. It is usually done in the introductory stages of the product life cycle. It was the original approach to advertising.

B. Persuasive Product Advertising:

Persuasive product advertising is to develop demand for a particular product or brand. It is a type of promotion used in the growth period and, to some extent, in the maturity period of the product life cycle.

C. Reminder-Oriented Product Advertising:

The goal of this type of advertising is to reinforce previous promotional activity by keeping the brand name in front of the public. It is used in the maturity period as well as throughout the declining phase of the product life cycle.

4. Advertising based on Product Life Cycle

A. Consumer Advertising

B. Industrial Advertising

A. Consumer Advertising

Most of the consumer goods producers engage in consumer product advertising. Marketers of pharmaceuticals, cosmetics, scooters, detergents and soaps, cigarettes and alcoholic beverages are examples. Baring a few, all these products are all package goods that the consumer will often buy during the year. There is a heavy competition among the advertisers to establish an advantage for their particular brand.

B. Industrial Advertising

Industrial executives have little confidence in advertising. They rely on this form of promotion merely out of fear that their competitors may benefit if they stop their advertising efforts. The task of the industrial advertiser is complicated by the multiple buying influence characteristics like, the derived demand, etc. The objectives vary according to the firm and the situation. They are:

- ❖ To inform,
- ❖ To bring in orders,
- ❖ To induce inquiries,
- ❖ To get the advertiser's name on the buyer's list of sources,
- ❖ To provide support for the salesman,
- ❖ To reduce selling costs,
- ❖ To help get items in the news column of a publication,
- ❖ To establish recognition for the firm or its product,
- ❖ To motivate distributors,
- ❖ To recognition for the firm or its products,
- ❖ To motivate distributors, to create or change a company's image,
- ❖ To create or change a buyer's attitude, and

The basic appeals tend to increase the rupee profits of the buyer or help in achieving his non-monetary objectives. Trade journals are the media most generally used followed by catalogues, direct mail communication, exhibits, and general management publications. Advertising agencies are much less useful in industrial advertising.

5. Trade Advertising

A. Retail Advertising

B. Wholesale Advertising

A. Retail Advertising

This may be defined as "covering all advertising by the stores that sell goods directly to the consuming public. It includes, also advertising by establishments that sell services to the public, such as beauty shops, petrol pumps and banks." Advertising agencies are rarely used. The store personnel are usually given this responsibility as an added task to be performed, together with their normal functions. The result is that advertising is often relegated to a secondary position in a retail store. One aspect of retail advertising is co-operative advertising. It refers to advertising costs between retailers and manufacturers. From the

retailer's point of view, co-operative advertising permits a store to secure additional advertising that would not otherwise have been available.

B.Wholesale Advertising

Wholesalers are, generally, not advertising minded, either for themselves or for their suppliers. They would benefit from adopting some of the image-making techniques used by retailers – the need for developing an overall promotional strategy. They also need to make a greater use of supplier promotion materials and programmes in a way advantageous to them.

6. Advertising based on Area of Operation

It is classified as follow:

A. National Advertising

B. Regional Advertising

C. Local Advertising

A. National advertising

It is practiced by many firms in our country. It encourages the consumer to buy their product wherever they are sold. Most national advertisements concentrate on the overall image and desirability of the product. The famous national advertisers are:

Hindustan Levers

DCM

ITC

Jay Engineering

TISCO

B. Regional advertising

It is geographical alternative for organizations. For example, Amrit Vanaspati based in Rajpura claims to be the leading hydrogenated oil producer in the Punjab. But, until recently, it mainly confined itself to one of the vegetable oil brands distribution to Malihabad district (in U.P. near Lucknow).

C. Local advertising

It is generally done by retailers rather than manufacturers. These advertisements save the customer time and money by passing along specific information about products, prices, location, and so on. Retailer advertisements usually provide specific goods sales during weekends in various sectors.

7. Advertising According to Medium

The most common classification of advertising is by the medium used. For example: TV, radio, magazine, outdoor, business periodical, newspaper and direct mail advertising. This classification is so common in use that it is mentioned here only for the sake of completeness

Types of Media
News Paper

Newspaper advertisements are also called press or print-advertisement. There are four types in newspaper advertising.

a) Classified Advertisement

These are Grouped advertisements. Advertisements with common theme are grouped under particular column and headings such as education. Real Estate, Matrimonial, Business offers, vacancies.

b) Teaser Advertisement

These are a series of Advertisements without any sales message in a particular place and in a particular page over a no. of days keeping the audience in suspense and creating interest to follow the series till the add appears.

c) News Type Advertisements

These advertisements appear in the form of news and at the end an indication while adding the word advertisement is shown to serve the purpose.

d) General type

These are published in any of the pages in the newspaper.

Merits of News Paper Advertisements

1. Wide Coverage

Newspapers cover all sections of society that reach even remote villages.

2. Less Expensive

The cost of Advertising is relatively small when compared to other media like Radio, T.V., and Magazines etc.

3. Continuous Advertisements

News papers are read by the readers daily. The Brand name can be retained in the consumers mind by advertising daily. It is very useful while introducing new products.

4. Flexibility

Newspaper Advertisements can be added as cancelled at a short notice. the shape and the size of the advertisements can also be changed with minimum efforts.

5. Testing Effectiveness

Newspapers can be effectively used for test camp. While publishing the advertisements in the local news paper, the effectiveness of the advertisements can be easily tested.

6. Visual Impression

News paper Advertisements can create visual appeal besides describing the important qualities of the product. This makes the prospect to understand the theme of the advertisement more clearly.

7. Suitable for All

National, Regional and local Editions are available in Newspaper. The Advertiser can choose the area according to his budget and need. So it suits from big to tiny organizations.

8. Informative

Through lengthy Advertisements more details about the product, the producer and retailer can be given in detail.

9. Assured Readership

It contains interesting matter for everybody in the family like business News for Men, Ladies page for women and sports page for youth comics and puzzles for children.

Demerits

1. Poor Quality

The Chief quality of Newspaper does not give find reproduction of the ad..

2. Short life

The life of the newspaper is very short. If the add is not seen on the same day it becomes waste.

3. Poor Reach

News Papers are read in hurry. Ad's are crowded and appear in small size in black and white without attraction. So the persons expected to read the message mastered the ad.

4. Colour Rare

Only colour advertisement's are attractive. But they are limited due to its high cost.

5. Waste Circulation

Newspapers are circulated among high, medium and low class people. But many products are not used by all class of people. So Newspapers circulated with the ads of unused product become waste.

6. It may not reach illiterate.

2. MAGAZINES

Magazine ad is also called print as press Add. There are 2 major types of magazines.

i) General Magazine

The contents of General Magazines are meant for general appeal. They are read by people of all class, age, gender and profession. E.g. Kumudham.

ii) Special Magazine

These are technical and professional journals. Technicians read technical journals. Doctors, Lawyers, Auditors Read Professional Journals. There are special Journals for Industry, Bank, Religion, and Agriculture. E.g. Business Today, Computer World.

Merits
i) Long life

The Advertisement is seen several times. Weeklies are used for 1 month. Monthlies are used for 3 months.
ii) Better Effect

Better kind of paper and use of colour increases its effectiveness.
iii) Better Targeting

The Readers of particular magazines or journals have special interest. If proper magazines are selected the ad reaches the right kind of target audience. E.g. Femina for women, Sports star for youth, Business world for Business Men, Medical Journals for Doctors.
iv) Prestigious

Advertising in prestigious magazines increases the products image. E.g. Advertising in Readers Digest, India Today, Front line, business Today etc.
Demerits
1. Long Lead Time

The impact for the ad like art work or blocks should be sent in weeks or months in advance, so it is not suitable to inform price, product or dealer charges quickly.
2. Heavy Rush

Heavy rush for booking in special pages like cover page, Centre page and pages along with popular serials.
3. Limited Circulation

Periodicals have limited circulation. So the ads are read by limited persons only. It increases the cost per reader.
4. It may not reach illiterate.

Radio

Radio Advertising is also called Broad cast advertising. It is word of mouth advertising. It is "word of mouth" advertising on about scale. It is different from other media because it appears to the ear and not to the eyes. The messages convey to the masses. Whether literate or illiterate. It shows local rather than national because language and appeal differs from region to region.
Merits
1. Human Appeal

Add. message is friendly, warm and direct. It gives a feeling of face to face communication.
2. Variety of Programmes

Radio relays music, drama, news and special social programmes for selected audience. This helps the advertiser to choose the programme based on the targeted audience.
3. Effortless Listening

Listener can easily understand the radio advertising without much effort. But print and T.V. adds need much effort and concentration.
4. Flexible

Add. message, timing and duration can be altered even an hour before the broadcast.
5. Mass Coverage

Radio reaches from metros to villages, people of all class, income, age and education. It reaches even illiterate.
6. Low Cost

Ad charged in radio is low. It also reaches more no. of people. So the cost per listener is negligible.
7. Memorizing Value

Anything learned through ear is rarely forgotten. Brand Name is deeply registered in the peoples mind by repeating the addl. daily.
Demerits
1. Perishable

If the consumer miss an ad the cost of add is lost. But in print add. a consumer has many changes to see the same add. Even it is missed once.

2. No Pictures

Visual impression of the product cannot be made. Different parts of a technically complicated product cannot be shown. So it can be used only to remain the product and brand name.

3. Needs more Repetition

Radio ads are often missed on listening carelessly. So ads have to be repeated many times for a longer period or register the brand name in the consumer mind. So it becomes costly.

4. Brief

Radio and will not be effective if it exceeds one minute. So detailed information cannot be given.

5. Irritates

More no. of continuous ad and repeating the same ad without any gap irritates the listeners. Audience feels it as a disturbance between the main programmes.

Television

It is also called Broadcast or Telecast Advertising. It has audio visual appeal. Now many satellite channels have come with 24 hours service. Some of them cover the whole world. T.V. is available even in villages. So the advertiser can reach the entire world at one short.

Merits

i) Salesmanship

Advertisement acts like a salesman. Attractive people appear in T.V. They show the product and tell its uses. They also demonstrate the method of using it.

ii) Interesting

Songs, music, colour, scene, action and actors makes it more interesting.

iii) Prestige

T.V. is a prestigious media. So T.V. is also prestigious.

iv) Wide Coverage

T.V. Add in a single channel reaches all kinds of people in many parts over the world. So the cost per viewer becomes cheap.

v) Market Selectivity

Different channels and programmes reach different markets. the Advertiser can choose the channel and program according to his market. E.g. Cartoon Network for children Market. ESPN for sports products. M TV for youth market.

vi) Emotional Effect

T.V. ads are dramatic. Audience can feel the benefit of the products. E.g. Liril Freshness, Arun Ice creams Joy.

Demerits

a) Costly

Cost of producing and relaying the T.V. ad are very high. So it is not suitable for small firms.

b) Brief

T.V. ad may not exceed 1 minute. So detailed information about the product cannot be given.

c) Ignored

During the T.V. add, adults may chat or attend house hold work or change the channel. Children may tart playing. So the ad is ignored.

d) Crowded

Too many cooks spoil the dish, too many ad's Spoil the mood. When too many ads appear continuously audience may ignore or forget the ad.

e) Needs Repetition

People ignore or forget the T.V. ads. So it has to be repeated many times through many channels. This increases cost.

Cinema or Theatre or Film Advertisement

It gives T.V. ad effect at local level to small firms at a cheaper rate. Andhra Pradesh leads in no. of theatres, followed by Tamil Nadu, Maharastra, U.P. and Kerala. Touring Theatres

are popular in Tamil Nadu, Andhra Pradesh and Kerala. Motion pictures and slides are two forms of Cinema advertising.

Merits
1. TV Effect
It brings T.V. Effect as local level for small firms at a cheaper rate.
2. Detail
Theatres provide more time at a cheap rate. so detailed information about the product can be given.
3. No Wastage
Theatre audience cannot avoid the advertisements. So it reaches all without any waste.
4. Wide coverage
All kinds of people come to theatre, so it reaches all sections of society.
5. Salesmanship
Advertisement acts like a salesman. Attractive people appear in T.V. They show the product and tell its uses. They also demonstrate the method of using it.
6. Interesting.
Songs, music, colour, scene, action and actors makes it more interesting
7. Emotional Effect
T.V. ad is dramatic. Audience can feel the benefit of the products. E.g. Liril Freshness, Arun Ice creams Joy, Dee bears diamonds.
8. Prestige
T.V. is a prestigious media. So T.V. is also prestigious.
9. Wide Coverage
T.V. Add in a single channel reaches all kinds of people in many parts over the world. So the cost per viewer becomes cheap.
10. Market Selectivity
Different channels and programs reach different markets the Advertiser can choose the channel and program according to his market. E.g. Cartoon Network for children Market, ESPN for sports products, M TV for youth market.

Merits
i) Salesmanship
Advertisement acts like a salesman. Attractive people appear in T.V. They show the product and tell its uses. They also demonstrate the method of using it.
ii) Interesting
Songs, music, colour, scene, action and actors makes it more interesting.
iii) Prestige
T.V. is a prestigious media. So T.V. are also prestigious.
iv) Wide Coverage
T.V. Add in a single channel reaches all kinds of people in many parts over the world. So the cost per viewer becomes cheap.
v) Market Selectivity
Different channels and programmes reach different markets. the Advertiser can choose the channel and program according to his market. Eg. Cartoon Network for children Market. ESPN for sports products. M TV for youth market.
vi) Emotional Effect
T.V. ads are dramatic. Audience can feel the benefit of the products. E.g. Liril Freshness, Arun Ice creams Joy.
De Merits
1. Costly
Production costs of motion pictures are very high. Mostly theatre add, reaches few people at local or regional level. So the cost per audience increases.

2. Reaches Theatre Goers Only

Theatre ad reaches the audience of that theatre only. It misses others. To reach more audience ad has to be shown in more theatres. this increases cost.

3. Irritates

People come to theatre only to enjoy the movie and not for ad. But they are forced to see many ads continuously. These irritate and make the ad ineffective.

4. Sensor Board

The Sensor Board objects the whole or few parts of an ad the cost of production becomes waste. The cutting of the ad makes it less effective.

6. Outdoor or Mural Advertising

Types of outdoor Media

1. Poster

Posters are popular form of outdoor media. They are big in size and printed in attractive colours. They are generally pasted on the walls, street corners and crowded places. The message must be very brief because the persons looking at the posters are generally in hurry and pre-occupied. Poster advertising is suitable for small scale local merchants. E.g. Cinema posters.

2. Painted Displays

They are large size boards. the Public can see the adds. even from a long distance. It has long life from 3 to 5 years.

3. Electric Lights

These are used in cities and business centres. In this colored bulbs are used and the colours are changed at a short interval. These have high attention value. But the cost of installing is very high.

4. Field signs

They are large boards placed along the route of railways and are visible from the windows of the carriage.

5. Hand Bills

Hand bills are the cheapest and oldest form of advertising. These are distributed with the held of a paid man.

6. Traveling Display

These are also called vehicular or transit or car. Card advertising. This refers the stickers or boards fixed inside or outside the vehicles. It is seen in a car, autos, Bus, Trains etc. If the ad is placed inside the vehicle the traveling public can read the message leisurely.

7. Sandwich Men

Sandwich Men are hired persons dressed in fancy cloths. They are sending out in busy streets in a form of procession. They carry posters and boards containing the message. They play musical instruments and shouts slogans at frequent intervals.

8. Sky Advertising

Here the ad message is distributed through airplanes or Helicopter or illuminated balloons with a brand name s flown in the open sky. E.g. the textile shops balloons and circus right.

Merits

i) Attractive

Outdoor ad is colorful and large attractive art works and dramatic appeals are used. So they are attractive.

ii) Durable

This remains for man years. It conveys the message through out the day.

iii) Repetition

The public looks the ad many times. The same person may see the ad for 365 days in a year. This reduces cost per exposure.

iv) Selectivity

This type of ad can be used to cover a particular market segment like college students by computer centres, School students by tuition centres and College girls by sari shops.

V) Mass Circulation

It reaches all types of people passing outside. It covers men, women, rich, poor, old and young.

vi) Economical

Durability and High exposure of this ad reduces the cost per exposure. Printing and Distribution cost of posters and hand bills are very low.

Demerits

1. Supplementary

This medium can only supplement the major media like T.V., Radio and newspaper. So the companies cannot completely depend on this media for large scale selling.

2. Low Prestige

Posters and Bit Notice are cheap form of advertising. It reduces the image of the Company.

3. Brief

Detailed information on product cannot be given. (Short) Product models, price, use and dealers address cannot be given in detail.

4. Short-Life

Poster, news for a week and handbills, a few minutes.

5. Demand for Prime Location

It is difficult to get ad space at prime locations like railway station, bus stand and over bridge.

6. Public Objection

Public objects to paste posters on house wall and keep boards near their house. Keeping attention diverting and vulgar scenes at main places will affect the social values and cause accidents.

7. Direct Mail Advertising

It is also called direct advertising. In direct mail advertising the advertisement message is directly sent to the prospective customers by post. The Message, audience and time can be highly controlled in this type. So it is also called controlled advertising.

Types

1. Sales letters or Post Cards

It contains product and sales promotion message. It is hand written or typed or printed. It is mostly used for consumer products.

2. Catalogue

It is a detailed list of products with their price and quality. It is used for industrial products.

3. Booklets and Broachers

It contains history of the manufacturer and completes details of the product.

It may contain pictures of the product.

Leaflet, holder, Circular, House Organs are other forms of Direct Mail add.

Merits

1. Wide Coverage

Advertiser can reach anywhere in India by post at the same cost even the entire world can be covered.

2. Market Selectivity

Address of potential customers can be exactly selected for contact.

3. Personal Appeal

It is directly given to the person at home. Name and Address of the person appears on it. So it creates a feeling of recognition and personal contact.

4. Not Crowded

It is a single ad and not crowded like newspaper, radio or T.V. Advertisement.

5. Highly Flexible

Different message can be sent for different individuals. Message and audience can be changed till it is posted.

6. Economical

It is cheap and highly effective for local firms with limited audience. Remainder advertisements can be frequently made at a low cost.

7. Secrecy

Competitors may not know the add message. So it protects from their immediate reaction.

8. Detail

Complex information about the product can be given in detail in an interesting manner.

9. Help salesman

It creates interest in the new product before the salesman visits. Prospects welcome salesman. Salesman need not explain all details of the product.

10. Control

This is the only media offering high control over message, time, cost and even audience.

11. Effectiveness Measured

Add. Effectiveness can be exactly measured by including discount coupons and reply card. It can also be used for copy testing at a small scale level before going for full scale adds.

Demerits

1. Limited Coverage

Only few customers can be covered by post. It becomes very costly for a nation wide coverage. So it is not suitable for big firms.

2. Non-availability of Mailing List

Addresses of prospective customers are not easily available. It is difficult to maintain the list up to date while adding new prospects and deleting the old ones.

3. Ignored

Many Receivers ignore the mail add. Unattractive mail advertisements become ineffective even though it is noticed.

4. Short-Life

Mail ads of consumer products become waste paper as soon as it is read.

Steps In Implementing Direct Mail Advertising:

I. Preparing a Mailing List

It is the list of name and address of prospective customers. This list can be prepared from the following sources.

a) Company Record

List of present and past customers.

b) Sales man

List prepared by the sales man during the sales trip.

c) Yellow pages

List of Traders and professionals of same category.

d) Market Research Firms

They sell mailing list based on market segments. E.g. List of working women, retired people and investors.

e) Government Records

List Maintained by the office of telecommunication, income tax, RTO, Election Board and civil supplies department.

f) Social Organisation

The Address List of lions club, Ladies club, Doctor's Association, and chamber of Commerce.

II. Preparing Add. Material

Add. Material and message should be attractive and suitable to persuade the prospects. It should be colorful with the product photo and it benefits. Offer coupon and paid reply card will bring quick responds.

III. Distribution

It is posted at the right time to create the right response. It can also be distributed through retailers, salesman, messenger or package.

Specialty Advertising/Novelties

Specialty Ad means presenting useful and low cost products to customers and dealers. It generally contains the companies, name and address. Some products also contain Add. message. These items remind the brand names constantly and create Goodwill because of its use. Examples – Pen, Calendar, Diary, and Memo pads.

Point Of Purchase/Sale/Promotional/Display Add

It means advertising inside, outside or near the shop. These include wall display, neon signs, window display/dressing, counter display, show rooms, Trade Fair and Exhibitions.

Types of Point of Purchase Add.

Wall Display

These are stickers, boards, and hangings placed inside or outside the store wall.

Neon Signs

It is kept near the shop. It reminds the brand name and indicates the brand is available in that shop. E.g. Pepsi.

Window Display/Dressing

The Retailers display the product inside the glass window. People can see that from outside the shop.

Essentials of Window Display

a. Good Lighting   b. Decoration   c. Movement of Articles
d. Orderly arrangement without crowd. e. Frequently changing the articles.
f. Displaying the products with brand name, model and price.

Merits

1. Reminds

It Reminds the ad message and brand name regularly. It supplements other media.

2. Helps Busy People to Buy

Busy people may not get time to visit many shops. the window display of different products with brand name, model and price helps them to make quick decisions without entering the shop.

3. Induces to Buy

Frequent exposure of attractive arrangement makes even uninterested people to buy the product.

4. Economical

Though initial investment is high the cost of maintaining it is very low, when reach and, effectiveness is considered.

5. Helps to introduce new products

Attractive Display of actual product with price makes it popular within a short time.

6. Prestige

Window Display of Big shops makes the product prestigious.

Counter display

The Products are displayed inside the shop to attract the attention of real buyers. It is essential in self service Departmental stores. Sometimes producers offer prizes to retailers for best decoration. Some times a product is demonstrated and the customer is allowed to test it.

Merits

1) Reminds

Reminds the ad message and brand name regularly. It supplements other media.

2) Helps in New Product Introduction

While introducing new products counter display supported by consumer offers, product literature and a good salesman will make it more effective.

3) Induces to buy other products

Customers coming to buy certain products are induced to buy other products also.

4) Guides in Purchase

In Self-service stores related products of different brands are displayed with price weight and other details on the package. These help the buyer to choose the brand of his choice.

Show Room

In show – Room the product are exhibited for inspection and operation by consumer. Salesman clarifies consumers doubt.

Trade Fair and Exhibition

It is a Co-operative effort by the competitors to promote the sale of exhibited goods at one point. E.g. Trade Fair of Household products, computers, Books and cars.

Difficulties in Selection of Media Types

Audience Measurement:

The media sell circulation or the opportunity to develop circulation. There is a gross aspect to circulation (how many products were bought last month) and a net aspect (how many of those purchasers are prospects for the product saw the advertisement in the broadcast media). Measurement of the same is not so easy as advertisers would think.

Difficulty of Cost Comparisons:

There is a cost per thousand concept in every medium type such as cost per thousand homes or thousand viewers, cost per thousand passersby, cost per page per thousand copies sold. How does the reaction of a thousand housewives, who read a food advertisement about Magi noodles, compare with that of a different thousand housewives who watch the same on TV?

Reliance on a Particular type of Medium:

How much of his promotion effort should a manufacturer place in magazines and how much on TV, how mach in outdoor or point of purchase? Which should be dominant and which are supplementary? These factors play a key role in selection of a particular type of media. Media costs, the costs of space and time, are the largest single expense item in most advertising budgets. The selection of media types to be used in an undertaking, therefore, deserves and even demands, the very best thought and judgment of on the part of the top management. The points to be considered are:

(i) **Availability:** Regional markets may be so limited that national circulation of magazines should not be used. A product may have so slight a market that a medium such as the radio would not be indicated for use.

(ii) **Selectivity:** Some ideas demand visual presentation and others demand oral presentation. The radio cannot accommodate stories requiring a physical form, and outdoor advertising cannot accommodate long stories.

(iii) **Competition** is a matter which the advertiser cannot ignore. A company may select media types not used by its competitors, based on distinctiveness and domination.

Selection of IndividualMedia

Selection of individual media to carry advertising requires the consideration
of the points like circulation; the quality and quantity of a medium's circulation, Prestige, Influence, Readership, etc.

The Advertising Schedule

What is the optimum schedule? There is no agreement; there is no formula: there is only judgment. It appears that more advertisers make the mistake of using too many than the mistake of using too few. The manufacturer's proposed advertising plans are consolidated into a schedule which contains the following information:

- List of publications, broadcast stations, markets ;
- Dates of appearance of advertisements ;
- Size of advertisements (space or time) ;
- Costs of advertisements.

Duplication

An advertiser must have coverage or else his message will not reach as many buyers as he must reach. As an advertiser adds magazine after magazine to his list to increase his

coverage; he finds duplication inevitable. One way of averting duplication is to use only one of the magazines; another is to run a different advertisement. The duplication limits an advertiser's coverage. The points in favor of duplication are repetition and frequency.

Frequency

The term frequency refers to the number of advertisements of the same size appearing in an individual medium for a given period such as per day, per week, per month, or per campaign. There is no formula to determine the ideal frequency. The two factors are the size of the advertising fund and the size of the advertisement to be run. If these are known, frequency can be derived. The two other factors are the number of media and the advertising period. As the number of media increases, there is pressure for a lower frequency, or to shorten the advertising period. The other possibilities are to enlarge the fund, or to reduce the size of the advertisement. Manufacturers cannot ignore the fact that what the competitors are doing in respect of frequency. The more often a message is repeated, the greater the proportion of it the consumer remembers.

Size of advertisement

The size of advertisement influences the frequency. The size of an advertisement can be derived if the advertiser:-

➢ Determines the size of the advertising fund,
➢ Decides the numbers of individual media to be used, and
➢ Decides the number of advertisements to appear during the advertising period.

The purpose of the advertisement may be the strongest influence in determining its size; a large space is used to announce, a small space is used to remain. The amount of copy, the number of products included in one advertisement and the illustration needs of the advertisement all help to determine size. Salesmen and dealers may also decide how large advertisements should be.

Color

Color is a factor which influences frequency. Color influences the size of the advertisement and size in turn determines frequency. Color commands a premium price.

Re-run on Advertisement

Repetition has a considerable effect on advertising costs, and its frequency. Re-run is considered unless it has performed well on its first appearance. It is most common in mail order business and advertising that uses small space. It is not common for large advertisements. Indirect action advertisements should be re-run. The reinforcement of consumer memory is another benefit of a re-run. There are savings on a re-run. New readers are added whenever and advertisement is re-run.

Timing

The crucial questions under timing is when should a campaign start, and when should it shop? For this purpose the seasonal angle and festival seasons should be considered. Advertising can be scheduled heavily just before and during the heavy buying season. Off-season advertising is used profitably during the off sea son to level out the. For example, tourists can be motivated through advertising to visit tourist areas during the off-season.

Positioning

It involves the development of a marketing strategy for a particular segment of the market. It is primarily applicable to products that are not leaders in the field. These products are more successful if they concentrate on specific market segments than if they attack dominant brands. It is best accomplished through an advertising strategy, or theme, which positions advertisements in specified market segments.

Factors Influencing the Media Choice or Advertising Mix

Advertising Mix means advertising through more than one media. The following factors are considered while choosing the media.

1. Size of the Organisation

Large firms want to cover more people. So they use T.V., Magazine, News Paper, Electric and Painted Display. Small firms like to cover limited area. So they prefer Cable T.V., Cinema Slide, Handbill and Poster.

2. Objective of the Add

To generate appointment for Salesman direct mail add. is suitable. To induce people within 1 or 2 days regarding 1 day festival offer or a clearance sales newspaper and radio are preferred.

3. Product Type

New and Technical product needs demonstration. So T.V. is used Radio is preferred to remind the brand name of existing product. Print Media is preferred when the product needs detailed explanation.

4. Type of people to be covered

To Reach Highly educated people English newspaper or magazines are preferred. Similarly T.V., Radio and regional magazines for house wife. Tamil dailies for lower and middle class people. Kalki for Brahmins, Femina for Highly Educated women. Posters and Hand bills for local people are general public.

5. Type of Message

News paper and magazine are suitable for lengthy message and Radio, T.V. and outdoor media for brief message are used. Magazines or Colour papers of the dailies are used for colorful and pictorial message. T.V. is to create excitement and interest in the product.

6. Competitors Media

It is less risky to use the competitor's media. If there are good reasons, different media may be used.

7. Media Circulation

Circulation means the no. of people watching the media. There are 2 types of circulation. General circulation means the no. of people buying the media. Effective circulation means total no. of people watching the media with or without buying it. So the media with large effective circulation is preferred, to reach more no. of people.

8. Duplication

When more than one media is selected for duplication that ad should be avoided. Duplication of the ad means a same person watching the same ad through more than one media in the same day or week choosing different category of media may avoid duplication.

9. Cost of Media

Cost of the media means the advertising rate charged by the media. But the cost/contact is a good calculation. It means cost of Reaching per audience. It is arrived by the following formula.

$$\text{Cost/contact} = \frac{Advertising\ Rate}{Effective\ Circulation}$$

Cost/Contact of T.V. and dailies are low. Direct Mail ad is high. The media with low cost/contact is preferred.

Media plan and strategy development activities:

Media Planning:

Media planning, the process of directing the advertising message to the target audience at the appropriate time and place, using the appropriate channel. Media planning helps answer such questions as: What audiences do we want to reach? When and where do we want to reach them? How many people should we reach? How often do we need to reach them? What will it cost to reach them?

Media planners and creative specialists work closely to develop creative and campaigns with strong media impact. Although the creative approach often sets the direction for media planning, the reverse is also true: media planning can be used to guide creative execution. For example, the creative direction for Coca-Cola's 1993 campaign was determined only after the firm had approved the media and the vehicles to

be used to reach each target audience ."We are going to match the message to the medium to the audience," said Peter Sealy head of Coca-Cola's global Marketing.

ADVERTISING PLANNING FRAMEWORK

Plans are nothing, planning is everything. - Dwight D. Eisenhower

The advertising management is mainly concerned with planning and decision making. The advertising manager will be involved in the development, implementation, and overall management of an advertising plan. The development of an advertising plan essentially requires the generation and specification of alternatives. Decision making involves choosing from among the alternatives. The alternatives can be various levels of expenditure, different kinds of objectives or strategy possibilities, and kinds of options with copy creation and media choices. Thus, the essence of planning is to find out the feasible alternatives and reduce them to decisions. An advertising plan reflects the planning and decision – making process and the decisions that have been arrived at in a particular product and market situation.

Planning Framework

Advertising planning and decision making depends on internal and external factors. Internal factors are situation analysis, the marketing program, and the advertising plan. The three legs of advertising planning concern are the

➢ Objective setting and target market identification,
➢ Message strategy and tactics, and
➢ Media strategy and tactics.

The advertising plan should be developed in response to a situation analysis, based on research. Once developed, the advertising plan has to be implemented as an advertising campaign, in the context of social and legal constraints and with the involvement of various facilitating agencies. Let us discuss these factors one after another.

1. Situation Analysis

It involves an analysis of all important factors operating in a particular situation. This means that new research studies will be undertaken on company history and experience.

AT&T, for example, developed a new strategy for its long-distance telephone services – based on five year of research. The research encompassed market segmentation studies, concept testing, and a field experiment. The field experiment increased on testing a new advertising campaign called "Cost of Visit". An existing "Reach Out" campaign although successful, did not appear to get through to a large group of people who had reasons to call but were limiting their calls because of cost. Research based on annual surveys of 3,000 residential telephone users showed that most did not know the cost of a long-distance call or that it was possible to make less expensive calls in off-peak periods. Five copy alternatives were subsequently developed and tested, from which "Cost of Visit" was chosen. This campaign was credited with persuading customers to call during times that were both cheaper for them and more profitable for AT&T and, overall, was more effective that the "Reach Out" campaign. One estimate was that by switching 530 million in advertising from "Reach Out" to "Cost of Visit", an incremental gain in revenue of $22 million would result in the first year and would top $100 million over five years. This example highlights that a complete situation analysis will cover all marketing components and involve finding answers to many questions about the nature and extent of demand, competition, environmental factors, product, costs, distribution, and the skills and financial resources of the from.

2. Consumer and Market Analysis.

Situation analysis begins by looking at the aggregate market for the product, service, or cause being advertised, the size of the market, its growth rate, seasonality, geographical distribution. Whereas Consumer and Market analysis is concerned with the following factors:

* Nature of demand

- How do buyers (consumer and industrial) currently go about buying existing products or services?
- Can the market be meaningfully segmented or broken into several homogeneous groups with in respect to "what they want" and "how they buy"?

* Extent of demand
- What is the size of the market (units and dollars) now, and what will the future hold?
- What are the current market shares, and what are the selective demand trends?
- Is it best to analyze the market on an aggregate or on a segmented basis?

* Name of competition
- What is the present and future structure of competition?
- What are the current marketing programs of established competitors?
- Why are they successful of unsuccessful?
- Is there is opportunity for another competitor? Why?
- What are the anticipated retaliatory moves of competitors?
- Can they neutralize different marketing programs we might develop?

* Environmental climate
- What are the relevant social, political, economic, and technological trends?
- How do you evaluate these trends? Do they represent opportunities or problem?

* Stage of product life cycle
- In what stage of the life cycle is the product category?
- What market characteristics support your stage-of –life-cycle evaluation?

* Cost structure of the industry
- What is the amount and composition of the marginal or additional cost of supplying increased output?

Skills of the firm
- Do we have the skills and experience to perform the functions necessary to be in the business?
- How do our skills compare with those of competitors?

* Financial resources of the firm
- Do we have the funds to support an effective marketing program?
- Where are the funds coming from, and when will they be available?

3. Competitive Analysis:
Advertising planning and decision making are affected by competition and the competitive situation facing the advertiser. Competition is such a pervasive factor that it will occur as a consideration in all phases of the advertising planning and decision making process. It should include an analysis of what current share the brand now has, what shares its competitors have, what share of a market is possible, from which competitors the increased share of a market is possible? The planner also has to be aware of the relative strengths and weaknesses of the different competing companies and their objectives in the product category. It is important to look at competition as a precursor to the planning process.

The Advertising Plan
As pointed out earlier, advertising plan and decision making focus on three crucial areas; objectives and target selection, message strategy and tactics, and media strategy and tactics. Let us elaborate on these points:

1. Objectives and Target Selection
Objectives in advertising can be understood in many ways. An important part of the objective is the development of a precise, disciplined description of the target audience. It is often tempting to direct advertising at a broad audience; but everyone is a potential customer. It is best to consider directing the advertising to more selected groups to develop stimulating copy. It is quite possible to develop several campaigns, each directed at different segments of the market, or to develop one campaign based on multiple objectives.

2.Message Strategy and Tactics

Messages strategy must decide what the advertising is meant to communicate – by way of benefits, feelings, brand personality, or action content. Once the content of the campaign has been decided, decisions must be made on the best-most effective-ways of communicating that content. The decisions, such as the choice of a spokesperson, the use of humor or fear or other tones, and the selection of particular copy, visuals, and layout, are what we call "message tactics"

3.Media Strategy and Tactics

Message strategy is concerned with decisions about how much is to be allocated to create and test advertising copy, media strategy concerns decisions on how many media rupees to spend on an advertising campaign. Media tactics comprise the decisions on which specific media (television, radio magazines, etc.) or media vehicles (Reader's Digest, etc.) to spend these dollars.

EXTERNAL FACTORS

The external factors in the planning framework are environmental, social and legal considerations. To a considerable extent, these exist as constraints on the development of an advertising plan and decision making. In developing specific advertisement, there are certain legal constraints that must be considered. Deceptive advertising is forbidden by law. What is deceptive is often difficult, because different people can have different perceptions of the same advertisements. Thus, an advertiser who attempts to provide specific, relevant information must be well aware of what constitutes deception in a legal and ethical sense and of other aspects of advertising regulation. Even more difficult consideration for people involved in the advertising effort is broad social and economic issues as stated below.

➢ Does advertising raise prices or inhibit competition?
➢ Is the use of sex or fear appeals is appropriate? Women and minority groups are exploited in advertising by casting them in highly stereotyped roles.
➢ Is it more irritating than entertaining?
➢ Is an intrusion into an already excessively polluted environment?
➢ Advertising directed at children.

Advertiser and the Advertising Agency interface

From a situation analysis point of view, the advertiser needs to know what kinds of facilitating agencies exist and the nature of the services they provide. From a planning point of view much local advertising is done without the services of an advertising agency or a research supplier. On the other hand, a national advertiser may have under contract many different agencies and research suppliers, each serving one or more brands in a product line. Many advertising decisions involve choosing facilitating agency alternatives.

What advertising agency should be chosen?

What media should be used?

What copy test supplier will be best for our particular situation?

Concerning the question of agency selection, characteristics such as the quality of personnel, reputation, integrity, mutual understanding, interpersonal compatibility and synergism were very important.

Advertising Industry

The advertising industry consists of three principal groups:

(a) Sponsors;

(b) Media ; and

(c) Advertising agencies or advertising departments.

Advertising agencies are of two basic types, viz., Independent; and House. An independent agency is a business that is free to compete for and select its clients. A house agency is owned by its major client. A house agency is not completely free to serve other clients. The advertising department an integral part of the organization it serves.

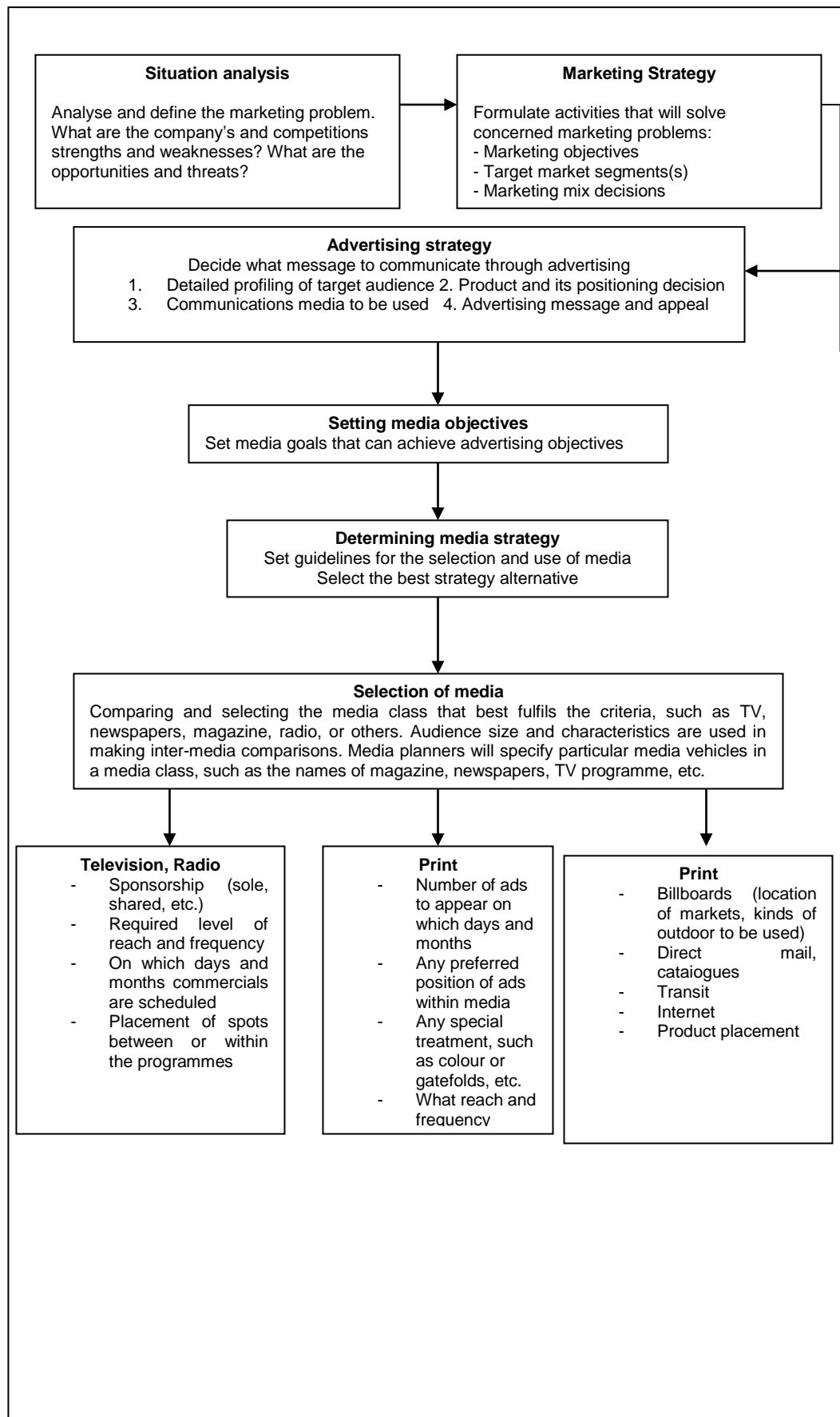The advertising agency provides for the client a minimum of:

 (i) Media information, such as the availability of time and space ;

(ii) Creative skills, such as "campaign planning" and "appeal planning"

 (iii) Research capabilities, such as providing brand preference data.

Media plan and strategy development activities

The 'media class' refers to the general category of delivery systems available to carry advertising messages to a selected audience such as print media, broadcast media, outdoor media, etc., Within these categories are media sub-classes such as newspapers, magazines, TV, radio, and so on. The 'media vehicle' is the specific message carrier within a medium, such as *Computer @ Home* and *Business* today magazines are vehicles in print media.

Situation analysis

Analyse and define the marketing problem. What are the company's and competitions strengths and weaknesses? What are the opportunities and threats?

Marketing Strategy

Formulate activities that will solve concerned marketing problems:
- Marketing objectives
- Target market segments(s)
- Marketing mix decisions

Advertising strategy
Decide what message to communicate through advertising
1. Detailed profiling of target audience 2. Product and its positioning decision
3. Communications media to be used 4. Advertising message and appeal

Setting media objectives
Set media goals that can achieve advertising objectives

Determining media strategy
Set guidelines for the selection and use of media
Select the best strategy alternative

Selection of media
Comparing and selecting the media class that best fulfils the criteria, such as TV, newspapers, magazine, radio, or others. Audience size and characteristics are used in making inter-media comparisons. Media planners will specify particular media vehicles in a media class, such as the names of magazine, newspapers, TV programme, etc.

Television, Radio
- Sponsorship (sole, shared, etc.)
- Required level of reach and frequency
- On which days and months commercials are scheduled
- Placement of spots between or within the programmes

Print
- Number of ads to appear on which days and months
- Any preferred position of ads within media
- Any special treatment, such as colour or gatefolds, etc.
- What reach and frequency

Print
- Billboards (location of markets, kinds of outdoor to be used)
- Direct mail, cataiogues
- Transit
- Internet
- Product placement

'Reach' is a measure of the number of different audience members exposed at least once to a media vehicle in a given period of time. 'Coverage' refers to the potential audience that might get exposed to the ad message through a media vehicle. Reach refers to actual audience exposed to the message and coverage relates to the potential audience likely to be exposed to the message. 'Frequency' refers to the number of times the audience is exposed to a media vehicle in a given period of time (usually figured on a weekly basis for ease in schedule planning).

Media planners face the essential task of ensuring optimal use of media budget while deciding about the reach, frequency, and the number of advertising cycle's affordable cycles affordable for the year. We have seen in the hierarchy models that the first stage requires awareness of the product or brand. Obviously, if more people are aware, there is more likelihood that more of them will move to each subsequent stage and finally to purchase action. Creating awareness among audience requires reach which is exposing potential customers to the advertising message. In case of new product or brand, quite a high level of reach is needed to make almost all the potential customers aware of the new introduction.

TABLE 14.1 Media suited to create brand awareness and brand attitude

Major advertising medium	Brand awareness			Brand attitude		
	Brand recognition	Brand recall	**Low** involvement/ informational	**Low** involvement/ transformational	**High** involvement/ informational	**High** involvement/ transformational
Television	Yes	Yes	Yes	Yes	No	Yes
Cable TV	Yes	Yes	Yes	Yes	Yes	Yes
Radio	No	Yes	Yes	Visual limitation	No	Visual
Newspapers	Colour limitation	Yes	Yes	Colour limitation	Yes	Colour limitation
Magazines	Yes	Frequency limitation	Yes	Frequency limitation	Yes	Yes
Outdoor	Yes	Limited value	Yes	Limited value	Limited value	Yes

Note: Cable TV (local cable operators show movies and ads) can serve as a good medium; however, its use in India so far is limited. Outdoor media could be stationery or mobile and may have limited use because of travel frequency or processing time.

In advertising terminology, frequency refers to the average number of times audience individuals or households are exposed to a medium in an advertising cycle, not necessarily to the advertisement itself. Most advertisers agree that 1:1 advertising ratio does not exist. An ad may be placed in a media vehicle and the fact that an individual has been exposed to it does not mean that the ad has been seen. For this reason, media buyers refer to the reach of media vehicle as opportunity to see (OTS) an ad rather than actual exposure to it.

According to Joseph W Ostrow of Young and Rubicam agency. "Establishing frequency goals for an advertising campaign is a mix of art and science but with a definite bias towards art."

$$\text{Frequency} = \frac{Total\,exposures}{Reach}$$

An example will illustrate the concepts of reach and frequency:

Survey sample size	=	10 households with a TV
Survey period	=	4 weeks
TV programme =	S	

Households owning TV											
Weeks	A	B	C	D	E	F	G	H	I	J	Total exposures
1	S	S	-	-	S	-	S	S	-	S	6
2	-	S	S	-	S	-	S	S	-	-	5
3	-	-	S	-	-	S	-	-	-	S	3
4	S	S	-	-	S	-	S	S	-	S	6
Total	2	2	2	0	3	1	3	3	0	3	20

Total exposure = 20

Households that watched TV programme S (Reach) = 8

$$Frequency = \frac{Total\ exposures}{Reach(OTS)} = \frac{20}{8} = 2.5$$
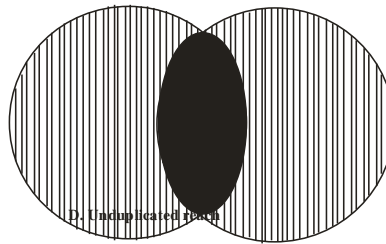
Reach and Frequency

A. Reach of one TV programme

B. Reach of one TV programme

C. Duplicated reach

Total target audience reached
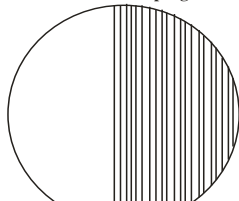
D. Unduplicated reach

Total target audience reached

Total target audience reached with both TV programmes
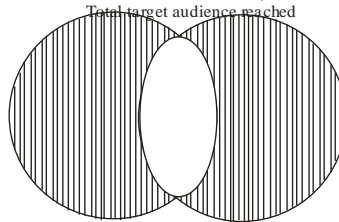
Total target less duplicated reach

Reach and frequency

A. Reach of one TV program:

'Program rating' is a measure of potential reach of broadcast media and is expressed as a percentage. For example, the number of households that own TV sets is 100 and a certain programme is viewed in 30 of these households, the programme rating would be 30. If 20 million households own a TV set in Indian and the program's rating 30, then we can calculate the reach

$$Programme\ rating = \frac{Number\ of\ Households\ viewing\ the\ programme}{Total\ number\ of\ households\ owning\ TV\ sets}\ x\ 100$$

of $\frac{30}{100}\ x\ 100 = 30$

Program reach = 20,000,000 x 30 = 6 million households

Gross ratings Points (GRPs):

Is a numerical figure indicating how many potential audience members are likely to be exposed to a series of commercials. The combines programme cycle. It is a measure of frequency of exposure and is expressed as

GRP = Reach x Frequency

Advertisers also use GRPs as the basis for examine the relationship between reach and frequency

$$\text{Frequency} = \frac{Gross\,Rating\,Po\,\text{int}\,(GRP)}{\text{Re}\,ach}$$

$$\text{Reach} = \frac{Gross\,Rating\,Po\,\text{int}\,(GRP)}{Frequency}$$

Effects of reach and frequency

> 1. One exposure of an ad to a target group within a purchase cycle ahs little or no effect in most circumstances.
> 2. Since one exposure is usually ineffective, the central goal of productive media planning should be to enhance frequency rather than reach.
> 3. The evidence suggests strongly that an exposure frequency of two within a purchase cycle is an effective level.
> 4. Beyond these exposures within a brand purchase, cycle or over a period of four or even eight weeks, increasing frequency continues to build advertising effectiveness at a decreasing rate but with no evidence of decline.
> 5. Although there are general principles with respect to frequency of exposure and its relationship to advertising effectiveness, differential effects by brand are equally important.
> 6. Nothing we have seen suggests that frequency response principles or generalizations vary by medium.
> 7. The data strongly suggests that wear out is not a function of too much frequency; it is more of a creative or copy problem.

When suitable data are available, Brand Development Index (BDI) and Category Development Index (CDI) may be used in determining where to focus the advertising efforts as the figures provide the media planner's insight into the relative value of markets.

Using BDI and CDI

Brand Development Index

	High	**Low**
High	High market share Good market potential	Low market share Good market potential
Category Development Index Low	High market share Monitor for sales decline	Low market share Poor market potential

Explanation:
1. *High* **DBI** *and high* **CDI** – When both are high, this usually points to good sales potential for the product category as well as the brand.
2. *High* **DBI** *and low* **CDI** – Low CDI means the means the category is not selling well but the brand is selling well. This is probably a good market to advertise in but should be monitored for any sales decline.
3. *Low* **DBI** *and high* **CDI** – There exists high potential for product category. The reasons why the brand is not doing well should be determined before making a decision.
4. *Low* **DBI** *and low* **CDI** – The potential for both the product category and the brand is poor. Possibly not suited for advertising.

Establishing Media Objectives

Media objectives are formulated to help accomplish the advertising communications task and marketing objectives. Media objectives are translated into specific goals for the media programme and are limited to those that can be achieved through media strategies. For example, the media objectives can be stated as

- Use print media to provide coverage of 80% of the target market over a six-month period, starting July.
- Reach 60% of the target audience at least three times (frequency) over the same six-month period.
- Concentrate heaviest advertising between October and December, with lighter emphasis in earlier months.

Market Analysis and Identifying the Target Market

While developing a media strategy, the focus of analysis is on the media and developing the message. The key questions at this stage are,

1. Who is the target audience for advertising?
2. What internal and external factors may influence the media plan?
3. Where (geographic areas) and when (timing) to focus the advertising efforts?

Four important steps in the development of media plan
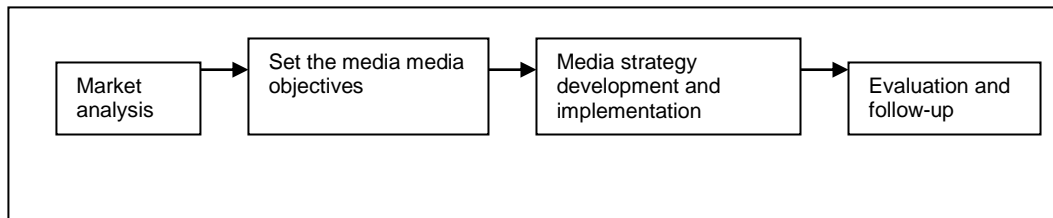
The market analysis may reveal more than a few target markets. To decide which specific groups need to be addressed, the media planner works with the client, account executives, marketing department and the creative directors. Media planners are usually more concerned with the percentage figures and index numbers rather than with raw numbers. The index number is considered a fairly good indicator of the market potential.

An index number of more than 100 would indicate that the product use is proportionately more in that segment compared to the one where the number is 100 (average) or less than 100.

Internal and external factors also influence media strategies. Important internal factors that may influence the decisions are media budget, managerial and administrative capabilities of the agency personnel and the pattern of agency organization (for example, an agency may organize its media buying department on the basis of product expertise, market expertise, or media expertise). Other factors, external in nature, include rising costs of media, changes in technology, the competitive environment, etc.

When suitable data are available, Brand Development Index (BDI) and Category Development Index (CDI) may be used in determining where to focus the advertising efforts as the figures provide the media planner's insight into the relative value of markets.

$$\text{BDI} = \frac{Percentage\, of\, brand's\, total\, country\, sales\, in\, Rajasthan}{Percentage\, of\, total\, country\, sales\, in\, Rajasthan} \, x\, 100$$

$$\text{CDI} = \frac{Percentage\, of\, product\, category's\, total\, country\, sales\, in\, Rajasthan}{Percentage\, of\, total\, country\, sales\, in\, Rajasthan} \, x\, 100$$

Using BDI and CDI

Brand Development Index

	High	**Low**
High	High market share Good market potential	Low market share Good market potential
Category Development Index Low	High market share Monitor for sales decline	Low market share Poor market potential

44

Explanation:

5. **High DBI** *and high* **CDI** – When both are high, this usually points to good sales potential for the product category as well as the brand.
6. **High DBI** *and low* **CDI** – Low CDI means the means the category is not selling well but the brand is selling well. This is probably a good market to advertise in but should be monitored for any sales decline.
7. **Low DBI** *and high* **CDI** – There exists high potential for product category. The reasons why the brand is not doing well should be determined before making a decision.
8. **Low DBI** *and low* **CDI** – The potential for both the product category and the brand is poor. Possibly not suited for advertising.

Developing and implementing Media strategies:

Media mix and target market coverage

A number of media alternatives and media vehicle are available to advertisers. Large Company's usually use a number of media alternatives and vehicles. For e.g.: if the nature of the product is such that it requires a visual demonstration to make the message persuasive, then probably TV is the most effective medium to accomplish this task. If the strategy calls for coupon distribution as part of the advertisement then print medium is to be used.

Market Coverage Possibilities

Total Population of Country	Full market Coverage	Partial Market Coverage	Coverage exceeding target Market

Population excluding target market

For advertising man consumption products, man media are generally very effective in reaching large numbers of target audience. For e.g., not all the people who watch a TV Commercial of head and Shoulders shampoo will be among the targeted audience, however, for the targeted prospects the commercial will most likely be quite persuasive.

Geographic Coverage

Geography is an important consideration in the media planning process. The demand for certain types of products depends on the geographic location of the markets. The marketer would have little or no inclination to advertise such products in these geographic locations. There may be regional differences in consumption and accordingly media planners select secondary localized media to supplement their national media schedule. The use of BDI and CDI may be quite helpful in determining the media strategy for different geographic locations.

Media Scheduling

Media schedule is the calendar for advertising plan. Scheduling is concerned with timing of insertion of advertisements in the selected media. Decisions in this area are essentially based on certain assumptions regarding how the target audience will respond to the presence or absence of the advertising messages with respect to the set of advertising objectives such as product recall or attitudes.

There are 3 approaches to media scheduling.

1. Continuity:

This refers to a continuous pattern of advertising, which can mean energy day, every week or every month. This strategy is suitable for those product categories that are regularly consumed on an ongoing basis without any seasonal fluctuations such as washing powders, soaps, toothpaste, soft drinks etc.

2. Fighting:

This refers to a less regular schedule of advertising messages and is quite popular. Because of the possible S-shaped function, initial advertising may require heavy expenditures on the media to bring about a desired change in attitudes and once formed, such attitudes are resistant to rapid decay. E.g.: Coolers, refrigerators, woolen products etc.

3. Pulsing:

It is a combination of continuity and fighting. The continuity is maintained as a base throughout but certain periods, the level of advertising is stepped up for example, during the period just before the last date of tax return submission, advertising for care increases to motivate customers to buy and get depreciation benefit.

Determining the Relative Cost of Media

In evaluating media alternatives, media planners must compare the costs the media and thee media vehicles within these media.

- **Cost Per-thousand (CPM):** Magazine space is sold primarily on the basis of pagers or some increment of a page. CPM has been used by magazine industry as a standard method to provide cost breakdowns on the basis of cost per page per-thousand circulation, and is used to compare the media costs of different vehicles.

For example, the circulation of *Reader's Digest* is 3,725,000 (national Readership Survey 1999) and it the cost per page is Rs 8,000, the CPM calculation would be

$$CPM = \frac{8000}{3725000} \, x1000 = 2.14$$

Circulation of *Competition Success Review* is 3,536,000, and if we suppose the cost per page is Rs 6000, the calculation would be

$$CPM = \frac{6000}{3536000} \, x1000 = 1.7$$

We see that (all other things being equal) *Competition Success Review* is a more cost-effective media vehicle alternative than *Reader's Digest.*

- **Cost per Rating Point (CPRP):** This is used to compare cost figures of broadcast media and is also referred to as cost per point (CPP). The calculation is based on the following formula

$$CPRP = \frac{Cost\,of\,commercial\,time}{\Pr ogrammer\,rating}$$

For example, if he cost per spot of 10-second of Star Sports is Rs 120,000, and the programme rating is 30, the calculation would be

$$CPRP = \frac{120000}{30} \, x1000 = 4000$$

- **Million Rates (MR):** Media buyers use the million rate to compare the costs of space in newspapers A million rate is the cost in rupees per line of standard dimensions to reach a newspaper circulation of one million. Alternatively, to calculate the cost of space, a rupee per square inch or square centimeter is used for media buying. Newspapers with higher circulation figures charge more per line or per unit space. The formula used to calculate the costs is

$$CPM = \frac{1000,000\,x\,Rate\,per\,agate\,line}{Circulation}$$

It is difficult to compare costs across various media. There is no common standard between CPM and CPRP to make a direct comparison possible. In an attempt to develop standard relative costing procedures, newspaper and broadcast media have started using the following approaches

$$\text{Television: Cost per thousand} = \frac{Cost\,of\,1\,unit\,of\,time\,x1000}{\Pr ogrammer\,ating}$$

$$\text{Newspaper: Cost per thousand} = \frac{Cost\,of\,1\,ad\,space\,x1000}{Circulation}$$

Such a cost comparison of media is important, however, such inter-media comparisons can be quite misleading. For example, television can combine sight and sound with motion and magazines provide longevity. Attributes of different media make direct comparisons difficult. Other than cost comparisons, the advertiser must also take into account the specific characteristics of each medium.

A comparison based on cost per thousand alone has the potential of leading to over or under estimation of media cost effectiveness. In the example of two magazines already mentioned, *Competition success Review* has a circulation of 3536,000, and the circulation of *Reader's Digest* is 3725,000. Let us assume that the target market reached by the first is 20 per cent of its circulation, and the other reaches 50 per cent of the target market. The cost per page of the first is Rs 6000, and for the second it is Rs 8000.

In spite of the cost difference, and no significant difference in total circulation, if we consider the reach to actual target audience, CPM for RC will be 4.29 and for CSR 8.48. Only the consideration of cost per thousand and the circulation figures in this situation would lead to wrong vehicle choice.

	Comp. Review	Succ.	Reader's Digest
Circulation	3536,000		3725,000
Cost per page:	Rs 6000		Rs 8000
Target market covered: (25-45 years of age):	20%		505
Actual reach to households with this age group:	707, 200		1862, 500
Calculation of CPM:			
	CPM =		
	CPM = 16.96		21.47
Calculation based on actual:	CPM = 8.48		4.29
Reach to target audience			

Magazine publishers often argue, and it is a fact, that more than one person reads an issue and the actual reach of magazines is much higher. But trying to estimate the number of people who read a particular magazine without buying it can be highly inaccurate and somewhat difficult to determine. With time, managers develop a good idea of how great the reach of a magazine is likely to be than provided by circulation figures.

Another important aspect of different media is the 'qualitative value', which CPM figures do not reveal. CPM may be good for comparing very similar media vehicles, but has lesser value in making inter-media comparisons. Media planners need to go beyond figures alone because media planning is not only a science but also an art.

UNIT – III COMPONENTS OF ADVERTISEMENT COPY

COPY DECISION

Advertisement Layout-Meaning

Layout is the logical arrangement of components of an advertisement in the copy. It refers to the overall structure, the position assigned to the various elements of the copy and illustrations. It is deciding on the placement of headlines, copy, illustrations, marketer's name, logo and the amount of free space in an advertisement copy. Thus, the physical arrangement of all the elements of advertisement is called layout. It is concerned with placing all the elements of the advertisement more attractively within the allotted space and time. The pattern of layout varies according to the medium to be used.

Definition

According to Sandage and Fryburger, "The plan of an advertisement, detailing the arrangement of various parts and relative spatial importance of each is referred to as layout".

Preparation of a layout

A layout is a plan for the guidance of the printer in arranging the units of an advertisement. Usually the layout man or visualiser prepares a rough Layout which is submitted to the client for approval and he draws the finished layout for the guidance of the printer. In the creation of television commercials the layout is known as a '**Storyboard'** which a series of pictures is of frames that coincides with the audio or sound script. A Radio does not utilize illustrations, except those that the medium can create with a description. Television, of course makes an extensive use of illustrations. A well conceived layout can be instrumental in obtaining attention comprehension, attitude change and behavior change. Advertisers employ various layout techniques to attain their objectives.

Functions of an Advertising Layout

An advertisement layout is a blueprint. The main functions of layout are:-

(i) **Assembling Different Parts** – The main function of layout is to assemble and arrange the different parts or elements of an advertisement illustration, headline sub headlines, slogans, body text and the identification mark etc. And boarder and other graphic materials – into a unified presentation of the sales message. In all the layouts present these elements in the same size, form, shape, position and proportion as desired by the advertiser in the final ad, proof , Thus layout gives both creative personals (copywriter and artists) and the advertiser who pays for it a good idea of how the finished ad will finally appear.

(ii) **Opportunity of Modification** - The layout offers an opportunity to the creative teams, agency management and the advertiser to suggest modification before its final approval and actual construction and production begins.

(iii) **Specification for Costs** – The layout provides specification for estimating costs and it is a guide for engravers typographers and other craft workers to follow in producing the advertisement.

Principles of Design and Layout

It is not necessary that all elements of advertisement copy must form part of the copy. They appear in today's ads with varying degree of frequency. The components of the copy must be decorated or positioned on the basis of certain basic principals regardless of the number of elements in an add. The following five principles of good composition are important to anyone who creates or evaluates the advertisement - (1) Balance ; (2) Proportion (3) Contrast and emphasis, (4) Eye –movement , and (5) Unity.

(1) Balance – A layout may be called balanced if equal weight or forces are equidistant from a reference point or a light weight is placed at a greater distance from the reference point than a heavy weight. Balance is the law of nature. The reference point or fulcrum is the optical centre of the advertisement. The artists with a given area or space, are to place all the elements with in this space. Optical centre of fulcrum of the ad is often a point approximately two – thirds of the distance forms the bottom. It is the reference of the layout.

(2) **Proportion-** Proportion is closely related to balance since it refers to the division of space among layout elements for a pleasing optical effect. Good proportion in an advertisement requires a desired emphasis on each element in terms of size and position. If the major appeal in an advertisement is product's price. The price should be displayed in proportionate space position.

(3) **Contrast and Emphasis –** Contrast means variety. It gives life to the whole composition and adds emphasis to selected important elements. An advertiser always looks to advertisements from completion point of view and desires the policy of the most important elements to attract the attention of the people. An advertisement with good contrast may attract the attention of customers Contrast maybe visible in a number of ways. It may be witnessed through sizes, shapes and colours. Different colours sizes and shapes of elements in an advertisement add contrast. The varying directions, of design elements (Vertical trees, horizontal pavements arched rainbows) add contrast; too there must be sales communication purpose behind every layout decision made.

(4) **Eye Movement –** Eye movement is the design principle which helps move the eyes of the readers from element to element in the order given in the hierarchy of effects model for effective communication of the message in advertising. An effective ad uses movement to lead its reading audience from initial message awareness through product knowledge and brand preference, to ultimate action (intent to purchase). Direction and sequence are two terms for the same element and artists may perform it in many ways. Mechanical eye direction may be created by devices such as pointing fingers lines arrows or even a bouncing ball that moves from unit to unit. Planned eye movement should follow the established reading patterns too, such as the tendency to start to top left corner of a page and read through to the lower right corner. The eyes also moves naturally from large items to small from dark to light and from colours to not – colours.

(5) **Unity or Harmony –** Unity or harmony is another important design principle. Although each element should be considered as a separate unit in striving for balance, proportion, contrast and eye movement. The complete layout or design should appear as a unified composition. Common methods of securing unity in layouts are (i) use of consistent typographical design. (ii) repetition of the same shapes and motifs, (iii) the overlapping of elements (iv) use of a boarder to hold elements together and (v) avoidance of too much which space between various element. Although unity and contrast seem conflicting but they function quite smoothly together if they operate at cross purposes – if the artists strive for balance here too as well as in the layout overall. Unity contributes orderliness to elements – a state of coherence. And if they are properly placed. Contrasting Size shapes colors and directions can flow together beautifully.

Elements of a layout

An advertising copy is the means by which the advertiser's ideas are given expression to in a message to readers. Regardless of its length and brevity copy refers to all the reading matters of an advertisement, including the headline, sub- headlines, text or body, and the name of the firm or the standard initials of the advertiser. As we have seen that advertising has so many immediate purposes but its ultimate goal is to stimulate sales. As a reader turns the pages of a magazine or newspaper, he notices so many advertisements but a great variation in copy. Some copy may be so sticking that the reader takes immediate action and rush to the nearest dealer to purchase it while there may be some other copy or copies that he does not like or it does not click to his mind. The first copy conforms to the requisites of a good copy. A copywriter must take pains in making up a sound advertisement copy containing its various components i.e. headlines, subhead lines, illustrations etc.

The following are the main components of an advertisement copy

1. Background   9. Name Plate
2. Border   10. Price
3. Caption   11. Product
4. Coupon   12. Slogan

5. Decoration	13. Space
6. Heading	14. Sub-heading
7. Illustration	15. Text
8. Mascot	16. Trademark

1. Background

The background for the advertisements should be somewhat catchy and colorful. The arrangement of background differs from medium to medium and advertisement to advertisement. In short, background should be suitable for the contents of the advertisement.

2. Border

It is defined as the frame of the advertisement. Border is employed to impart the reading atmosphere. The border may be light or heavy, obvious, plain or fanciful. The border may also contain a logo.

3. Caption

It refers to the subtitle. But in most of the advertisement it is converted into heading or sub-heading.

4. Coupon

Coupon is that part of the advertisement which is intended for the convenience of the prospective customer in communicating with the advertiser. The coupon must contain the name and full postal address of the firm followed by the offer. The offer should be brief and clear. There should be space for name and address of the prospective customer. The usual shape of the coupon is triangular or rectangular.

5. Decoration

Advertisement decoration is the ornament of the advertisement. This is done to emphasis the advertisement message.

6. Heading

The heading or headline is defined as the title of the advertisement. The words in the heading should be short .Its main purpose is to attract the attention, arouse curiosity, and induce further reading. There are different types of headlines as given below.

a) Label Headline

It contains brand name. E.g. Onida, Thumps up

b) Informative Headline

It provides information. E.g. Onida, Reduces price, introducing Colgate gel

c) Provocative Headline

It induces and arouses curiosity. E.g. Headache- Anacin. Increasing E.B. Bill- Voltas Ac and National AC

d) Selective Headline

It is for selected customers e.g., attention importers. Attention House Wife's.

e) Direct command Headline

It commands the audience, do or not to do something. E.g. Do not say Ink, Say quink. Do not say blue drops? Say Regal Blue drops.

Sub Headlines

It expands the head line. It carries the readers interests once step further. E.g. Trichy Sarada Advertisement – Headline – wonders of the world sub Head Line – Our least Price. In the Textile world.

7. Illustration

Illustrations are the part of layout that pictures the basic theme of the advertisement. It has the power to capture the attention of the reader. The advertisements become richer by the use of illustrations. This contains photograph, drawings, graphs and charts. Its benefits are given below.

- Colorful Scenes. Colorful scene attracts the interest.
- Add. Models express the feelings of using the brand.
- Technical Details of the products are explained.
- Method of handling the product is demonstrated.

Package photo reminds while purchase

8. Mascot

It is known as the trade character or trade figure. It is an illustration of either a real or an imaginary figure or personality given in the advertisement.

9. Name Plate (logo)

The name plate or name block is the signature of the advertiser. It represents the personality of the company and its product.

10. Price

It is another part of layout. The price of the product should be featured clearly. The price is usually taken in the concluding lines of the copy.

11. Product

It refers to the representation of the product offered for sale. A very popular practice is to show the product in use with illustrations.

12. Slogan

Slogan is a sales argument. The arrangement of slogan in the layout is determined by the importance of its relation to the advertising message. A Slogan may be a single word or group of words, regularly used by the Advertisers to impress with the basic idea about the brand. It may contain brand name and may also refer the advertisement theme. Example, Sharp – Sharp Products for sharp minds ,BPL – Believe in the Best.

13. Space

Space refers to the entire space left in the space hired by the advertiser. This depends on the design of the copy.

14. Subheading

It is a secondary heading. It is given to support the heading or to pick out the various selling points given in the text.

15. Text

Text or body of the advertisement refers to the general reading matter. It is the subject matter of the copy. It should be neither too wide nor too narrow. It explains why a person should buy that body copy brand. It explains the product features and benefits. It convinces its claims while explaining sales records and testimonials. The appeal of the copy may be rational or emotional. Appeal differs based on the product and the consumers buying motive. It may be one sided (only plus points of the product) or 2 sided (both plus and minus points of the product).

16. Trade mark

It is a word or design by which a product is defined. If the trade, marks are registered it can be included in the layout.

17. Identification Mark

It means trade mark. Trade mark is a registered brand name, a symbol, a word, a letter or a combination of these items. It is used to remind the brand quickly. E.g. BPL.

18. Closing Idea

It is the call for action. There are 2 types of call in closing idea.

a. Hard sell call

Hard sell call induces the potential customers to buy immediately. This can be done by the following sales promotion methods.
- Providing a offer coupon
- Announcing Clearance Sales
- Offering early Bird shopper special

b. Soft cell call

Soft cell call induces to buy, but not immediately. it is done by informing the following items.
- Retailers Address
- Warranty Period
- Finance Scheme
- Home Delivery over phone

CREATIVITY IN ADVERTISING

The creative part of advertising involves the process of selecting and presenting the messages. The business of conceiving. Writing, designing and producing these messages is called "advertising creativity" and the key wordsmith is called a copywriter or copy chief or copy supervisor. The success of advertising depends to a great extent on the quality of the message or copy of advertisement rather than the money spent on advertising. The conventional theory of advertising includes the concept of AIDA (Attention, Interest, Desire and Action). Most of the advertisers believe that the message in advertisement copy must attract the attention and interest of the consumer if buying is to result. But they forget that only good advertisement copy or good message can attract the attention and interest of the receiver until and unless the much advertise product attributes have a strong impact on consumers. The consumers come to know the existence of the product only through the advertisement. Advertising tries to persuade the consumers that they need the product. But if the product attributes fail to satisfy the need of buyers, good creativity will not pay.

Creativity is an art. An artiste, writer, poet, novelists, play writer takes well known ideas, words and phrases and relates them in a fresh, often brilliant manner while preparing an advertising copy. They combine the product attributes and the ideas, words and phrases in such a manner that persuades the consumers to buy the product. This combination really represents and art or a creativity. A child can draw a smiling picture of a woman, but it does not carry a creative message of some worth.

The advertising copy writer writes with a purpose to achieve client's objectives to express features or attributes of particular products and services, presented in terms of consumer benefits and in the language most appropriate to defined target audience. Thus advertising messages should present merchandise in ways that interest people in buying. Print ads and broadcast commercials portray products as problem solvers or methods whereby wants and needs may fulfilled. When creating, copy writer builds messages according to specific plans, to fulfill specific objectives, and he should follow a disciplined way in creating them. In the words of Alfred Polite –"Advertising creativity has to follow rules which are guided by a well defined purpose, by an analysis of thoughts supplied by imagination, by a selection of the useful ones which meet the purpose.

Activities Comprising Creative Design task Process

Although there is no one set form for designing the process. There are various variables that are typically parts of the creative design process. These activities are:

(1) Advertising objectives- The main objective of advertising is to aid the selling process through communication with existing and prospective customers. Most advertisements inform and persuade. Some are designed to establish attitudes and buying behaviours of the patterns. Still others strive to reinforce or to change existing shopping habits brand images and usage patterns. The advertisement copy must achieve the advertising communication objectives. Now, it is the responsibility of the creative specialists to translate the information available to them into an advertisement or a basic theme for an advertising campaign that will achieve the advertiser's objective.

(2) **Information to creative People_** The second task of the creative people, after getting the advertising objectives, is to product for collecting the various information relating to the product and the marketing mix. Creative design people prepare for the design task by examining the information on the product which is to be offered in the advertising. This makes for the integration of advertising messages with the other components of the marketing mix. Such types of information may be gathered in meetings between the creative personnel and the marketing managers for the product..

(3) Target Audience- The next step in the creative process is to make the copywriter available description of the demographic and psychographic makeup of the specific target audience for whom the ad is being created vis-à-vis the product. Quantitative data such as age, sex, marital status, occupation, income, education, place of residence, must be supplemented by information on consumer attitudes (related to advertised product, and its

competitors as well as to the types of creative claims being considered for the message)on relevant media, shopping and buying habits and on product usages. Thus any information that describes target audience is useful.

(4) Copy and Layout Design- The next task before the creative personnel is to turn to the creative task which is the design of the copy and layout. Creative personnel, including, artists, art directors, and copy writers, must design an approach to the communication of the messages that carry pre-determined advertising objectives. Part of the process involves writing copy, the verbal text of the advertisement. The copy then must be integrated with illustrations into an overall design for the advertisement's layout. The design of the copy and the layout is an art that requires special skills..

(5) Credibility or Back-up Claim_ whatever message is designed, it must be a cluster of truth. Truth is essential in advertising. The truth is not truth until people believe in it. They cannot believe in it if they do not know what we are saying if they do not listen to us; they cannot listen to us unless we are interesting and finally we cannot be interesting if we say facts in a fresh, original and imaginative way. In order to establish credibility for our promises, we need to support it with facts and with satisfactions. So, truth is essential in advertising and must be supported with facts.

(6) Copy Layout Tests- The role of creativity in advertising is very important and should not be underestimated. An important aid to the creative design task is the use of copy layout tests to assess and compare alternatives. After the copy layout is released, samples can be drawn from target audiences to test its effectiveness in specific conditions. Then respondents are asked to give their opinion on the various aspects of the ad including how well it can be seen or read or heard under specific conditions, how quickly and easily the message can be understood, how interesting an ad is liked, how believable it is or how it will influence audience behavior.

(7) Allocation to Creative Task- The next important task to creativity is the allocation of funds towards this task. Since there is little in the way of modeling effort to help in this decision, the allocation task is usually done judgmentally.

(8) Creative Strategy and Tactics- Finally every copy strategy must describe the mood and tone of all the forthcoming ad or commercial; cheerful, dramatic, business like and whatever. All types of written materials, such as art work, layout and script must be used as components of printed or broadcast advertisements.

Thus, creativity in advertising is the most important part of the advertising programme. It is an art and should be provided sufficient funds in order to achieve the business and marketing objectives.

QUALITIES OF ADVERTISEMENT COPY

The important of a good advertisement copy can hardly be overemphasized. All the planning, research and expense would go waste if proper care is not taken in drafting an advertisement copy that will achieve the purpose of advertising. The psychological aims of an advertisement are that the public must be made to
(i) look
(ii) like,
(iii) learn
(iv) buy.

In other words a scientifically drafted copy should
(a) attract primary initial attention, (b) hold attention in an interesting way, awaken and stimulate interest, (c) bring about an association of impression which will have permanence or memory value, (d) convince persuade, and induce to purchase the product, and (e) suggest and lead to specific response to encourage the decision to buy.

The person who drafts and prepares the copy, must be thoroughly acquainted with the mental process and be imaginative enough to think of words and patterns which may produce at desired effect on prospects i.e., it must creates an urge in the minds of prospects to go for the

product advertised. A good copy of advertisement should possess the following characteristics or qualities or values-

1. Attention value,
2. Suggestive value,
3. Memorizing value,
4. Conviction value,
5. Sentimental appeal value,
6. Education value,
7. Instinctive value,

1. Attention Value- An advertisement copy must attract the attention of the potential consumers. If it fails in this mission, the whole money and efforts will go waste though it possesses all other values because everything else follows this. So, it must have display value. The copy should be planned, drafted and displayed so ingeniously that it may compel even the most casual or involuntary reader to notice it and read it with interest. It should be designed in such a fashion that the attention of a busiest person may be drawn immediately. Various devices can be used to make the copy attractive such as:-

(a) **Use of Pictures.** Picture has the immense display and attention value.

(b) **Use of Display Type or Heading.** Use of appropriate to headings enhances the value of an advertisement copy to a great extent. To invite attention, the heading should be brief and meaningful, made up of three or four words and should be printed in emphatic bold display types.

(c) **Boarder etc. –** Attractive boarder can be used to compel the attention of the readers. The boarder must have a distinctive look so as to separate it from the rest of the setting.

(d) **Price Quotation –** Prices should not be quoted on the advertisement copy except when they are very low as in clearance sale or special offers. But if an appeal is being made to high class customers who care more for quality than for price, a price quotation should be avoided and emphasis should be laid on quality.

(e) **Reply Coupons –** Reply coupons inserted in an advertisement in an unusual setting are yet another way of attracting attention of the readers to the copy.

(2) **Suggestive Value -** The next task would be to offer a suggestion about the use and the utility of the product that may remain inscribed on the mind of the reader even when he forget where he really saw the advertisement. Slogans, Pictures, phrases and suggesting may be used for this purpose. They should be drafted and used as to drive home to the reader the utility of the product in everyday situation.

(3) **Memorising Value –** The copy of the advertisement should be so drafted and laid out that the product will stick to the mind of the individual reader. Repetition of advertisement with slogan is an effective method of creating a memorizing value. Pictures and photographs confirming to the suggestion will have tremendous memorizing value.

(4) **Conviction Value –** An advertisement copy can prove effective and achieve the desired end when the suggestion contained in it is backed by convincing arguments. The advertiser must be careful to include the statement in the advertisement copy which does not conform to the product.

(5) **Sentimental Value –** Sentiments play a very important role in advertising, particularly in the case of food articles. Sentiments reflect the personal feelings and attitudes of an individual towards various things. They indicate reactions of a person in favour or against a particular product. The advertiser or manufacturer should make a sincere attempt to make an appeal to the sentiments of as may prospects as possible.

(6) **Educational Value –** A good copy of advertisement must possess educative value because the object of modern advertising is not merely to satisfy the existing demand but to create future demand. So a good copy of advertisement should educate the general public about the uses of the new product or the new uses of the same product. It will certainly increase the demand of the product and demand creation is one of the most important objectives of the advertisement.

(7) **Instinctive Appeal Value** – Human thoughts and actions are guided by instincts and inclination. All that one thinks or does has its roots in one instinct or the other. Instincts are the underlying forces which compel the men to act in certain ways. The most important function of an advertisement copy is to induce, persuade and motivate the prospects to think' well of a product and to take to its use. Advertising, essentially, is the motivation of the potential consumer and for this purpose; the advertiser should attempt to make an appeal to some basic instincts to get success in motivating the prospects. Generally speaking, the following are the basic instincts which an advertiser should keep in his mind)

Self Preservation Instinct – Many of our thoughts and actions are inspired by our anxiety to preserves our person our health, our family and our belongings. The sale of products like medicines, clothes etc., may be promoted by appeal to this anxiety.

b) **Hoarding Instinct** – Banking institutions, insurance companies or other government and non- government saving organizations serve to hoarding instinct of the people. Slogans like 'Up and Up go your Savings' may be used for this purpose.

c) **Parental Instinct** – Parental instinct takes the form of love and affection for the children. Those advertisers who deal in children requirements like garments, toys baby food etc. May promote this instinct in parents i.e., motherly feelings of women or parental sentiments of men through their advertisement copy.

d) **Self Display Instinct** – Instinct of self display is promoted by the advertisers of readymade clothing, women's dresses, jewellery etc. An advertisement copy drafted for these products must be directed towards the aesthetic sense of the people by showing happy and likeable people in dresses and jewellery that are being advertised.

e) **Something for Nothing Instinct** – Everybody has a vague desire to get something without paying anything for it. This desire is, more or less, present in everybody irrespective of the status or income. An advertisement copy that contains an offer of a prize of a gift is likely to tempt quite a many of the customers. This instinct in widely used by lottery ticket sellers by offering one free ticket with the purchase of 10 tickets or by drycleaners by the offering 'three for two' bargain.

On the basis of the above basic instincts, the following themes or central ideas may be laid down for advertisement copies meant advertise different types of product-

(i) **Pride** – This theme can be used to popularize luxury articles among riches, the possession of which gives them a distinctive status and a feeling of pride.

(ii) **Beauty** – This theme is used in advertisements for cosmetics, perfumeries, toilet soaps etc., for men and women.

(iii) **Health -** In drugs and food products advertisement they use of this theme is used.

(iv) **Economy** – It is central theme in advertisement of clearance sales or bargain purchases.

(v) **Comfort** – The advertisements for fans electric appliance refrigerators etc. generally contain this feeling of comforts.

(vi) **Fear** – Themes stressing the fear of death accident personal loss through burglary frenetic. and other untoward happenings in life are generally used by insurance companies or banking companies. The traffic police is also using this theme in their notes of caution i.e., life is short don't make is shorter'

(vii) **Parental Affection -** All advertisement copies of products meant for children such as toys body foods and dresses etc use this feeling.

(viii) **Patriotism** – This theme may be used in advertisement for those who use foreign products.

(ix) **Achievement** – This theme is used generally by large concerns engaged in the production of goods necessary for the development of country's economy.

(x) **Emulation and Imitation** – This theme is used where people buy more not to satisfy their genuine requirement, but as their neighbors happen to possess them. Thus, a good advertisement copy must possess the above qualities to make it an ideal advertisement.

CLASSIFICATION OF COPY

It is true that copywriting is an art and the copywriter has a very important role to play in advertising creativity. Copywriting does not admit any stereotyped rules and classification. There are various styles in which a copy can be prepared and presented. The following types of copy may be studied-

1. **Descriptive Copy –** This type of copy describes the pertinent and relevant characteristics features of the product. It is very simple and of non technical nature. It does not have any specialty which can attract the attention of the target consumers or may compel them to read it. It is very much similar to a press account or news item simply giving relevant information to the public without any stylish touch

2. **Scientific Copy –** Such types of copies are technical in nature and generally used by drugs and pharmaceutical firms elaborating the propositions of properties and constituents of the product. It provides full information about the product and the producer. This type of copy is usually meant for professional or for those who are really interested in such types of information.

3. **Institutional Copy –** Institutional advertisement copy aims at selling the name of the advertiser or the institution that is producing or selling the products or services. The main objective of such type of advertisements is to create, maintain or increase the goodwill of the product or of brand or of the department or of the selling house as a whole, Institutional copy invites the target consumers to the selling outlet. Such a copy seeks to build goodwill through publicizing the policies, customer services, Conveniences and general features of superiority of the store over the rivals.

4. **Topical Copy –** Herein and attempts is made to appeal to the general public by linking the theme of the copy with some current event but it should not look absurd. It commands a good deal of interest because of that sensational event which lives in the minds of the public.

5. **Reason why Copy –** This type of advertisement copy offers the readers reasons why they should buy the advertised goods. It narrates the positive points of difference from other brands of the same product category in an endeavor to convince the reader from product's qualitative aspect. It directs its appeal to the intellect or judgment rather than to emotions or senses. It substantiates the superiority of the merchandise with the tests performance records testimonials, guarantees or construction data.

6. **Human Interest Copy –** It makes its appeal to the emotions and the senses rather than to the intellect and judgment. Sympathy fear, bonus, curiosity and other emotional appeals like appeals to the senses of sight hearing touch taste, and smell are used in such type of copy. Human interest copy presents the product in relation to people instead of confirming to facts about product. As emotions are many and always new it may be made more exciting an artful than reason why copy. It affords a refreshing change. Human interest copy can take various forms:-

(a) **Humorous Copy -** It exploits the sense of humor of the people. It turns the reader laughter. All examples and statements in such copy are fully to make the reader smile.

(b) **Fear Copy -** It appeals to the sense of fear and arouses the interest of people to save their lives, properties and other belongings. Such copy of advertisement should be drawn carefully so that it may not carry an unpleasant association of readers' minds with the advertiser's product of business Lifer Insurance Corporation General Insurance Companies and Bank generally use this type of copy.

(c) **Story Copy -** In such a copy a story is narrated me a very interesting manner to create manner to create an impression in the minds of the people about the product. Its ability to create interest depends upon dramatic impact it produces. Experience of customers can also be narrated in the story.

(d) **Predicament Copy –** It is often used to advantage when it shows an article of merchandise in a case that provides a dramatic explanation of its advantages. Predicament copy usually overlaps the other three kinds of human interest copies

7. **Colloquial copy or Conversational Copy** – The colloquial copy presents the message in the way of conversation. It uses an informal language and conversation takes place in terms of 'I' and 'You' with personal reference to reader and the advertiser. In such copy the style is one of a personal talk or one of an eyewitness account.

8. **Personality Copy -** This copy attempts to encase the opinion of personality – real or imaginary – about the product. Usually the personality is real. The photograph of the personality (a person specialized to concerned field) is given with the text of the copy with a view to convince the readers through the moral influence of his name. Invariably, such copy shows a certificate or a testimonial of such influential person.

9. **Prestige Copy -** This pattern is usually for in institutional advertising which aims at creating an atmosphere about the product or the firm and may not directly advise the product for sale. Such a copy is occasionally used and is very much similar to the personality copy in impression which also strives to enhance the prestige of the advertising firm indirectly by visualizing the name of the eminent personality.

10. **Educational Copy** – The copy is designed to educate the general public about the attributes of the product. Usually introductory appeal is made in this style when the product is introduced in the market for the first time; it is the duty of every producer or advertiser to tell everything relevant about the product to the public in such a manner that it may get a warm welcome among customers. Such an advertisement copy depicts the specialties to the product category. The advertiser may insist only one or two attributes of the product which is more sensational such as introduction of a low priced item without the loss of quality or a product developed from a new technology indigenous or imported etc.

11. **Suggestive Copy -** A suggestive copy tries to suggest or convey the message to the readers directly or indirectly to pursue them to purchase the product. It is useful where the reader is confused about the quality of a product brand and is not in a position to take a decision about the purchase of the product.

12. **Expository Copy** – Just opposite of suggestive copy it expository copy. It does not conceal anything about the product but exposes. The message is quite clear and it needs no inference, no taxing on mind, no thinking, Even a cursory glance rakes it quite easy to remembers or to pick – up.

13. Questioning copy – Questioning copy as the term suggests. In Corporate a series of questions expected to be answered by them readers. The advertiser puts no narration, statement or reason of its own in order to pursue the readers to buy the product. The question arouses the curiosity in the minds of the readers and makes them think of it. Thus there are various types of copies of advertisement on the basis of their style of presentation.

14. Scientific Copy

Technical details of the product are given here. it is used for electrical, electronics, automobiles, Food and Medicine products. E.g. a) Complan has 23 vitamins, Bajaj major technical details-cc, Rpm.

15. Topical Copy

It links the ad theme with some current events. It is widely used with cricket match. E.g. using sandalwood Veerappan. b) Popular Cinema songs.

16. Personality or Celebrity Endorsement Copy

This copy shows sport stars, Film stars, or professionals. Endorsing the brand E.g. a) Sachin In Boost b) Simran and Jothika in Himami.

17. Question Copy

Here the brand benefit is conveyed in a question copy. E.g. Do you want sound sleep? Invests in ICICI Bonds.

18. Colloquial/conversation Copy

Here brand benefits are conveyed through an informal conversation. Words, like, I and you are used. It is widely used for agricultural products in regional language. E.g. SPIC Urea.

19. Comparative OR Competitive Copy

It means explaining brand superiority by comparing with competitors. It may be direct or indirect comparison. E.g. BPL TV, Surf ad.

20. Educational/Missionary/Pioneering Copy

It tries to change the habits of people. It informs about new products, new uses and change in the existing products. e.g. Benefits of Microwave oven over gas stove, Vimal shirting add. Sales change your back to ordinary. (To change the back Flea of the shirt), Family planning advertisement says. Small family is a happy family.

21. Suggestive or Reason – Why Copy

Directly or indirectly suggest the reasons to buy the product. E.g. Complan helps to grow healthy, Pepsodent for day long freshness.

22. The Expository Copy

It expresses all facts of the brand in detail readers can easily understand the product without much effort. Product facts, like construction, Operation, benefits, superiority over other price schemes and distributors address are clearly exposed.

23. Wordless or Non-verbal Copy

It is used in Television. The Brand name, or Slogan, or Logo of the product or movie appears silently. E.g. Brand Name appears just before the news, Cable TV Scrolling. Axe effect perfume adds.

24. Descriptive Copy

It describes the brand in a simple and non-technical way. It is not very attractive e.g. classified ads.

25. Human Interest Copy

It is emotional and not rational. it sells the product by touching a human feeling. It may be humorous copy, fear copy or story copy. These are explained below

a) Humorous Copy

It makes the readers happy through jovial or sentimental appeal. E.g. LML vespa Scooters comfort and safety is highlighted by showing a young pregnant lady traveling in the back seat of vespa.

b) Fear copy

It tells the product should be used to save predicament a dangerous situation in their life. It is widely used by LIC, GIC, Food and Health products. E.g. Saffola Oil to save from Heart Attack, No vacancy Board add of NIIT.

c) Story or Narrative Copy

It narrates the benefits of the product in a story form. Experience of customers can also be narrated. E.g. Chandrika Soaps. Ayurvedic story, Vim Bars customer experience.

26. Institutional Copy

It is also known as prestige or corporate copy; it does not try to sell a particular brand. The aim of this copy is to create a favorable image towards the institution among the share holders, employees, suppliers, government and the General Public. There are 2 types in institutional copy.

a) Public Relations Add. Copy

This creates a favorable image of the firm among employees, investors and general public. E.g. Advertisement showing, employee welfare scheme, quality control awards and directors speech in Annual General Meeting.

b) Public Service Advertisement Copy

This changes the behaviour of the people to the welfare of the community. E.g. Ad Encouraging Blood donation and road safety.

Message: Definition:

The message is the thought, idea, attitude, image or other information that the advertiser wishes to convey to the targeted audience.

Message development:

There so many media that carry the ad messages. There are so many products which are advertised in these media. A number of companies advertise their products. We have therefore a lot of communication in all direction – direct, indirect, zigzag and all sided .Perhaps, there is over communication .This leads to the concept of clutter and how to overcome it.

The Problem of Clutter

The numbers of messages being beamed at us are far more than the audience can absorb. The individual, therefore, subjects the messages through filtration process. The message must get through this is the challenge to the planners and creative persons.

The following factors can be helpful:

(i) impact and memorability
(ii) great ideas rather than mere techniques
(iii) creative strategy, creative differential
(iv) copy platform
(v) visual style
(vi) innovative space buying: freak positions and shape
(vii) 'how to say' is as important as 'what to say'
(viii) use of white space, slice-of-life photography
(ix) communication style that stops, intrigues and then informs
(x) Production quality.

Visualization and Development of Advertisement

Visualization in the simplest words is the process of designing the advertisement. The ultimate outcome of the process of visualization is the layout.

The basic elements with which a visualizer works are:

1. Headline, subheads
2. The body copy
3. the illustration
4. Logo signature

There may be elements like:

1. Slogans   5. Seal of approval
2. Coupon   6. Border
3. Price   7. Quality marks etc.
4. Package

The visualization process is shared by the copywriter and the creative director of visualization. They decide whether product should be featured; whether people should be featured; what they would be doing; will there be a background? Which type? Should photos be used? Or line illustrations and sketches? How large the headline should be? What components should make the final copy; the product? The address and name of the company? The picture?

Visualizer operates under certain constraints: the space available, the type of paper on which advertisement will be printed, whether it is black and white or colour advertisement, the printing technology employed etc.

Transformation from Visualization to Layout

Once a visualizer exercises himself mentally and puts his pencil to paper, the shape of layout begins to emerge. It is very difficult to say where the process of visualization ends and where the shape of layout begins. Roughs give an exact idea about the proportions and placement of elements.

Visualization and Creativity

In the visualization process, we require a flow of ides – those ideas are obtained from many sources and using many techniques. We can employ Osborn's Brainstorming technique. We do meditation from analysis and synthesis of ideas.

Creative Process in Visualization

The following are the five principal stages in creative process:

i) Saturation: The manager becomes very intimate with the problem and its environment.
ii) Deliberation: A perfect knowledge of the environment and attendant data is essential for creativity.
iii) Incubation: The subconscious activity precedes a fresh approach. The creative mind forms a pattern of the problem by combining the scattered data.
iv) Illumination: Here an idea actually flashes across the mind of the decision – maker. Very often this happens while sitting in a cafeteria, driving a vehicle, strolling in a leisurely fashion or in some such state of relaxation.

v) Accommodation: The original idea is modified, reframed or polished and made to practical use.

vi) Creative process demands free exchange of ideas, application of imagination to problems, group understanding and lack of conditioned thinking.

Size and Shape

Different and sizes in the print media are possible, the budget being the major constraint. Within the given size, we get allotted certain space which can take many steps, each shape being a device of non-verbal communication the shape should be consistent with the message.

Curves show elegance and beauty. Triangles have a combination of both dynamic and static and can also communicate caution against danger. Circles are likened to planets. They show continuity, eternity and peace.

Visual Thinking

What is visual thinking? It is a language whose effectiveness depends upon its flexibility and willingness to experiment. Copywriters can do a little drawing, sketching, doodling or thumb-nailing. In other words, we are recording mind's perceptions by doing so.

Use of Similes and Metaphors

Thought process is transformed by figures of speech like similes and metaphors into more articulate information. These tools help us to organize our complex thoughts into definite message.

Theme and Appeal

While theme means what is said, Appeal means how it is said: The message may be said, rationally or emotionally.

Rational Appeal influences the mind through benefits of the products like quality, price, durability, and performance, easy to use. Resale value etc.

Emotional Appeal influences the heart, prestige; love, sex, and joy are positive appeals. Sorrow and fear are negative appeals.

1. Rational Theme and appeal (Product oriented appeal)

a) Performance

It tells how efficiently the product works. Pulling power, Pick up of two wheelers. Anti-Bacterial performance of close up.

b) Low Price

It appeals through low price, discounts and monthly installment. E.g. AIWA TVS low price, APTECH computers Merit scholarship, TV' 50'S installment schemes.

c) Long Life

Sharp TV claims its long life through 7 years warranty.

d) Easy to use

Videocon Automatic washing machine rinses and dries. Kinetic Honda's Auto start, Automatic gear. So it is easy to use.

e) Resale Value

Hero Honda, Maruti, have good resale value.

f) Low Maintenance

Bajaj scooters, Tata van Kinetic v2 claim low maintenance.

2. Emotional Theme and Appeal

This appeal influences our feelings than logic. People have different motives. People want to be different, to confirm with their group, attract opposite sex, to be recognised to live longer etc. These needs may be appealed in a negative or positive way.

a) Positive Emotional Appeal

This appeal says, using these products brings prestige, affection, joy, E.g.

i). Prestige appeal, Onida TV, Raymond's clothing, Visa Card, Appeals prestige motive.

ii) Affection appeal Vicks, Titan watch, appeals affection, motive.

iii) Joy appeal- Coke, Pepsi, Arun Ice Cream, appeals joy motive.

b) Negative Emotional Appeal

This appeal tells, if the product is not used people will loose their health, recognition or Job and make them sad. E.g.

i) Recognition Appeal – Close ups bad breath appeals recognition

ii) Security Appeal – NIIT's No vacancy add. appeals Job Security Motive.

3) Moral Appeal

These appeal our sense of judgment between the sight and the wrong. These are mostly used in social awareness advertisement. Examples. Ads against Child Labor, and Dowry. Ad in favour of Road Safety, eye donation and Blood Donation.

Values of a Good Advertisement Copy

Essential qualities or A Good Ad Copy should have the following values

1. Attention Value

Unattractive add. is waste. So the following devices can be used to make it attractive. They are

a) Pictures

Pictures of attractive persons with emotion, beautiful scene and product are used for attraction.

b) Headlines

It is the bold line in the add. It may be a brand name, slogan, brand benefit or a question. E.g. 50% Aadi Discount.

c) Boarders

Decorated or Novel types of boarders or small add, message with a huge gap inside a big boarder may be used.

d) Price

If the brand competes with a low price, price tag is very important. E.g. AIWA T. Life Buoy Soap.

e) Colours

Color makes the ad more attractive. Colour is essential in dress, paints, floor tiles add.

f) Topical

Using current topics makes the ad more attractive. It may be regarding politics, Sports, and Science.

g) Celebrity Endorsement

Popularly celebrated persons in the field of sports, Cinema, Science and technology.

2) Suggestive Value

Products are bought for its use. So suggesting the use of the product attracts them with the purpose. E.g. Surf Excel removes tough stains, Good knight mat protects from mosquito till morning.

3) Conviction Value

People believe the suggestions easily if they are supported by convincing argument. E.g. Suggestion – Surf Excel removes tough stains, conviction surf excel has oxygenated formula.

4) Memorizing Value

Attractive Logo, Slogan, Celebrities ad, Repeating the ad's, helps to memorize the ad for a long time. E.g. Idhayam Oils.

5) Sentimental Value

Using family, Religious, local and national sentiments make people sensitive towards the ad .It suddenly creates brand loyalty. E.g. Hamara Bajaj, TVS Excel.

6) Educational Value

The Advertisement should educate the method of using a new product and new uses of old product. Example. Franch Oil Add. For Multi use, Vicco Turmeric.

7) Instinctive Value

People have various instincts (needs). Different products satisfy different (needs). Different products satisfy different needs by matching the appeal with the buying motive the add, can be made more attractive

a) Health Instinct

Our Anxiety to preserve our health, family and belongings. Products like medicines, health drinks and hair oil appeals health instinct. E.g. Arokya Milk.

b) Saving Instinct

This is a name to save for the future. Banks, Chits, finance companies and insurance companies use this motive. E.g. Karur Vysya Banks, Thirumagal Thirumana Plan.

c) Parental Instinct

It takes the form of love and affection for the children. Ad of child product like Toys, Baby food, E.g. Hamam and Horlicks Add.

d) Self-Display Instinct

This instinct is used for cloth and jewelers Ad. Advertisements showing happy and attractive people in attractive dress and Jewels. E.g. Raymond's Add, Lalitha Jewellery Add.

e) Free Instinct

Everybody likes to get something without paying money. Add. Copies with free offers.

Copy Testing or Advertisement Effectiveness Test or Criteria To Measure the success of an advertisement

Introduction

The Effectiveness of the advertisement is measured after the release on a full scale. Here the ineffective advertisements are improved after the test. Different criteria are used to measure the effectiveness. The criteria may be recognition, recall, reability, believability, product personality etc. These are explained below.

1. Recognition Test

How many have noticed the advertisement is tested here. The Reader (Respondent) goes through every page of the magazine or newspaper and points out all the advertisements noticed by him. If majority of the respondents has seen the test advertisement, then the advertisement is effective. This technique was introduced by "STARCH ORGANISATION'. So it is called starch test.

2. Recall Test

It is a memory test. How many people remember the advertisement is tested here. People Remember only effective advertisements creating good impression. The test advertisement is not shown during the survey. Aided and unaided recalls are of 2 types in recall test.

a) Aided Recall

In aided recall the brand names of all the advertisements appeared in the shown media are given to the readers. Respondents explain the advertisement message of remembering advertisements. If the majority remember the test advertisement, then it is effective. It is also called "Gallop Robinson Test".

b) Unaided Recall

Here, the respondents are not given any clues like the brand name, or advertisement message. The Product name may be given if necessary. The Respondent has to tell all the advertisements he remembers in the show media. If he remembers the test advertisement, then it is effective. This technique is used to test news paper and T.V. Advertisements on the very next day, which is called D. A. R. Test. Day after Recall)

3. Readability Test

The Readers are asked many questions about the advertisement to know how deep the audiences have read the advertisement. If it is not read deeply by the majority, then the advertisement has to be made interesting.

4. Believability Test

How for the audience believe the promises made in the advertisement is tested here. If most of the promises are rated favorably by the audience the advertisement has believability. If not the copy is improved.

5. Product Personality Test

How the audiences have assumed about the personality type of the product user is tested here. Several questions like suitable age, income, education, status, and life style about the assumed product user are asked. The answers revealed the attitude towards the product. If it is understood wrongly then the advertisement is to be improved.

6. Brand or Theme Association Test or Theme Penetration Test (TAT)

Whether the audience could relate the advertisement theme to the brand name is tested here. If they cannot relate, then the advertisement copy is modified.

7. Hierarchy of Communication Effect

Many advertisements cannot create sale with one or two exposures. The Advertisement has to be exposed several times to create a sale. First, an advertisement creates brand awareness, then brand preference, next buying intention and finally purchase. This test measures at which level the majority of the audience remain. Repeated Advertisements also create brand loyalty.

8. Coupon Return Analysis

a. Open Coupon offer

The offer coupon can be easily seen in the advertisement. Number of coupons received indicates the advertisement

b. Hidden Offer Technique

Here the full advertisement is to be read to identify the offer coupon. Number of coupons received indicates the number of people read the full advertisement.

9. Sales Result Test

If the sales increase after the advertisement, the advertisement is effective.

Advertising Appeals and Execution Styles

The advertising appeal is the central message to be used in the ad. Human beings have in-born instincts such as fear (self-preservation), hunger (food and drink), sex (love), and rage (anger) and nature has given them five senses: sight, sound, smell, taste and touch. These instincts and senses are often the basis for developing advertising appeals.

William Weilbacher says

"The appeal can be said to form the underlying content of the advertisement, and the execution the way in which that content is presented. Advertising appeal and executions are usually independent of each other, that is, a particular appeal can be executed in a variety of advertising appeals. Advertising appeals tend to adapt themselves to all media, whereas some kind of executional devices are more adaptable to some media than others."

Different Kinds of Appeals

Different appeals can be used as the basis for advertising messages.

Rational/Informational Appeals

These appeals address the consumer's self interest and focus on negatively originated motives problem removal or problem avoidance as happens when we run out of something and experience a negative mental state. To relieve those feelings we actively seek a new or replacement product. These are also referred to as informational motives because to consumer actively seeks information to reduce the mental tension.

William Weilbacher has identified several types of rational/informational appeals. Some of them are

- Feature appeal
- Competitive advantage appeal
- Favorable price appeal
- News appeal and
- Product/service popularity appeal.

The focus of 'feature appeals' is on major traits of the product or service. Such ads are usually rich in information content and communicate, to the target audience, a number of important attributes of the product or service that may develop favorable attitudes and influence rational/information purchases.

Advertisers make use of 'competitive advantage appeal' when they directly or indirectly compare their brand to other brand(s) and claim either all round superiority or at least on major attributes.

Price appeal is not limited to retail advertising announcing special offers but national advertisers too use this appeal, particularly during festive seasons such as "special Diwali offer."

'News appeals' are usually used for a new product or service to inform consumers about important improvements or new breakthrough introductions. For example, the print ad of Maruti Alto, "Alto makes its debut outside Japan for the first time-in India," is making the use of news appeal.

Popularity of a producer or service among large number of consumers becomes the basis of 'product/service popularity appeal.' The implied meaning communicated is that wide use of the brand proves that consumers are satisfied with the quality or value of the product or service and others should use it.

Emotional/Transformational Appeals.

Emotional appeals relate to the customers' social and psychological needs and stir up positive or negative emotions that can motivate purchase of a product or service.

Bases fir emotional/transformational appeals

Personal bases of feelings	Social bases of feelings
• Safety, security	Approval, recognition
• Love, affection	Respect, status
• Joy, happiness	Embarrassment, rejection
• Sentiment	Affiliation, belonging
• Excitement	Acceptance
• Sorrow, grief	Tastefulness
• Pride, achievement	
• comfort, pleasure	
• Ambition	

Emotional / transformational appeals can be used in many ways in the creative strategy.

Emotional / transformational appeals are used to evoke positive feelings that may get transferred to the brand.

The concepts of emotional bonding, developed by McCann-Erickson Worldwide and Professor Michael L. Ray, uses the premise that consumers develop three levels of relationships with brands.

1. Consumers 'think' about brands with respect to product benefits.
2. Consumers assign a 'personality' to a brand.
3. Consumers develop 'emotional bonds' with brands.

The third level of consumer's relationship with brands develops on the basis of emotional attachments. They develop powerful emotional bonds with certain brands.

Advertising Execution

There are many ways in which an advertising message can be presented.

- Factual message or straight sell
- Testimonial
- Comparison
- Life-style
- Animation
- Humor
- Scientific or technical evidence
- Demonstration
- Slice of life
- Fantasy
- Dramatization
- Combinations

Factual message or straight sell:

The ad message is based on factual information about the product or service and this approach is often used with rational / informational appeals. The main focus is on the product or service and the ad attempts to communicate its specific attributes and / or benefits to the target audience. Such ads are seen in print and also used on TV.

The print ad of Gillette Gel puts across a straightforward message "One drop for smoothest shave". Similarly, motor oil ads often use the straight sell approach by communicating the benefits. Industrial goods, as well as business-to-business products, generally use the factual or straight sell message format.

Scientific or technical evidence:

This approach is often used to introduce new products and describe technical products. In highly competitive situations, ads include technical information, scientific evidence and endorsements by well-known agencies or scientific bodies to support the product or service claims.

Testimonial:

To present an advertising message, some advertisers prefer to use a satisfied customer who praises the product or service based on personal experience. The familiar ad of an excellent example. Dove ad has used this approach to communicate its effectiveness in improving the freshness of complexion.

Demonstration:

The product or service may be demonstrated while in actual, use, or it may be shown in some sort of staged demonstrations with the explicit purpose of highlighting its key advantage. To demonstrate the product in action, TV is the most suitable medium as the benefits can be shown right on the TV screen with movement.

Comparison:

Comparing features, performance, reputation and other characteristics of two or more brands is a popular basis for advertising execution.

Slice of life (Problem solution):

Slice-of-life commercials dramatize real life situations. Professional actors in the commercial play the role of pain people and discuss some problem of issue. Some such ads are those designed to protect a person from loss of health, against smoking, AIDS, wearing helmets, drug abuse, etc. They all focus on the fear of losing life.

Life-Style:

Advertisers use the life-style approach to present the user rather than the product or service. Many ready-to-wear garment ads address the message to young, contemporary and outdoor type characters. Likewise, advertisers of beer and soft drinks usually direct their message to active, young, fun-loving and ambitious people. The focus is on who uses the brand rather than any product attributes or benefits.

Fantasy:

This approach is based on the need of consumers to find emotional escape to offset daily routines. This is fairly popular for emotional types of appeals. Certain cosmetics ads often use fantasy appeals to create pleasant images and symbols those consumers associate with the product or service.

Animation:

This execution approach has gained popularity in recent times Cartoons, puppet characters and demonstrations with computer generated graphics are some of the techniques used to communicate difficult ad messages and reach certain specific target groups, such as children.

Dramatization

In this technique, the focus is on telling a short story with the product or service as the hero, involving the use experience. Humor has long been a popular technique in ad execution as it makes the print ad or the commercial more interesting.

Humor evokes feeling of amusement and pleasure and may favorably affect information processing by the audience. On excellent example of effective humorous execution is that of Fevicol and Fevi Kwik commercials using humor very effectively.

Creating Print Advertising

The key format elements in print advertising are headline, subheads, body copy, slogans, seals, logos, signatures, visual elements, and layout.

Headline

The 'headline' is the words in the leading position in the advertisement. These are the words that will be read first or are positioned with the intent to draw the readers' immediate attention. The headlines are almost invariably set in larger, dark type and generally set apart

from body copy to make them prominent. The headline is considered as the most important part of a print ad by most advertising professionals.

Advertisers use 'benefit headlines' to promise the prospects some rewarding experience with the product or service. Such headlines are just simple statements of the product's most important benefit. For example.

Guard Your Data   No side effects. Brilliant effects.
   (Iomega)   (EPSON Ink Cartridges)

The above headlines focus on the benefit of using the product, not the features of the product itself. Readers often pay attention to command headlines that order them to do something. The Matiz ad headline read, "GET YOUR MATIZ TODAY!" Sometimes a command headline is used as a request.

Copywriters use selective headlines to attract particular group(s) of customers. For example, ulearntoday.com is aimed at CBSE, ISC, ITT and JEE students. Probably, no body other than the target group would pay attention to this ad.

Many headline types are easily combined. Copywriters must always write with a style, to please the readers, and not for their personal pleasure.

Subheads

Most ads have only one headline but one or more secondary heads, called subheads, are also common. A subhead is an additional smaller headline that may appear above or below the headline. Subheads are longer than the headline, more like a sentence, and serve as a stepping stone from headline to body copy.

Body Copy

The main text portion included in the advertisement is called the body copy. The body copy contains the complete sales story and is the logical continuation of the headline and subheads. It covers the attributes, benefits and the utility of the product or service, but getting the audience to read the body copy is often difficult. The copywriter must speak to the prospect's self-interest, explaining how the product or service will satisfy the consumer's need.

Slogans (theme lines, or taglines)

Many slogans are used as successful headlines. Slogans provide continuity to a series of ads in a campaign and also help in creating a positioning statement. DeBeers use the slogan, "Diamonds are forever," Nike uses the slogan, "Just do it," and Philips slogan is, "Let's make things better."

Seals, Logos, and Signatures

A seal is awarded when a product meets the standards established by a particular agency or institute, such as ISI mark, ISO 9002, or Energy Star, etc. These seals provide an independent, valued endorsement to the advertiser's product.

Logotypes and signatures are special designs of the advertiser's company or the product name. They appear in all the company ads, are immediately recognized and give the product individuality at the point of sale, such as Kellogg's, Intel, hp, etc.

Types of body copy

Approach	Description
Straightforward	It is factual coy, usually written in the words of an anonymous or unacknowledged source.
Narrative	This type of copy tolls the story in first person.
Dialogue	The copy lots the reader "listens in" on a conversation.
Explanation	Copy explains how something works.
Translation	Presents technical information such as that written for high technology and medical industries must be defined and translated into understandable language.

Visual Elements

Visual elements are a major component in print advertising and are the responsibility of artists and/or photographers. The purpose of visual elements is to.

- Capture the reader's attention
- Clarify claims made by the advertising copy
- Identify the subject of the advertisement
- Show the product in actual use situation
- Convince the readers about copy claims
- Arouse the reader's interest in the headline
- Emphasis the brand's unique features
- Create a positive impression of the brand or advertiser
- Qualify readers by stopping those who are legitimate prospects.

Checklist for writing effective copy

- Get to the main point-fast.
- Emphasis one major idea simply and clearly.
- Be single-minded. Do not try to do too much at a time.
- Position the product clearly.
- Keep the brand name up front and reinforce it.
- Write with the consumer's ultimate benefit in mind.
- Write short sentences. Use easy, familiar words and themes that people can understand.
- Don't waste words. Say only as much as you have to, nothing more, or less.
- Avoid bragging and boasting. Write from the reader's point of view. Avoid using "we", "us", "out".
- Avoid bright, surprising words and phrases perk up readers and keep them reading.
- Write with flair, Build up excitement. Make sure the copy reflects your own enthusiasm.
- Use vivid language. Use action verbs and adverbs.
- Write in the present tense, active voice. Exceptions should be deliberate, to create special effect.
- Use personal pronouns. You are talking to an individual, a friend. Use "you" and "your".
- Use contractions. They are personal, natural, and fast. People use them while talking.
- Don't use excessive punctuation. Too many comas kill the copy.
- Read the copy aloud and listen. Written word is considerably different from spoken word.
- KISS (Keep it short and simple). Edit mercilessly. Tell the whole story and no more. Stop, when you are finished.

Layout

A layout is an orderly physical arrangement of headline, subheads, body copy, slogan, seal, logo, signature and the visual elements into a finished advertisement. It shows where each component of the ad will be placed and gives guidelines to people working on the ad creation. Copywriter learns how much space is available to work with and how much copy should be written. It helps the art director in determining the size of the visuals. Layouts are usually done as rough and presented to the advertiser to get the preliminary approval.

Types of layouts

Type	Description
Picture window	This is one of the most common layout formats. it has one single dominant visual that occupies about 60 to 70 percent of the area. The headline and copy may appear above or below the "window". the logo or signature signs off the message at the bottom.
Panel or grid	This type of layout uses a number of visuals of matched or proportional sizes.
Dominant type or all copy	Sometimes there are layouts that emphasise the type rather than the art or an all-copy ad in which the headline is treated as type art. An ad that is all copy-dominant may have art, but it is either embedded in the copy or positioned at the bottom of the layout.
Silhouette	Irregular shaped white space surrounds the main elements in the ad creating a silhouette effect.
Frame	The copy is surrounded by the visual. Or the visual may be surrounded by the copy.
Circus	This type of layout combines lots of elements to bring the ad alive ad make it interesting – art, type and colour. It is done to deliberately create a busy, jumbled image.
Non-linear	This is contemporary layout style that can be read starting at any point in the image. the direction of viewing is not ordered.
Grunge	This type of layout reflects what is presumed to be a generation X-inspired lack of concern for the formalities of art, design and legibility.

Design principles

Ads must be designed to attract consumer attention immediately as the advertiser has only a second or two to capture the reader's attention. Good design not only commands attention but also holds it and communicates as much information as possible in the shortest amount of time and makes the message easier to understand. The basic design rules include the following.

Unity

Unity is considered as the most important design principle. All creative advertising has a unified design. The complete layout (copy, visual, headline, logo, etc.) should appear as a single unified composition. If the ad does not have unity, it falls apart and becomes a visual confusion. Unity contributes orderliness to the elements.

Balance

There is a belief among many designers that balance is a fundamental law of nature. Balance means controlling the size, tone, weight and position of the elements in the ad. It occurs when equal weights or forces are equidistant from a reference point, which is the imaginary vertical link drawn from the centre of the advertisement. One can test the balance by examining the relationship between the right and left halves of the ad. When the weight of all elements on both sides of the vertical centre line is equal, the layout has formal balance. Such symmetrical ads give an impression of stability and conservatism.

Contrast

Contrast means variety. It imparts life to a layout and adds emphasis to selected elements. Variations in the size, shape and colour of layout elements create contrast. Altering

type to bold or italic brings attention to a word or phrase and creates contrast between type elements.

Sequence eye movement

The ad should be arranged in an orderly manner so that consumers can read it from left to right and top to bottom. Arrangement of elements in a sequence helps direct the reader's eye in a structural motion. The elements should be placed in a manner that the eye starts where the advertiser wants it to start and traverses its course throughout the ad. The more common arrangements are "Z" and "S".

Emphasis or proportion

Emphasis refers to division of space among layout elements that is, accentuating or focusing on an element or group of elements so that they stand out among elements of layout for pleasing optical effect. The designer decides whether to put more stress on illustration, headline, the logo, or the copy. If all the elements get equal emphasis, the ad ends up with no emphasis at all.

Using Colour

Colour is another physical element of layout and can be used with impact only if its dimensions are understood. The use of colour directly influences the cost of the advertisement but also offers significant advantages.

- It adds attention-capturing value to the advertisement
- It can help in imparting emphasis to important elements in an ad
- It can add a sense of realism or atmosphere
- It can help easy identification of brand name, package, and trademark
- It imparts a feeling of quality and prestige to the advertisement.

Print advertising has the potential to compete with television. It has the ability to generate astonishing, eye-catching colours in advertisements. Use of colour suits many product categories, such as food items, fabrics, fashion items, etc.

National origin or culture can play a role in colour preferences. Colours have a symbolism of their own that can influence the communication process. Greens and blues are perhaps associated with grass, trees, sea, and sky; they are cool and restrained colours. At the other end of the spectrum are red and orange. These are warm colours, suggesting fire, stimulation, passion, action and excitement. Yellow is viewed as a bright and cheerful colour and suggests warmth without heat.

Creating a Television Commercial

Television is a powerful advertising medium and has the unique ability of combining visuals, words, sounds, motion and technology. There are two basic components of a TV commercial: the video and the audio.

- Video elements: The visual elements generally dominate the commercial and include all those elements that are seen on the TV screen. It is important that these visual elements are successful in attracting the viewer's attention and communicate the desired image, idea, or message. It may be necessary to carefully combine a number of visual elements to produce an effective commercial. For example, the decisions may concern the product, the presenter, action sequences, close-ups, customer interview, humor, comparison, graphics, characters, colour, symbols, lighting, etc.
- Audio elements: This part includes accompanying music, voices and special sound effects. The voices could include two or more persons appearing in the commercial, who are involved in a conversation, or it could be a single individual appearing as a spokesperson, or it could be a voiceover the message is delivered or the action sequence is described by an unseen presenter.

In many commercials, background music helps create a pleasant mood among audiences. In many other commercials, music is used to breakthrough the advertising clutter and attracts audience attention, evoke feelings and communicate the ad message. There is enough evidence to suggest that the creation of a positive mood proves favourable in making consumers more receptive towards the advertising message.

Planning and Production of a TV Commercial

Television is the most versatile medium and suits rational, emotional, and moral or a combination of these appeals.

Most TV audiences watch TV programmes for their entertainment value and so commercials that are capable of primarily entertaining and providing information are more successful.

A written down version of a TV commercial is called a script. It brings together various elements of a commercial and provides detailed description of its video and audio portions. The video portion covers the camera actions and angles, scenes, special techniques and other important descriptions.

After developing and finalizing the basic elements of the script, the art director and the writer together create the 'storyboard'. It is a series of drawings to show the layout or visual plan of the proposed commercial. The storyboard presents the drawings of different video scenes and the detailed description of the audio part that is associated with each scene. Those involved in the production and approval of the commercial get a clear picture, from the storyboard, of what the finished commercial will look like. An 'animatic' is the videotape of storyboard along with the soundtrack. This is sometimes used for client presentations or pre-testing the commercial.

The production phase of the commercial starts after the client approves the storyboard or 'animatic'. There are three phases involved, and the activities of each stage are shown in the following figure.

Stages and activities in the production of a commercial

Pre-production phase	Production phase	Post-production phase
All the work and activities undertaken before the actual shooting/recording of the commercial	Period during which filming and videotaping of the commercial is done	Work and activities undertaken after the commercial has been filmed and recorded
- Selection of a director		- Editing
- Choose a production company		- Processing
		- Recording and sound effect
- Cost estimation and timing	- Location or set shoots	- Mixing of audio and video
- Production schedule	-Night/day, weekend	- Optical
- Set construction		
- Location	- Talent arrangements.	
- Agency and client approval		-Client/agency approval
- Casting		
- Wardrobes		- Duplicating
- Pre-production meeting		- Release/shipping

Creating Radio Commercial

Radio advertising is difficult and different because it requires awakening images in the listener's mind by using sound, music and voices. There is no visual or colour to attract the audience attention, except the sound. There is opportunity to play with the listeners' imagination, often referred to as 'the theatre of the mind'.

The scriptwriter has to be sure that the listeners will believe the message. It must deliver the right words to the right audience and must ask herself/himself if the message strongly communicates the brand position. Sound has an extraordinary ability to enter the listeners' minds and create mental pictures. The copywriter uses words, sound, and music to create images, influence recall and kindle emotions.

The warmth of the human voice is an important factor in communicating the ad message. Carefully selected words describe the product, arrest the attention, generate interest, and build desire among listeners that can lead to desired behavior.

Music has been called as the universal language. Different type of music appeals to different emotions and is a powerful source of grabbing the listener's attention and

generating, feelings. Jingles are a popular means of helping listeners to remember a slogan.

The basic ingredient in a radio commercial is the promise of an important and persuasive benefit from the listener's point of view. After determining the key promise to be communicated, the writer uses selected words and sounds to communicate the product message. Some ways to put the punch in the copy are as follows.

- Keep it simple and short (KISS). Build the commercial around one central idea. Too many copy points can confuse the listener. Write for the ear and not for eyes. Use simple words and short sentences. The copy needs to be conversational.
- Maintain clarity. At the end of the commercial, the listener should understand the message points. The message facts must communicate the big idea. Delete unnecessary words and any side issues. The message should flow in logical sequence.
- Create rapport. The tone of voice should be warm and personal as if talking to a friend, or just one or two people. Frequently address the listeners as you. That is how they address their friends.
- Make it believable. Each product has its good points, but avoids making overstatements and obvious exaggerations. Listeners are not fools. Tell the truth; be straightforward and convey the impression of being a trusted friend.
- Make it interesting. A boring commercial is the surest way to make listeners indifferent to it. It is the manner of presentation that makes the products or services interesting or fascinating. Reward the listeners with some useful information.
- Create distinctiveness. Give the commercial a district character. The first few seconds are critical in capturing or losing the listener's attention. While concluding the message, repeat the product promise and register the brand name. Urge the listener to act now.

The first step in preparing the radio commercial is to appoint a producer who prepares the cost estimates and selects a recording studio

Advertising:

The Advertiser, facilitating institutions and control institutions are involved in advertising. These are explained below.

1. Advertiser

Advertiser is the firm giving the advertisement. The firm may be large or small. Large firms need many services from ad agencies. They buy time and space from various media. But small firms need few devices and buy time and space from one or two media. Advertiser may belong to consumer product, industrial product or services.

2. Facilitating Institutions

Facilitating institutions support the Advertiser in analyzing, planning and developing ad Campaign. They are ad. Agency, media and research suppliers. These are explained below.

a. Advertisement Agency

The modern ad. agency employs 3 kinds of people. The first group is creative service group. It includes copy writer, Artist and other producers. They prepare theme and appeal of advertisement. The second group is market service group. It buys media and the market research. The third group is client service group. It maintains contact with the customers. An agency providing all these services is called full service agency. Agencies providing selected services like media buying as research or production are called special service agency.

b. Media

Television, Radio, Newspaper, Magazine are advertisement medias. T.V. is used by large firms. Radio and Magazines are used by medium firms. Radio is used by local and small firms. News paper is used by all types of firms. Trade journals are used by industrial Advertisers.

c. Research Suppliers

Research agencies conduct Research in various means such as media research, copy testing, copy research, consumer research. They supply different types of information to advertisers and agencies. They help in media selection, copy creation and product modification.

3. Control Institutions

Control institutions affect the advertisers in decision making by numerous ways. Government competition and the consumers are the 3 main external control institutions.

a. Government

Wide Range of regulations concerning advertisers product and advertising affect the advertisers product and advertising affect the Advertisers to a great extent. In USA Federal Trade Commission Act of 1914 ASCII, controls misleading Acts.

b. Competition

Direct and Indirect competition is usually present. The Advertisers will have to think over, what competitors do, while developing the advertisement campaign and adopt a suitable strategy. Advertiser should also know the competitors reaction.

c. The Consumer or the Market

Appeal of the advertisement and media choice are influenced by consumers. Advertisements are influenced by the consumers by watching or not watching, liking the ads and buying or not buying the product. The identification and the understanding of markets and consumer behaviour are important parts of advertisement management.

Role of Advertising in Marketing Mix

Marketing mix includes product, price, place and promotion mix. Promotion includes advertising, sales promotion, personal selling, publicity and public relations. Advertising is only one element in promotion.

Advertisement informs about the product, price, and place of availability. Advertisement creates interest in the brand, induces to buy and maintains the rupee purchase by reminding the brand continuously. This is the General Role of advertising.

But the Role of advertising differs based on the product type, price level, and distribution system and promotion activities.

1. Role of Advertising in Product

Industrial Goods and Consumer goods are two types of products.

For industrial products direct mail advertisement and trade journals are used. Rational appeal is mostly used. But less advertisement and more personal selling, and high trade commission are used.

Consumer goods include convenient goods, shopping goods and specialty goods.

i. Convenience Goods

Convenience goods like, soap, powder are regularly purchased. Consumers are already familiar. They know all details about the product. It has low price and available every where. Consumers make fast decisions about the purchase. Here the advertisements frequently remind the brand name, shows the actual product with package. Rational and Emotional appeal are used. All types of media are also used.

ii. Shopping Goods

Shopping goods like Readymade dress; furniture, shoes, watch etc. are occasionally purchased. These are fashion oriented goods. Here consumers don't have deep knowledge about all the brands. These have high price. Consumers consult their friends and visit many shops before buying such brands so the advertisements should give full details about the product and compare its prize and quality with competing brands. to justify its superiority and create confidence rational and emotional appeal are used. All types of media are used.

iii. Specialty Goods

Specialty Goods are products with high brand value, such as Ray ban cooling glass, Reebok shoes, shirts. It may also be highly priced products such as Car, T.V., and Washing Machine. These goods are rarely bought. Before buying it consumers analyzed deeply and consult many friends.

These goods are available only in selected shops. The Advertisement uses emotional appeal to create high brand image and justify its abnormal price. Prestigious Media like T.V., English dailies and journals are used to Advertise.

2. Role of Advertising in Price

Role of advertising differs based on the price level of the product.

If the producer wants to compete with other brands with a low price then the advertisement informs the price of the product as a major selling point. Installments, zero percent interests and discounts belong to this type. They use rational appeal.

If the product is highly priced than the other brands, then the high price is justified by highlighting the superior quality, service warranty and replacement guarantee. Rational appeal is used here. Reduces comparative advertisements.

Specialty Goods are heavily priced because of their brand image. Advertisements of these brands use prestige emotion to link the product coin high sections of society like executives, Company owners and VIP's.

3. Role of Advertising in Place (Distribution)

Role of advertising differs based on the type of distribution system.

a. Intensive Distribution

Convenience Goods of daily use are distributed widely and intensively. Branded soap, paste, powder are available in all retail shops. Such products are advertised over a large area and frequently in several media through out the year.

b. Selective Distribution

Shopping goods are also distributed widely, but, through selected shops only. BPL TV is available all over India, but in selected Electronic shops only. It is not available in all retail shops like soap and paste. Products such as Air cooler, Dress Material and furniture belong to shopping goods. These products are bought during seasons or festivals. Such products are heavily advertised during the right season or festivals through several media in all areas.

c. Exclusive Distribution

Products with a very high price and prestigious brand image such as Ray Ban Sun Glass, Parker Pen, And Peter England Shirts are available in very few exclusive show rooms, all over the India or World. These products are advertised through prestigious media, to reach in selected market segments.

4. Role of Advertising in Promotion

Promotion includes advertisement, sales promotion, personal selling and public relations.

i. Advertising and Sales Promotion

Advertisement informs the sales promotion scheme to consumers and induces them to buy immediately. Some Advertisements carry offer coupons also sales promotion will be ineffective if it is not supported by the advertisement.

ii. Advertising and Personal selling

If the people are not aware of the brand name and its benefits they do not even open the door for sales people. Advertisement makes people open their door and even listen to them, by informing the brand benefits before the sales people to meet them. All kinds of media are used for convenience goods. Direct mail advertising is most effective for tough selling goods such as water filters, Vacuum cleaner, Insurance and chit Companies.

iii. Advertising and Public Relation

Companies send festival greetings and informative news letters through direct mail. Companies view social service advertisement such as blood and eye donation advertisement, Earth quake relief fund advertisement etc. They also maintain roads, parks, with their company name board as form of outdoor advertisement. All these will increase image of the company among the general public.

Ensuring Quality in Advertising Research

The fundamental components of research quality are validity and reliability.

Research exhibits validity to the degree that it presents an accurate picture of reality. Research exhibits reliability if you or someone else can repeat the research and reach the same answer.

The factors that cause reliability and validity problems can be divided into five categories: mistakes in preparing or implementing the study, problems with sampling, mistakes in measuring (such as not recording answers or entering them into computers incorrectly), mistakes in choosing the appropriate questions (so that they somehow distort responses), and mistakes in interpreting the answer. The term often used to describe distortion in research is bias, which simply means that what you measure doesn't reflect reality. Some of the most

common sources of bias in advertising research are preconceptions, sample problems, interviewer bias, questionnaire bias, and misinterpretation: Preconceptions Simply having an open mind when you start a research project is one of the most important factors in research quality. To reach unbiased conclusions, you must approach the research task recognizing that you may not like the answer.

Sample problems: The distortion that results when a sample does not accurately represent the target population is sample bias. When you hear about a survey that turns out to be wildly at odds with reality, sample bias is usually the cause.

Sample error reflects the differences in answers that result from the fact that you didn't query an entire population. In one sense, sample error is easier to avoid than the other quality problems described here because the larger your sample, the lower your sample error.

When someone is involved in questioning a respondent, either in person (individual or focus group) or on the phone, the interviewer can bias the results. Carefully selecting and training interviewers (or carefully choosing a research firm if you're hiring out the interviewing work) is the best way to avoid these biases.

The questions you use in both qualitative and quantitative research can bias answers in two ways. First, the type of question you use can introduce bias. Second, the way questions are worded can introduce bias. Leading questions are almost sure to generate bias. Threatening questions that ask a person to reveal intimate or potentially embarrassing information can bias answers because some people won't answer honestly.

It is possible for a research task to be on track right up to the point at which you interpret the results. Interpreting research data requires judgment, common sense, and in many cases a fair amount of statistical skill.

The Potential for Bias in Commonly Used Question Types

Various question types can generate bias both because of the form that each question takes and because of the way each is worded.

Question Type and Example	Example of Form Bias	Example of Content Bias
Dichotomous: "Do you own a car?	What if the respondent leases a car and isn't sure whether to answer yes or no to this question?	Would someone who owns a minivan answer yes or no to this question?
Multiple choice: "Which of these cars is the best Ford, Toyota, Chevrolet, or Honda?"	What if the respondent thinks the best car is a Pontiac?	Respondents can have different ideas of what "bst" means – fastest, cheapest, most stylish, more reliable, etc.
Rating: "Rank these companies' ads in terms of which are most persuasive: Ford, Toyota, Chevrolet, or Honda."	What if the respondent thinks two are equally persuasive or that none is persuasive?	Is the respondent supposed to rank them from most to least or from least to most?
Open-ended: "Which brand of potato chip have you eaten the most of in the last six months, and how many bags of them have you eaten?"	What if the respondent needs to be reminded of the various brand names?	People aren't likely to remember how many bags of potato chips they've eaten in the last six months.

That research presents quite a few opportunities for going astray. By planning your research carefully, recognizing where problems can crop us, and taking active steps to ensure quality, you stand a much better chance of producing insightful, cost – effective research.

MEDIA RESEARCH

Media Research concerns information about the circulation of newspapers and magazines, broadcast coverage of television and radio, and audience profiles.

Conducting Research:

Depending on your organizational position and responsibilities, you may be involved in all these steps or in only some of them

STEP 1:   Define the problem and set research goals!

In many advertising research projects to be investigated is quite clear. In other cases, though, the problem is difficult to define! Your questions may be too vague, you may have only a hunch about what needs to be investigated, or you may recognize the symptoms of a problem without understanding the cause. One good way to help define the problem is to identify the specific advertising decision (s) that must be mad as a result of the research and then focus on the pieces of information needed to make those decisions.

STEP 2:   Identify sources of information:

The next step is to identify where you might be able to find the information you need. In some cases, the answers to your questions can be found among sales records, customer service reports, or other internal secondary sources.

When research projects need more than secondary information, researchers collect primary data. Some advertisers choose to obtain these data themselves, others rely on the research departments in their advertising agencies.

STEP 3:   Analyze secondary data:

The next step is to analyze any secondary data you were able to obtain. Even if you plan to continue with primary data collection, analyzing secondary data is a key step that shouldn't be skipped. Depending on the types of data that are relevant to your research efforts, secondary data can provide a tremendous amount of insight into both your overall advertising challenges and the particular (Problem you're researching at a moment.

STEP 4:   Identify the sample:

When research plans call for primary data, the first things to do is choose the people who will participate. For research purposes, the entire group you want to learn more about (Whether a particular group of people or a group of organisations) is called the population, or universe. (If you were to ask questions of every person in the research population, you would be conducting a census) However, researches rarely use the entire population; doing so would be quite expensive and time consuming in most cares. Besides, accountably precise results can usually be obtained by questioning only a part of the population, called a sample. With a good sample, you'll get opinions from people who love your product, from people who cannot stand it, and from a whole range of people in between. Then you can project those results across the entire population.

STEP 5:   Collect Data:

With a sample identified, you can begin to collect data. All the various techniques of data collection fall into one of two categories, qualitative or quantitative.

Qualitative Techniques:

The sort of research tries to explore respondents attitudes, beliefs, motivations, and behaviors.

In-depth interviews:

The in-depth interview is the interviews that may last as several hours. The point of in-depth interviewing is not to have people answer lots of yes / no questions but to get them to open up and discuss their attitudes and opinions.

Focus groups:

The focus groups is much like an in depth interview in that the emphasis is or probing questions and thoughtful, reflective. Answers; the difference is that the interview takes place with a group of respondents from the sample.

Sentence completion and word association tests.

Researches ask subjects to complete sentences. ("The song walkman makes people feet ---------") or to say the words that come to mind when a brand or ad is described.

Picture drawing:

Researchers ask respondents to draw stole interiors, typical uses of a brand, or other representations that express how they feel about an organization or a product.

Thematic Apperception Test (TAT):

Researchers show subjects a collection of photos or cartoon drawings and ask them to describe what has happened or what will happen. This technique is the most common projective technique used in marketing research.

Quantitative techniques:

In contrast to qualitative research quantitative research tries to translate responses into numbers and statistics.

Surveys:

A survey is a method of gathering data directly from members of a sample. Surveys can be conducted through the mail, over the phone, in person, and on computer. Regardless of a form, surveys involve some sort of questionnaire.

Observation:

Measuring audience and buyer behavior by recording what people do is called observation. Methods of observation can include observing consumers in their homes (With their knowledge and permission), watching shoppers in action.

Experiments:

An advertising experiment follows the same pattern as any scientific experiment. Laboratory tests also include a wide range of physiological tests such as measuring people's eyebrow tension, eye movement, and perspiration in response to changes in emotion.

STEP 6:   Analyze the data and present the results:

Many aspects of marketing and advertising research are extremely complex and technical, and the advertisers that pay for research rarely have the detailed knowledge that researchers have. So research reports should avoid complex statistical calculations as much as possible, and researchers should provide concise, logical recommendations.

The checklist for planning research projects:
1) Set realistic expectations for the research.
2) Understand the research methods that will be used.
3) Make sure you're not collecting move data than you need.
4) Set your research budget appropriately.
5) Involve everyone who must live with the results.
6) Before you spend the time and money, make see the research results will be used.

Types of Research:

Exploratory Research:

Research that's used to help clarify the definition of a problem and to lay the ground work for mole advertising research is called exploratory research.

Descriptive research:

Much of the research conducted by advertisers is descriptive research, which attempts to characterize conditions in a market, attitude of audience members.

Causal research:

The third research category is causal research, which identifies the factors responsible for a particular effect in the marketplace.

Measuring Advertising Effectiveness

All advertising efforts are directed mainly towards the achievement of business, marketing and advertising objectives i.e., to increase the sales turnover and thus to market the maximum profit. The advertiser spends lakhs of rupees in to this advertising activity. In the background of all these efforts, is an attempt to attract the customer towards the product through advertising. As soon as the advertising campaign is over, a need is generally arisen to measure the effectiveness of the campaign. Whether, it has achieved the desired results i.e. desired sales profitability or results in terms the change in customer' behavior in favour of the company's product which will naturally, affect the future sale of the product.

In order to measure the effectiveness of advertising copy, two types of test pretests and post tests- can be undertaken. Pretests are generally conducted in the beginning of the creation process or at the end of creation process or production stage. There are several pre and post tests techniques to measure the effectiveness of the advertising copy.

The effectiveness of advertising in a particular media may also be measured in any of the following ways – (a) by giving different addresses to different media, (b) different newspapers may be selected for advertisements of different departments, (c) coupon blank etc. May be provided with the advertisement or (d) enquiry from consumers should mention the name of the source of information. The technique is known as keying the advertising.

Thus in measuring the effectiveness of advertising we include measuring of the effectiveness of advertising campaign, advertising copy and the effectiveness of individual media. This chapter deals these three problems.

Importance of measuring the Effectiveness of Advertising

(1) It acts as a Safety measure

Testing effectiveness of advertising helps in finding out ineffective advertisement and advertising campaigns. It facilitates timely adjustments in advertising to make advertising consumer oriented and result oriented. Thus waste of money in faulty advertising can be avoided.

(2) Provides feed back for remedial measures

Testing effectiveness of advertising provides useful information to the advertisers to take remedial steps against ineffective advertisements.

(3) Avoids possible failure

Advertisers are not sure of results of advertising from a particular advertising campaign. Evaluating advertising effectives helps in estimating the results in order to avoid complete loss.

(4) To justify the Investment in Advertising

The expenditure on advertisement is considered to be an investment. The investment in advertising is a marketing investment and its objectives should be spelt out clearly indicating the results expected from the campaign. The rate and size of return should be determined in advance. If the expected rate of return is achieved in terms of additional profits, the advertisement can be considered as effective one.

(5) To know the communication Effect

The effectiveness of the advertisement can be measured in terms of their communication effects on the target consumers or audience. The main purpose of advertising is communicated the general public, and existing and prospective consumers, various information about the product and the company. It is therefore desirable to seek post measurements of advertising in order to determine whether advertisement have been seen or heard or in other words whether they have communicated the theme, message or appeal of the advertising.

(6) Compare two markets

Under this procedure, advertising is published in test markets and results are contrasted with other. Markets – so called control markets – which have had the regular advertising programme. The measurements made to determine results maybe measurements of change in sales, change in consumer attitudes, changes in dealer display and so on depending upon the objectives sought by the advertiser

METHODS OF MEASURING ADVERTISING EFFECTIVENESS

Advertising is aimed at improving the sales volume of a concern so its effectiveness can be evaluated by its impact on sales. Most of the managers believe that the advertisement directly affects the sales volume and hence they evaluate the effectiveness of the advertising campaign by the increase in the sales volume. There may be two types measures (i) Direct measures: and (ii) Indirect measures.

(1) Direct Measures of Advertising Effectiveness

Under direct measures, a relationship between advertising and sales is established. A comparison of sales of two periods or two periods or two markets may be done and the corresponding changes may be noted. The following are some of the methods that are generally used in measuring that advertising effects.

(a) Historical Sales Method

Some insights into the effectiveness of past advertising may be obtained by measuring the relationship between the advertising expenditure and the total sales of the product. A multiple regression analysis of advertising expenditure and sales over several time periods may be calculated. It would show how the changes in advertising expenditure have corresponding changes in sales volume. This technique estimates the contribution that advertising has made to explaining in a co relational manner rather than a casual sales, the variation in sales over the time periods covered in the study

(b) Experimental Control

The other measure of advertising effectiveness is the method of experimental control where a casual relationship between advertising and sales is established. This method is quite expensive when related to other advertising effectiveness measures yet it is possible to isolate advertising contribution to sales. Moreover this can be done as a pre-test to aid advertising in choosing between alternative creative designs. Media schedules expenditure levels or some combination of these advertising decision areas. One experimental approach to measuring the sales effectiveness of advertising is test marketing.

(i) Before-after with Control Group Design

This classic design uses several test and control cities in this design two types of cities are selected. Cities in which advertising campaigns are affected may be named as test cities and other cities may be called central cities. First of all, the normal sales level is calculated for both type of cities prior to advertising campaign, and then the advertising campaign is presented to the test cities and not the central cities. The effect of advertising campaign, can then, be measured by subtracting the amount of post campaign figure of sale from the pre campaign sale figures in test cities.

A Before-after with Control Group Design for Measuring the Effectiveness of Advertising Campaigns

	Test cities	Control cities
Pre-campaign measure of sales	Yes	Yes
Advertising campaign	Yes	No
Post-Campaign measure of Sales	Yes	Yes

The difference of post and pre campaign sales in cities is the result of advertising and all other factors that affect the sales.

(ii) Multivariable Experimental Designs

While the experimental design discussed above yields a reasonably accurate estimate of the effects of the advertising on sales, it is not successful in explaining the success or failure of the campaign itself. Multivariable designs Produce these explanations and are, therefore used

by some very large firm because of their diagnostic value. The power of this multivariable factorial design is explained by G.H.Brown, former Fords Director of Marketing Research. For any single medium, eight possible geographic areas have been exposed and eight have not been exposed. Thus, in this experimental model it is possible to evaluate how each individual medium behaves alone and in all possible to evaluate how each individual medium behaves alone and in all possible combinations with other media.

(2) Indirect Measures

As it is very difficult to measure the direct effect of advertising on company's profits or sales, most firms rely heavily on indirect measures. These measures do not evaluate the effects of advertisements directing on sales or profits but all other factors such as customer awareness or attitude or customer recall of advertising message affect the sales or profits or goals of the business indirectly. Despite the uncertainties about the relationship between the intermediate effects of advertising and the ultimate results, there is no other alternative but to use indirect measures.

The most commonly used measures are –

(1) Exposure to Advertisement

In order to be effective, the advertisement must gain exposure. The management is concerned about the number of target audiences who see or hear the organization message set in the advertisement. Without exposure, advertisement is bound to failure. Marketers or advertisers may obtain an idea of exposure generated by the medium by examining its circulation or audience data which reveal the number of copies of the magazine, newspaper or journal sold the number of persons passing the billboards or riding in transit facilities, or the number of persons living in the televiewing or radio listening area, and the number of persons switching on their T.V. and radio sets at various points of time. This number can be estimated by interviewing the numbers of the audience for different media.

(2) Attention or Recall of Advertising Message Content

This is one of the widely used measures of advertising results. Under this measure, a recall of the message content among a specified group or groups or prospective customers is measured within 24 hours of the exposure of the advertisement.

Attention value is the chief quality of the advertising copy the advertisements cannot be said to be effective unless they attract the attention of the target consumers. There are two methods for evaluating the attention getting value of the advertisements. One is pre-test and the other is post-test. In a pre-test evaluation, the consumers are asked to indicate the extent to which they recognize or recall the advertisement, they have already seen. This test is conducted in the laboratory setting. Here consumers read, hear or listen to the advertisement and then researchers ask question regarding the advertisement just to test the recall and then evaluate it. In post-test method, the consumers are asked questions about the indication of recognition or recall after the advertisement has been run. These measures assume that customers can recall or recognize what they have viewed or listened to. Various mechanical devices are being used in the western countries which provide indices of attention such as eye-camera etc.

(3) Brand Awareness

The marketers who rely heavily on advertising often appraise its effectiveness by measuring the customer's awareness about the particular product or brand. The assumption of this type of measure is that there is a direct relationship between the advertisements and the awareness. This type of measure is also subject to the same criticisms as is applicable to direct measures of effectiveness (sales measures because awareness is also not the direct result of the advertisements. It is also affected by many other factors. But, for new products, changes in awareness can often be attributed to the influence of advertising.

(4) Comprehension

Consumers generally use advertisements as a means of obtaining information about the product, brand or the manufacturer. They cannot be informed unless they comprehend the message (grasp the message mentally and understand it fully). Various tests for valuating

comprehension are available – One is recall tests – an indicator of comprehension because it is evident that consumers recall what they comprehend. Another measure of the variable is to ask questions about subjects how much they have comprehended a message they have recently heard or seen. One may employ somewhat imprecise test of the comprehension of a newspaper and radio advertisement. One may ask typical target consumers from time to time such questions like 'what did you think of our new commercial?' and 'Did it get the message across'? The answers of these questions will provide sufficient insight into advertising decision making.

(5) Attitude Change

Since advertising is considered to be one way of influencing the state of the mind of the audience towards a product, service or organization, the results are very often measured in terms of attitudes among groups exposed to advertising communication. Several measures are used ranging from asking the questions about willingness to buy the likelihood of buying to the measurement of the extent to which specific attributes (such as modern or new) are associated with a product.

(6) Action

One objective of advertisement may be assumed to be to stimulate action or behaviour. The action or intention to take an action may be measured on the intention to buy measuring instrument. Under this type of measure, consumers are asked to respond why they are interested in purchasing the product or brand. One type of action that advertisers attempt to induce is buying behavior. The assumption is that if an increase in sales follows a decrease in advertising expenditure, the change in sales levels are good indicators of the effectiveness of advertising. Logic suggests that measurement of sales is preferable to other measurements.

Thus, these above measures (direct or indirect) are used to evaluate the effectiveness of advertisements. It seems from the analysis of the above methods of measuring effectiveness that directly or indirectly changes in sales or profits are taken as the measuring rod of the effectiveness of the advertising.

PRE-TEST AND POST-TEST OF ADVERTISING COPY

Almost every firm spends thousands of rupees on advertising every year; it is very much pertinent to know the effectiveness of the advertisement copy. The main purpose of every advertising is to arouse the interests of the people in the firm's product can everyone be perused by the same advertisement? Or will the same advertisement satisfy all types of people? The simple answer is in negative because people differ so greatly in their wants, in the economic and other motives which actuate them, and in the various ways by which their interest is aroused. It is why some advertisements are more effective than others. The amount is spent on advertising not only because the advertisement does not get to the right people but because it carries an appeal which does not interest those to whom it goes. An often quoted remark about advertisement is that half the money spent on advertising is wasted; but no one knows which half. For this purpose, advertising copy research is done to see how will an advertisement succeeds in attracting the attention and stimulating the desire and action of the people for whom it is made and how will it delivers the intended message about a product or an idea. Advertisement copy is done to be sure of its effectiveness.

2.4.4 Copy Testing

Copy testing is a tool involving a procedure where the effectiveness of an advertisement is measured before it appears in its final form, during and after its exposure to the audience to determine whether and to what extent, it has accomplished its assigned task. In this way, the copy testing is a method used to control the effectiveness of future advertising. It addresses the following questions –

(a) Will a proposed copy theme be effective at achieving advertising objectives?

(b) Does the set of advertisings that makes up an advertising campaign create the desired interest level and image?

(c) Will an individual advertisement attract the attention of the audience?

2.4.5 Types of Tests
The various methods of testing advertising copy are
1. Pre-test methods
2. Post-test methods
3. Concurrent methods
1. Pre-Test Methods
Pre-test method refers to testing the potentiality of a message or copy before printing or broadcasting. It is useful because the concepts in advertising may appear to be simple and effective to the advertiser or advertising to be simple and effective to the advertiser or advertising agency. It may be difficult from the layman's point of view. All the elements in the advertising copy requires careful pre-testing to see that the matter it intends to be conveyed has been really conveyed, 'prevention is better than care'. Pre testing methods are adopted on this basis. The following are some of the pre-testing methods.
a. Check list method
b. Consumer Jury method
c. Sales Area Test
d. Questionnaire
e. Recall test
f. Reaction test
g. Readability test
h. Eye-movement test
a. Check list Method
The copywriters use checklist method to test the effectiveness of advertising copy. The purpose of this method is to ensure that all elements of the advertising copy are included with due importance in the advertisement. As it is a pretest method omissions can be included in the copy before release of the advertisement. A checklist is a list of good qualities to be possessed by an effective advertisement. The researcher has to compare the advertisement with the checklist and tick the items present in the advertisement copy. Accordingly a copywriter can draw specific conclusions and make suitable changes in the advertising copy.
b. Consumer Jury method
This method essentially involves the exposure of alternative advertisements to a sample of jury; of prospects and the securing of their opinion and reactions to the advertisements. This test is designed to learn from a typical group of prospective customers gathered in one place or a sample of prospects that are independently, visited by interviewers or contacted by mail their preference for one advertisement over the other or for several advertisements out of a group. Advertisements which are unpublished are mocked up on a separate sheet and these are presented before the consumer jury either in personal interviews or group interviews.
c. Sales Area Test
Under this method advertising campaign is run in the markets selected for testing purposes. The impact of the campaign is evaluated by actual sales in the selected markets. The market with high sales is considered the best market for effective sales campaign. In other markets suitable changes are made in the advertising campaign.
d. Questionnaire Method
It is a list of questions related to an experiment. It contains questions and provides space for answers. The draft of an advertisement along with some relevant questions is to be sent to a group of target consumers or advertising experts. Their opinions are collected and analyzed to find out whether the proposed advertisement is satisfactory or not.
e. Recall test Method
Under this method, advertising copies are shown to a group of prospects. After few minutes they are asked to recall and reproduce them. This method is used to find out how far the advertisements are impressive.

f. Reaction test

The potential effect of an advertisement is judged with the help of certain instruments, which measure heartbeats, blood pressure, pupil dilution etc. Their reactions reveal the psychological or nervous effects of advertising.

g. Readability test

All the listeners of advertisements cannot read it equally. So respondents are drawn from different socio economic and geographical backgrounds. This method is used to find out the level of effectiveness when and advertisement is read.

h. Eye movement test

The movements of eyes of the respondents are recorded by using eye observation camera when advertisements are shown to them in a screen. This helps to find out the attention value of advertisement.

2) Post-Test Techniques

The following are the post-test techniques for measuring the effectiveness of the advertisements –

(1) **Recognition Test** – It determines the readership of the advertisement in the newspapers and journals. This test is conducted by personal interviews with readers, and magazines or newspapers. The interviewers locate the readers of the particular issue of the magazine in question. They, then, go through the magazine page by page with the respondent indicating those advertising elements which he or she recognize as having read. The data collected by this test indicate the proportion of qualified readership of a publication who claims to have 'seen', 'read some' or 'read most of the elements of the individual advertisement. These measurements may also seek to obtain quantitative data regarding the parts of an advertisement which were seen or heard.

(2) **Recall or Impact Test** – The recognition test measurers the stopping power of the advertising but goes not tell us what the readers understood or retained of the advertisement. The recall test is designed to measure the impression of readers or viewers of the advertisement. If a reader has a favorable impression of the advertisement, he will certainly retain something of the advertisement. The measures of interest would be obtained by interviewing the readers or viewers or listeners, days after the advertisement or commercial is appeared in the newspaper, or on T.V. Interviewer asks the questions from the readers / viewers and in response to the question asked, the reader reveals the accuracy and depth of his impression by his answers.

(3) **Psychological Analysis** – The whole process of advertising is psychological in character. It is therefore, natural to apply some psychological tests to measure the effectiveness of the advertising.

Four psychological testing techniques are most commonly used –

(a) Tests of readability and comprehension;

(b) Tests of Believability

(c) Attitude tests; and

(d) Triple Associates Test.

(a)Tests of Readability and Comprehension

It this technique, by means of a series of penetrating questions and by other techniques developed by psychologists, the ease of readability and comprehension is determined, in advance of publication. It is determined by the interviewer under this method whether and to what extent the readers have gone through the advertisement.

(b)Tests of Believability

An advertisement message effectiveness can be measured by the degree of credibility the readers have in the product. A scale technique is generally employed to measure the credibility by putting several statements or product claims before the consumers and is created by them. The statement or product Claims gets the highest priority votes may be taken as the most effective statement or claim.

©**Attitude Tests**

A number of attitude tests are developed by the psychologists who can be applied to copy testing. Typical consumers are exposed to sample advertising messages, either printed or oral. The interviewer then asks series of penetrating questions, to determine the attitude produced by these various message. Psychological reactions such as age, involvement, the eye of person who would use the product and the personality of the product reflected by the advertisement being tested, are obtained. The researcher looks especially for elements in the advertising which arouse psychological hostility.

(a) **Triple Hostility Tests** – these ties in advertising with recall by seeking to learn the extent of the consumer association with the product, the brand name and copy theme. The test is useful only when the advertising features a specific theme or slogan, which the reader may remember. This procedure is sometimes known as theme penetration.

3) Concurrent Methods

Under this method, tests are conducted while the consumers are exposed to different types of media. For instance, a magazine reader may be observed while reading the magazine. Which carries an advertisement? The concurrent methods are

1. Consumer diaries
2. Co-incidental surveys and
3. Electronic devices.

1. Consumer diaries

Under this method, diaries are supplied to a few selected customers. They are also informed to record the details of advertisements they listen or read. The diaries are collected periodically. The result obtained from such a survey reveals the effectiveness of advertisement.

2. Co-incidental surveys

This method is also called as co-incidental telephone method. Under this method, samples of customers are selected and calls are made at the time of broadcast of the advertisement programme. The data obtained and analyzed will give a picture about the effectiveness of an advertisement.

3. Electronic devices

Now day's electronic devices are widely used to measure the effectiveness of an advertisement. They are mainly used in broadcast media. These are auto meters, track electronic units etc.

The following methods are also used to measure the impact of advertisement on the sales volume.

I. Historical method and
II. Experimental method

I Historical method

Under this method, recorded facts related to sales before and after advertisements are compared. If an advertisement is followed with more sales, advertisement is considered to be more effective.

II. Experimental method

Under this method, the entire sales territory is divided into three or four sub areas. The advertiser spent different amount for advertising in different areas. Then collects facts regarding sales from these sub-areas This result is used to measure the effectiveness of advertisement in boosting sales. Following the result obtained, the advertiser prepares his advertising budget for future action. An advertiser has to adopt some follow up measures to increase the effectiveness of advertisement. For this consumers may be contacted through direct mail after the advertisement is placed.

Keying the Advertising

It is a fashion to advertise. Every advertiser wants to assess the effectiveness of advertising. The problem of assessment becomes more complicated when advertiser advertises through various media. Selection of media is not an easy job. Which media responded to the

satisfaction of the advertiser? Is not an easy question to be answered? In other words there arises the problem of choosing how to advertise? and through which media' Naturally one would select a media – mix that would serve one purpose the most. This can be easily done by keying the advertising. Keying means to adopt such methods at the time of adverting so that results may be very easily assured and to do so either of the following may be adopted.

1. Different address may be given to difference media, so that enquiries received may be scrutinized to find out which media, responds the best. The best media may be selected and continued for advertisements and the rest may be stopped to avoid unnecessary waste of time and money.

2. Different papers may be selected for the advertisement of different departments. so as to know which paper suits the requirements and of which department.

3. A coupon, blank order or space may be provided with the advertisement paper with a request that all requires should be media along with the coupon, or blank order or space duly filled in.

4. A request can be made to the enquirer or the prospective buyer, along with the advertisement that he should mention the name of the particular media which is the source of his information while making any enquiry. A scrutiny of all those inquiries may give an idea which paper or media is the best suited.

COMMUNICATION EFFECTS OF ADVERTISEMENT

The management should attempt to evaluate the effectiveness of the advertising campaign if the firm's advertising goals are to be achieved and the ad effectiveness is to be increased. By regular evaluation of the effectiveness, the short comings and the plus points would be revealed and the management would be able to improve the campaign by negating the shortcomings and retaining the favorable point. For this purpose, it is very necessary to know how advertising affects the buyer's behaviors. But this is very difficult task because measurements are imperfect and imprecise.

The effectiveness of advertising can be measured by the extent, it to which it achieves the objectives set for it. If it succeeds in attaining the objectives, advertising can be said to be effective otherwise it will be a waste of money and time. In this sense, advertising can be recognized as a business activity like other activities.

In a very real sense the integrity of promotional activities rests on how well those activities work. An advertising budget that is spent on some poorly defined task or on undefined tasks may be regarded as an economic waste as compared to that spent to achieve the well defined objectives for which the results can be measured. Any social institution upon which a significant portion of our total productive efforts is expanded should be able to point to its specific accomplishment. Indeed, it is a source of discomfort that specific results of advertising activities have not always been subject to precise measurement. Both practitioners and critics feel that promotional activities should only be accepted as socio – economic – institution with full right and privileges "when the means exist to prove that advertising super are productive rupees' It is undoubtedly a source of embarrassment that we cannot exactly measure the effectiveness of advertising in definitive terms. The exact result of advertisement expenditure is very difficult to predict because.-

(a) The reaction of consumer – buyers to the advertising efforts cannot be known in advance.

(b) The reaction of competitors in the field cannot be guessed in anticipation and

(c) The unexpected events (such as change in social and economic environment and the government policies etc.) cannot be accurately anticipated. Such events may influence the results of the advertising efforts.

If we take a hypothetical case of a retailer who contract to spent Rs.5000 on advertisement with a local newspaper for a special sales even. The advertisement is seen and the response is much grater than it is anticipated. What caused the success of sale? They message theme colors etc., of the advertisement or the low prices quoted during the sale of the superior quality of the product or absence of competition

in the market on the day or the favorable. Weather conditions or the goodwill of the firm etc. The overwhelming success of the sale is the joint result of all the above variables and it is quite impossible to isolate the role of any one variable. It is so because the cause and effect – relationship cannot be established in advance when a multitude of variable impinge upon a particular event. It is entirely possible that a poor advertising support may push up the sale because everything else falls into its proper place or the reverse may be possible.
But it does not mean that that we cannot measure the effects of particulars advertising effort.

The advertising executives are much concerned about the assessment of the effectiveness of the advertising efforts. For this purpose, the management needs answers to such questions as: was the advertising campaign really successful in attaining the advertising goals? Were our T.V. commercials as good as those of our competitors? will the print advertisement, which we have designed, make consumers a ware of our new product? To get answers of these questions, various tests of effectiveness (Pre- tests and post – tests) are deeded to determine whether proposed advertisement should be used, and if they are not satisfactory how they might be improved, and whether on going campaign should be stopped continued or changed. Pre- tests are conducted before exposing target consumers to the advertisements and post tests after consumers have been exposed to them.

As indicated earlier, the advertisers are interested in knowing what they are getting for their advertising rupees, So they test the proposed advertisement with pretest and measure the actual results with a post test. In the past, protesting was done by the advertising agencies but now the advertisers have been taking an increasingly active role in protesting process. Pretest may be done either before an advertisement has been designed or executed after it is ready for public distribution or at both points.
During protesting there is often research on three vital questions:-
(i) Do consumers feel that the advertisement communicates something desirable about the product?
(ii) Does the message have an exclusive appeal that differentiates the product from that of the competitors?
 (iii) Is the advertisement believable?
Although a lot of money is spent on protesting yet the advertisers like to confirm the results by post testing of their promotional campaigns due to the following reasons:-
(i) There is a need produce more effective advertising by retaining the good and removing the bad.
(ii) The advertising executives can prove to the satisfaction of the management that a higher advertising budget will benefit the firm.
(iii) There is a need for measuring the results to determine the level of expenditure that is most promising.

Most research focuses on the communication effect rather than sales effect because it is a long run process. In the short run, however sales may be slight and important but in the long run its effects ob brands and companies may be of great importance. Indirectly it will affect the sales in the long run, by changing the consumer awareness and attitude. The advertisers are therefore, concerned with their impact on consumer awareness and attitude. The communication effect on sales may be presented in the following figure:-

Communication Effect on Sales
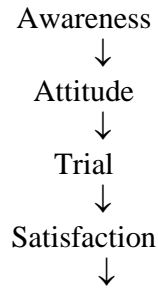
$$Awareness$$
$$\downarrow$$
$$Attitude$$
$$\downarrow$$
$$Trial$$
$$\downarrow$$
$$Satisfaction$$
$$\downarrow$$
$$Purchases\ or\ repurchase$$

Awareness builds a favorable or at least a curious attitude towards the product which leads to experimentation. If consumer is satisfied with the trial he may decide to purchase the product. There are many critical and unresolved issues in determining how to test the communication effects of advertising. Among these are:-

(1) Exposure Conditions – Should advertising be tested under realistic conditions or under more controlled laboratory conditions?

(2) Execution – Protesting a finished advertisement as an expensive and time consuming. Does protesting a preliminary execution produce accurate and useful data?

(3) Quality Vs. Quantity Data- Quantitative data are the easiest and the almost precise measurement. But qualitative data collected through interviews may provide information that short answer questions never can.

Many types of advertising tests are conducted (different methods of pretests and post – test are given in question number) In T.V. commercials are tested by inviting a group of people to the studio to view a programme. The audience is then surveyed about the commercials. Print advertisements are tested through dummy magazine portfolio tests.

UNIT – IV SALES PROMOTION

Definition of Sales Promotion

      Sales promotion means those sales activities that supplement both personal selling and advertisement and co-ordinate them and help to make them effective such as contest, discount, displays, shows demonstrations and other non-securing selling efforts, not in the ordinary routine.

      Sales promotion is those marketing activities other than advertising, personal selling and publicity.

Scope and Role of sales promotion

      Sales promotion can be defined as "a direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale.

1) It involves some type of inducement that provides an extra incentive to buy and this is the key element in a promotional program. This incentive may be a coupon or money back, or price reduction etc. Sales promotion appeals more to the pocketbook and provides an in executive for purchasing a brand.
2) It is an acceleration tool designed to speed up the selling process and maximize sales volume.
3) Sales promotion activities can be targeted to different parties in the marketing channel may be consumer oriented or trade oriented sales promotion.
4) It can also provide an inducement to marketing intermediaries such as wholesalers and retailers.

Aggressive Selling (OR) Sales Promotion Tools – Types or Techniques or Methods or Strategies

1. Consumer Promotion Tools or Consumer Premiums or suction strategy

      This strategy induces the consumers to buy more. Here the product pulls the consumers towards it. Hence it called pull or suction strategy. Types of consumer sales promotion are given below.

a. Direct Premium

      It is a gift with a product. The gift may be kept inside or outside the package.

b. Self-Liquidating Premium

      An extra product is offered at a low price along with the main product. Example. Plastic Bucket at a low price with surf washing powder.

c. Re-Usable Container

      Container of the product can be used after using the product. The producer charges for the product but not for the container. eg. Horlicks Re-usable Jar.

d. Additional weight

      Additional product is given without additional charges. Powder, Paste, Cool drinks follow this technique.

e. Multiple Packs

      Similar or Related products are offered at a discount. Free soaps or paste and brush together at a discount. Example- Sakthi Masala Powder for Rs.50.

f. Trading stamps

      Different gifts are offered for different quantities of product wrapper or bottle covers/cap. These wrapper or bottle covers are called trading stamps. E.g. Pepsi offered a cooling glass for 4 bottle covers and jeans pant for 8 covers.

g. Exchange Offer

      Value of the old product is deducted from the new products price. Many electronic Goods and two wheelers follow this method.

h. Honey Refund Offer

      Seller Refunds the price if the buyer is not satisfied with the product.

i. Coupon

Coupon offers discount (Price-off) or free sample or gift. Coupons are supplied through advertisement or package of the product.

j. Rebate

Consumer sends a copy of purchase bill to the manufacturer. Then the manufacturer sends a cash discount by mail. This discount is called Rebate.

k. Contest

Buyers fill up the quiz answers or advertisement slogan or product suggestions asked in the contest form and send it to the seller. Attractive prizes are awarded for the good answer.

l. Sweep stakes

Buyers send their name with a proof of purchase. Lucky names are selected on lottery basis and awarded prize.

m. Sample

A small quantity of the product is given free to the potential customers. This technique is used at the introduction and growth stage of the product.

2. Trade Promotion or Channel Oriented Promotion or Retailer or Wholesaler Oriented Promotion or Merchandising Allowances or Push Strategy

This induces the traders to buy more. The traders push the product towards the buyers. Hence it is called push strategy or pressure strategy. The types of trade promotions are given below.

i. Dealer Sales Contest

Retailer or wholesaler showing maximum sales in a particular area within a particular time wins the contest and gets the prize.

ii. Push Money or Premium

Money or Gift is paid to the traders to push the product. It is given on piece rate system.

iii. Buy-back allowance

Certain percentage of total purchases made during previous trade promotion is deducted from the new purchase bill. This avoids the sudden sales decline after the end of a trade promotion.

iv. Display Allowance

Producers pay allowance to retailers to display their products inside or outside the store.

v. Display Loaders

Retailers are given the displayed articles free of cost. If they buy the specified amount of Goods.

vi. Pop or PoS from Materials

Point of purchase materials like, posters, hanging, sign Board, stand and coolers with the brand name are given to the retailers to promote the sale.

vii. Store Demonstration

Producer's sales people demonstrate the product to the general public, from inside or outside the retailers shop. This technique is used to promote new and slow moving goods.

viii. Trade Fair Exhibitions

Many whole sale traders of related products gather at one place and put temporary Stalls to push their products. Manufacturer pays rent and other expenses of the stock. Eg. Home Needs Exhibition and Computer Fair.

ix. Sales Meeting

Producers conduct meetings for wholesalers and Retailers to discuss market problems, to announce new selling terms, new product introduction and to explain new promotion programme. This encourages Traders to sell more.

x. Co-operative advertising

In this method producer and retailer share the cost of advertising. In such ads. producers Brand name and retailer shop address appear.

3. Sales Force Promotion

This induces the companies sales force to sell more.

i. Bonus

Annual Bonus is paid to sales people if they exceed their annual sales target. It may be individual or group bonus.

ii. Premium

Premium is paid for special efforts such as, creating new customers, reducing sales expenses, collecting competitor's information.

iii. Contest

Sales man selling maximum goods in a particular area is awarded. The Area may be a district or a state or the whole nation.

iv. Meetings

Meetings are conducted for sales force to discuss the market problems, to announce new selling terms, new product introduction, new promotion programme, to train them and to award best sales man.

v. Supportive Materials

This supports the salesman while selling. Product sample, Photo, audio visual tools and sales manual with product details and selling terms are examples of supportive materials.

PLC And Sales Promotion

Product life cycle

1. Introduction stage

i. Consumer Promotion Tools
   a. Sample
   b. Money Refund Offer
   c. Direct Premium
   d. Coupon

ii. Trade Promotion Tools
   a. Display Allowance
   b. Pop Materials
   c. Store Demo
   d. Push Money

iii. Sales Force Promotion
   a. Meeting
   b. Supportive Materials

2. Growth/Maturity Stage

i. Consumer Promotion Tools
   a. Additional Weight
   b. Multiple packs
   c. Trading stamps
   d. Contest
   e. coupon

ii. Trade promotion Tools
   a. Display Allowance
   b. Display Loaders
   c. Sales contest
   d. Trade show
   e. Co-operative Advertising

iii. Sales Force promotion
   a. Contest – Bonus
   b. Premium – Meetings

3. Decline Stage

i. Consumer Promotion Tools
   a. Exchange offer
   b. Direct Premium
   c. Self Liquidatory
   d. Reusable Container
   f. Sweep container

ii. Trade Promotional Tools
   a. Display Allowance
   b. Pop Material

        c.   Store Demo

        d.   Push Money

     iii. Sales force Promotion

        a. Bonus

Refer, Types of sales promotion tools

Objectives of Sales Promotion

Promotion for Demand Simulation

1. Induces Present Customers to buy more

Many products are sold through multiple pack, trading stamps, direct premium and self liquidating premium.

2. Attract Competitors, Customers

Competitors, Customers are induced to use our brand for a long period till they forget the competitor's brand. it is done through trading stamps and extended premium.

3. Introduce New Products

Sample, Free trials, demonstrations and exchange offers are used to introduce new products.

4. Clear old stocks

Out of fashion and slightly damaged goods are sold through heavy discount and additional product premium.

5. Sell during Non-Season

Discount, Additional Product premium, direct Premium, is used to sell during non seasons.

6. Use festival opportunities

People buy many items during Deepavali, New Year and Ramzan. Discount, Premium, Loan, Exchange offer and multiple product premiums are mostly used.

7. Face Competitors

When Competitors announce consumer offer we should also announce consumer offers to retain our present customers. Otherwise they will buy competitors brand.

8. Induce Traders to Sell More

Retailers and wholesalers are induced to sell more through push money offer, display loaders and sales contest.

9. Get Displays Base

Producers offer Pop materials, display allowance and contest to display their products attractively.

10. Support Traders

Producers conduct meetings, offer advertisement and trade show allowance, conduct sales demonstrations to encourage the traders.

11. Maintain Sales after Promotion

Buy back allowance is given to traders to avoid sudden sales decline, after a trade promotion.

12. Induce Sales People to sell more

Annual Bonus, Sales contest and sales meetings induce company sales force to sell more.

13. Supports Advertisement and Personal Selling

Advertisements with consumer promotion offer are noticed by many people. Similarly personal selling with free sample distribution, product demonstration makes selling more effective.

Benefits of Sales Promotion

I. Benefits to Producers

1. Induces Present Customers to buy more

Many products are sold through multiple pack, trading stamps, direct premium and self liquidating premium.

2. Attract Competitors, Customers

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7. Face Competitors

When Competitors announce consumer offer we should also announce consumer offers to retain our present customers. Otherwise they will buy competitors brand.

II. Benefits to Traders

1. Get Extra Incentive

In addition to regular commission traders get extra incentive through push-money offer display loaders and sales contest.

2. Get Display Materials and Allowance

Retailers get Pop materials like racks, Coolers, Name Boards and low cost from producers. They also get display allowance for displaying the products.

3. Support from Producers

Producers conduct meetings, offer advertisement and trade show allowances, conduct sales demonstrations to support the traders.

III. Benefits to sales People

i. Simplifies selling

Discounts and Premium help sales people to sell easily.

ii. Hard work Recognized

Hardworking Sales people get bonus, premium and contest award.

IV. Benefits to Consumers and Society

a. Educates Consumer

Sample, Trail and Demo use a chance to use the product and realise its benefits. So the consumers can buy useful products.

b. Reduces Price

Discount, Premium reduces the product price. So the consumers can buy more products at a lesser price.

c. Increases Standard of Living

Discounts and Loan Schemes, reduces the product price. Hence even lower and middle income people buy luxury products, and live comfortably.

d. Employment Opportunity

Sales Promotion increases sales and production. This creates job vacancies in marketing and production field and reduces unemployment problem.

Evaluating or Measuring the Effectiveness of Sales Promotion Programme (Campaign)

Effectiveness is measured through the following methods.

1. Sales Data Method

Sales Volume before, during and after the sales promotion campaign are measured. An increase in sales after closing the campaign indicates, new and competitors customers have started to buy our brand.

2. Consumer Panel Data

Consumer Panel is a group of consumers maintained by the market research agency to collect data regularly. From them Panel helps to collect data quickly with a low expense panel's opinion on promotion campaign reveals its positive and negative aspects.

3. Consumer Survey

When more information is needed from different types of people a survey is conducted. Survey reveals how many, remember, the campaign, bought the product, permanently switched over to our brand. Their opinion about campaign helps to improve the effect of next campaign.

4. Experiment Method

Two similar cities with similar sales volume are selected for experiment. Sales promotion offer is announced in one city. Sales difference between the two cities indicates the effectiveness of sales promotion campaign.

Difference between Advertising and Sales Promotion

	Criteria	Advertising	Sales Promotion
1.	Aim	To inform, to change the attitude, to remain, and to sell	To sell
2.	Response	Gradual	Immediate
3.	Sales after completion	Increase	May not Increase
4.	Frequency	More	Less
5.	Timing	Long Before Purchase	Just Before Purchase
6.	Size of the Organization	Mostly by large organizations than small organizations.	Done by small and large Organisation. Small Organisation prefers sales promotion than advertising.
7.	Brand Image	Increases	Decreases
8.	Measuring Effectiveness	Tough	Easy
9.	Control	By Advertising Agency and Media	By the Company and Distributors.
10.	Media	Newspaper, Magazine, Television, Radio etc.	Product, Retailers, salesman and Advertising medias are used.

Difference between Promotion and Sales Promotion

Promotion includes advertising, sales promotion, personal selling, publicity. So sales promotion is only a part of promotion.

Types of Promotion

1. Advertising

It means any paid form Non-personal presentation and promotion of ideas, goods and services by an identified sponsor.

2. Sales Promotion

It means the marketing activities other than advertising, personal selling and publicity. It includes consumer promotion like, Coupon, Sample trade promotions like dealer sales contest, push money and also sales force promotion like, bonus, premium.

3. Personal Selling

It means oral presentation in a conversation with one or more prospective buyers for the purpose of making sales.

4. Publicity

It denotes information appearing about a company or a product through non-personal means like, newspaper, radio and T.V. at free of cost.

Types of Sales Promotion (To explain the following points refer types of sales promotion)

Consumer Promotion

1. Coupon   2. Sample

    Trade Promotion   1. Dealer sales contest

                                        2. Push Money

    Sales force Promotion   Bonus, Premium

UNIT – V PERSONAL SELLING AND PROMOTION

❋ Definition Process of Personal Selling.
❋ Demand Creation by Personal Selling.
❋ Improving the Effectiveness of Personal Selling.
❋ Need for Sales Department
❋ Difference Between Advertisement and Personal Selling
❋ Difference Between Sales Promotion and Personal Selling
❋ Measuring the effectiveness of the promotion Campaign
❋ Demand creation by promotion
❋ Communication Process in promotion
❋ Formal and Informal Communication In Promotion
❋ Difference between publicity and advertising

PERSONAL SELLING

Definition

According to Philip Kotler, Personal selling means oral presentation in a conversation with one or more prospective buyers for the purpose of making sale. The Buyer may be a household or a trader or a producer. Personal selling is also called oral advertising.

Personal Selling Process

1. Prospecting

A prospect means a possible buyer. Prospecting means searching for prospectus. Prospects are located through advertising enquiries and present customers or cold calls.

2. Price Approaching

It means understanding the needs, problems and personal characters of the prospects. This help to easily convince the prospect.

3. Approaching and Presenting

Salesman approaches the prospect. Tells the benefits of the product create an interest in the product by giving samples, showing pictures and demonstration.

4. Handling objections

Interested prospects raise objections. They ask questions about the product's price worthiness, durability, after sales service and superiority over competitor's product. Satisfactory reply to the se questions converts the prospect into a buyer.

5. Closing the sale

Here the buyer talks about terms of payment, duration of supply, mode of transport, quantity and models. Finally the buyer places order.

6. Follow up

Product is supplied as per the terms of order problems in using the product are solved. After sales service are done as per schedule.

Types of Sales man or Demand Creation By Personal Selling

1. Demand Creation By Creative Salesman

They create demand for new products or new market for an old product. They call on dealers, retailers, customers to educate, train and induce them to buy and promote the product. They sell aggressively. They Travel a lot and do door to door selling.

2. Demand Creation By Dealer Servicing Salesman

They Retain and Expand the present market. They call regularly the dealers and get large orders on every visit. They are not aggressive sales man.

3. Demand Creation by Detail Salesman

They do not contact consumers or retailers to sell their products. They contact that person who recommends their product final consumers. For example. Medical Representative contacts the doctors and book sellers contact teachers to induce them to recommend their product.

4. Demand Creation by Merchandising Salesman

Their main job is not order taking, but assisting and advising the dealers. They advice on display, advertising, credit policies and service facilities. They also assist wholesaler's salesman and solve the problems between the dealer and retailers.

5. Demand creation by Wholesaler's Salesman

Wholesaler's Salesman is appointed by the wholesalers to create demand among retailers. They sell many products of different producers. They regularly meet retailers to collect orders, supply goods, collect the dues and insist them to display their brands. They note consumers expectations and competitors action and inform these to the whole sellers and producers.

6. Demand Creation by Retailer's Indoor Sales Man

They work inside the shop and sell the goods to the consumers visiting the shop. They are order filling salesman. They maintain the products in the racks in an attractive manner. They know about the available products and its prices. They help the consumers to choose the products quickly.

7. Demand Creation By Retailer's Outdoor Salesman

He travels continuously. His main job is to convert a prospect into a customer. He is a creative salesman. He also visits regular customers.

8. Demand Creation By Stable Salesman

Low priced goods of daily use such as, stationary, and food items are called staple Goods. Staple Salesman sells staple goods. He works in a limited area. The Market is highly competitive and he has to sell more goods in a short period.

9. Demand Creation By Specialty Salesman

They sell expensive durable goods by like furniture, washing machines and automobiles. People buy such products after personal and careful examination. They ask many questions. So this salesman should have more knowledge and ability to convince people.

10. Demand Creation By Industrial Salesman

They sell raw materials, machines and office equipments business organizations. They must have technical knowledge. Their job is providing solutions to the business organizations through their products.

Methods to Improve Personal Selling Effectiveness

Personal selling can be made more effective by training the sales people. In sales training programme salesman are taught about the company its product, competitors, buyers, selling techniques and duties. The Buyers, producers and the salesman are benefited by this training programme. The content and its benefits are given below.

a. Knowledge about the Company

History of the firm, organization structure, key persons, its products, territories, market share, short and long term objectives and selling terms are explained to the salesman. Knowledge of selling terms helps the salesman to avoid misunderstanding with dealers and consumers.

b. Product knowledge

Preparation of raw materials used, manufacturing process, quality control methods, merits and limitations of the product, maintenance cost durability, warranty period and after sales services offered are taught. It helps the salesman to convince the prospects can also make quick and satisfactory decision about the purchase.

c. Knowledge about Competitors

History of the Competing Company, their territories, market share, selling terms, manufacturing process, merits and limits of their products and their customers are explained. This helps the salesman to capture the competitor's customers by highlighting the merits of their products and limits of competitor's product.

d. Knowledge about Customers

A prospect may be silent or talkative or disbelieving or nervous or friendly or rude or Argumentative. Each one needs a different sales approach. This has to be taught to the salesman. The customers feel comfortable, if the salesman adjust according to their nature. Thus it also benefits the customers.

e. Sales Techniques

Sales techniques include method of approaching a consumer, demonstrating the product, presenting the sales talk and handling objections. This helps the salesman to sell more in a short period. It develops a good relation between salesman and consumers.

f. Non-selling Duties

Salesman are also trained about journey planning, servicing the old customers, credit collection, data collection about consumers need and competitors actins, sending regular reports

on sales made and expenses incurred. This helps the company to control the salesman, take remedial actions against competitors and improve the product to satisfy to consumers need.

Need for Sales Department

Sales Department is needed to do the following functions.

1. Sales forecasting

Sales forecasting is made considering various factors influencing the sales such as demand, competition, market conditions, quality and price of the competitors and consumers psychology.

2. Formulating Sales Objectives

The main object is to increase sales by increasing the market share by using effective promotion measures.

3. Formulating Sales Plan

Under this sales area, sales quota, salesman's requirements, and necessary promotion materials are determined.

4. Deciding the selling Terms

Decisions relating to credit sale, dispatch schedule, payment terms, return of unsold goods, brokerage etc. are taken at this stage.

5. Preparing Sales Budget

Sales Budget supports marketing Budget. It becomes the duties of sales management to prepare the budget of sales department. Sales Manager presents the budget estimates of sales force management before the top management for approval.

6. Creating Sales Organisation

The sales manager creates the organization structure of his departments. For this purpose he distributes (sales) responsibilities to sales employees and prescribes the authority relationship between them. He then co-ordinates the activities of other departments.

When the Company sells one product line many locations the company would use territorial structure of sales organization. If the company sells many products it may need the product structure of sales organization.

7. Co-coordinating

Sales manager co-ordinates with other departments such as purchase, production, finance, transport, warehousing and personnel department. It also coordinates with customers, distributors, Government and general public to promote the business.

8. Satisfying the customers

Customers are satisfied by providing good products at reasonable price at the right time with all necessary information.

Difference between Advertisement and Personal selling (Salesmanship)

1. Meaning

a. Advertising

It is a paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.

b. Personal Selling

It is a oral presentation in a conversation with one or more prospective uyers for the purpose of making sale.

2. Aim

- Advertising – To inform, to remind or to change the attitude about the product.
- Personal selling – To sell the product.

3. Audience

- Mass Audience is approached at the same time through mass media like T.V., Radio, Newspaper.
- Individuals or a small group of audience are approached personally.

4. Approach

- Impersonal approach is used to communicate the ideas through mass medias.
- Salesman personally approaches the prospects to communicate the idea.

5. Differentiation

- Theme and Appear cannot be differentiated to match different persons.

- Theme and Appeal can be differentiated according to the individual needs.

6. Doubt Clarification
- Doubt of the audience cannot be clarified immediately while watching the advertisement.
- Doubts of the prospects are clarified immediately by the salesman during the conversation.

7. Control
- Advertisement copy preparation is controlled by the agency and release timing and positions by the media people.
- Sales Area, timing and methods of selling are fully controlled by the seller.

8. Cost per audience
- Cost of communicating to a single person is low due to mass coverage of audience.
- Cost of communicating to a single person is very high due to individual coverage. More time and many sales people are needed to contact the individuals one by one.

Differences and Relation between Sales Promotion and personal selling

1. Meaning

a. Sales Promotion

It means those marketing activities other than advertising, personal selling and publicity. It includes consumer promotions like coupon, sample and trade promotions such as dealer sales contest, push money, and also sales force promotion such as Bonus, Premium.

b. Personal Selling

It means oral presentation in a conversation with one or more prospective buyers for the purpose of making sale.

2. Nature
- It attracts the consumers towards the product.
- It pushes the product towards the consumers.

3. Incentive
- It gives incentives such as premium and discount to the buyers.
- Normally incentives are not given i.e. personal selling.

4. Essentiality
- It is not essential to sell. Many products are sold without any sales promotion methods.
- It is essential. Either Door to Door selling or retail selling are essential to sell the product.

5. Continuity
- It is not used continuously. It is used occasionally or rarely to increase the sales for a short time.
- It is used continuously.

6. Independence
- It cannot act independently. It needs advertising to inform the offer and personal selling to support it.
- It can act independently without the support of Advertisement and sales promotion.

7. Control
- It is not fully controlled by the seller. Because offer schemes are announced by advertisement media and handled by retailers.
- Sales people are fully controlled by the producer or Retailers.

Measuring the Effectiveness of Promotion Campaign

Introduction

Promotion Campaign includes advertising, sales promotion, personal selling and publicity campaign. The methods of measuring these campaigns are given below. The Effectiveness of the advertisement is measured after the release on a full scale. Here the ineffective advertisements are improved after the test. Different criteria are used to measure the effectiveness. The criteria may be recognition, recall, reliability, believability, product personality etc. These are explained below.

1. Recognition Test

How many have noticed the advertisement is tested here. The Reader (Respondent) goes through every page of the magazine or newspaper and points out all the advertisements noticed by him. If majority of the respondents has seen the test advertisement, then the advertisement is effective. This technique was introduced by "STARCH ORGANISATION'. So it is called starch test.

2. Recall Test

It is a memory test. How many people remember the advertisement is tested here. People Remember only effective advertisements creating good impression. The test advertisement is not shown during the survey. Aided and unaided recalls are of 2 types in recall test.

a) Aided Recall

In aided recall the brand names of all the advertisements appeared in the shown media are given to the readers. Respondents explain the advertisement message of remembering advertisements. If the majority remember the test advertisement, then it is effective. It is also called "Gallop Robinson Test".

b) Unaided Recall

Here, the respondents are not given any clues like the brand name, or advertisement message. The Product name may be given if necessary. The Respondent has to tell all the advertisements he remembers in the show media. If he remembers the test advertisement, then it is effective. This technique is used to test news paper and T.V. Advertisements on the very next day, which is called D. A. R. Test. Day after Recall)

3. Readability Test

The Readers are asked many questions about the advertisement to know how deep the audiences have read the advertisement. If it is not read deeply by the majority, then the advertisement has to be made interesting.

4. Believability Test

How for the audience believe the promises made in the advertisement is tested here. If most of the promises are rated favorably by the audience the advertisement has believability. If not the copy is improved.

5. Product Personality Test

How the audiences have assumed about the personality type of the product user is tested here. Several questions like suitable age, income, education, status, and life style about the assumed product user are asked. The answers revealed the attitude towards the product. If it is understood wrongly then the advertisement is to be improved.

6. Brand or Theme Association Test or Theme Penetration Test (TAT)

Whether the audience could relate the advertisement theme to the brand name is tested here. If they cannot relate, then the advertisement copy is modified.

7. Hierarchy of Communication Effect

Many advertisements cannot create sale with one or two exposures. The Advertisement has to be exposed several times to create a sale. First, an advertisement creates brand awareness, then brand preference, next buying intention and finally purchase. This test measures at which level the majority of the audience remain. Repeated Advertisements also create brand loyalty.

8. Coupon Return Analysis

a. Open Coupon offer

The offer coupon can be easily seen in the advertisement. Number of coupons received indicates the advertisement

b. Hidden Offer Technique

Here the full advertisement is to be read to identify the offer coupon. Number of coupons received indicates the number of people read the full advertisement.

9. Sales Result Test

If the sales increase after the advertisement, the advertisement is effective.

Measuring the Effectiveness of Sales Promotion campaign :

Effectiveness is measured through the following methods.

1. Sales Data Method

Sales Volume before, during and after the sales promotion campaign are measured. An increase in sales after closing the campaign indicates, new and competitors customers have started to buy our brand.

2. Consumer Panel Data

Consumer Panel is a group of consumers maintained by the market research agency to collect data regularly. From them Panel helps to collect data quickly with a low expense panel's opinion on promotion campaign reveals its positive and negative aspects.

3. Consumer Survey

When more information is needed from different types of people a survey is conducted. Survey reveals how many, remember, the campaign, bought the product, permanently switched over to our brand. Their opinion about campaign helps to improve the effect of next campaign.

4. Experiment Method

Two similar cities with similar sales volume are selected for experiment. Sales promotion offer is announced in one city. Sales difference between the two cities indicates the effectiveness of sales promotion campaign.

Demand Creation by Promotion

Demand Creation

Means inducing new and competitor's customers to buy our product and existing and personal selling are major promotional tools used for demand creation.

I. Demand Creation By Advertising

(Primary Demand) Demand can be created by the following methods of advertising.

- Primary Demand Advertising
- Selective Demand Advertising
- Informative Advertisement
- Persuasive Advertisement.
- Reminder Advertisement.

II. Demand Creation By Sales Promotion

Demand can be created by the following methods of sales promotion.

a. Sampling
b. Coupon
c. Rebate
d. Price-off Promotion
e. Premium offer.

III. Demand Creation by Personal Selling

Demand can be created by the following methods of personal selling.

i. Demand creation by creative salesman.
ii. Demand Creation by Dealer servicing salesman
iii. Demand by merchandising Salesman
iv. Demand by Detail Salesman
v. by wholesaler's Salesman
vi. by Retailers Indoor Salesman
vii. by Retailers Outdoor Salesman
viii. by industrial sales man.

COMMUNICATION PROCESS IN PROMOTION

There are 6 elements in communication process. They are source, Encoding, Channel, Receiver, Decoding, and Feedback. These are explained below.

Source

Source means the sender of the message. The Effect of the source depends on its attraction and believability.

a. Advertising

In advertising the company and the persons appearing in the advertisement tells the message. So they are the source.

b. Personal Selling

The Salesman sends the message so he is the source.

Encoding

Here the sender converts his ideas into words, symbols and movements.

a. Advertising

Encoding means converting the advertisement theme into advertisement copy method of encoding depends on media choice such as print, radio, or television.

b. Personal Selling

Encoding means salesman converting his ideas into sales talk. He uses words and movements based on the nature of the prospect.

Channel or Transmission

Channel means the media used to send the message. It is also called transmission stage. The impact of message depends on the media.

a. Advertising

Advertisement media includes newspaper, magazine, radio, television, posters, banners and direct mail. Media choice depends on the customer's media watching habit, product time and advertisement budget.

b. Personal Selling

Salesman uses product photo, video tape, overhead projector to explain different models of the product, parts of the product, product handling methods. These media are used in selling technical products.

Receiver

Receivers are the listeners of the message, receiver may be rich or poor, youth or old, men or women, angry or politeness. The Message should be suitable to the type of receiver.

a. Advertising

Receivers are advertisement watchers. They may watch the advertisement through news paper, magazine, radio, television, etc.

b. Personal selling

Receivers are the listeners of sales talk. Salesman can modify the message according to the type of receivers to make it more attractive.

Decoding

Decoding means understanding the message by the receiver. Sometimes the message may be misunderstood by the receivers.

a. Advertising

In Bajaj M80 Advertisement a milk man drives in a rough village road to show that it is a strong and safe vehicle. But some may misunderstand it as milk mans vehicle. This may spoil it's sales.

b. Personal Selling

The Salesman wears neat dress, uses English words and shows catalogues to create a good image. But the prospect may think the Salesman behaves likes this to cheat the public.

Feed Back

It means the response to the message. The Message should create the aimed response. If not the mistakes are to be corrected to create the   response.

a. Advertising

Advertisement may aim to create buying intention or to inform product improvements or to inform product improvements or to remove wrong impression of the brand. If the advertisement fails to create the aimed response the mistake ma be in advertisement theme, appeal, media, timing or frequency. This mistake should be corrected.

b. Personal Selling

It may aim to create buying intention. This fails due to salesman's poor appearance or sales presentation. The Real mistake should be corrected.

Noise

Any disturbing element in the communication process is noise. It may be improper sponsor, encoding, channel, or decoding. Noise may also arise from other media or other channels or competitors promotion. It is difficult to control these elements.

FORMAL CHANNEL AND INFORMAL CHANNEL OF COMMUNICATION

1. Formal Channel

A formal channel is established intentionally. The communicator has a choice and control over the channels. Thus an advertiser has the formal channel to a target audience. It is also called a mass media or direct exposure channel.

Informal Channel

It is opposite to formal channel. An informal channel is not intentionally established and not under the control of communicator. It is also called word of mouth advertising or interpersonal channel or indirect exposure channel. although an advertiser has no direct control over informal channels, he can attempt to influence it in other ways.

Informal channel may be vertical or horizontal.

a. Vertical Channel

A vertical channel exists if there is meaningful difference in the interest, social status, demographic and economic characters of the communicating troops.

b. Horizontal Channel

If the Communication flows among members of the group with similar interest social status, demographic and economic characters. It is horizontal channel. It may be the social group, work group, professional group, neighbors group etc.

Difference between Advertising and Publicity

1. Nature

a. Advertising

It means any paid form of non-personal presentation and promotion of Ideas, goods and services by an identified sponsor.

b. Publicity

It means information appearing above a company or a product through non-personal means like newspaper, radio and television at free of cost.

2. Payment

- Advertiser pays the cost of Advertisement to the media.
- Company does not pay for the information appearing in the media.

3. Initiator

- It is initiated by the Company.
- It is initiated by the media.

4. Aim

- The Company aims to earn profit by increasing sales.
- The Media aims to provide information to its audience.

5. Believability (Credibility)

- People feel advertisements are given with a profit motive. So they may not believe advertisements, till they use the product.
- People feel publicity information are made by the media for social benefit. so they believe publicity information.

UNIT -VI Sales promotion Campaign

Introduction:

    Sales promotion consists of marketing activities that add to the basic value of the product or service for a limited time and directly stimulate consumer purchasing. For example**,** coupons and product sampling stimulate the distributors to carry the product and/or promote the product or service (for example, trade deals), or stimulate the effort of the sales force (for example, contests, and meetings).

ESTABLISHING THE SALES-PROMOTION OBJECTIVES:

Sales-promotion objectives are derived from broader promotion objectives, which are derived from marketing objectives developed for the product.

The specific objectives set for sales promotion will vary with the type of target market.

For consumers, objectives include encouraging purchase of larger-size units, building trial among nonusers, and attracting switchers away from competitors brands.

For retailers, objectives include inducing retailers to carry new items and higher levels of inventory, encouraging off-season buying, encouraging stocking of related items, offsetting competitive promotions, building brand loyalty of retailers, and gaining entry into new retail outlets.

For the sales force, objectives include encouraging support of a new product or model, encouraging more prospecting and stimulating off-season sales.

 Objectives of sales promotion.

Promotion for Demand Simulation

1. Induces Present Customers to buy more

    Many products are sold through multiple pack, trading stamps, direct premium and self liquidating premium.

2. Attract Competitors, Customers

    Competitors, Customers are induced to use our brand for a long period till they forget the competitor's brand. it is done through trading stamps and extended premium.

3. Introduce New Products

    Sample, Free trials, demonstrations and exchange offers are used to introduce new products.

4. Clear old stocks

    Out of fashion and slightly damaged goods are sold through heavy discount and additional product premium.

5. Sell during Non-Season

    Discount, Additional Product premium, direct Premium, is used to sell during non seasons.

6. Use festival opportunities

    People buy many items during Deepavali, New Year and Ramzan. Discount, Premium, Loan, Exchange offer and multiple product premiums are mostly used.

7. Face Competitors

    When Competitors announce consumer offer we should also announce consumer offers to retain our present customers. Otherwise they will buy competitors brand.

8. Induce Traders To Sell More

    Retailers and wholesalers are induced to sell more through push money offer, display loaders and sales contest.

9. Get Displays Base

    Producers offer Pop materials, display allowance and contest to display their products attractively.

10. Support Traders

    Producers conduct meetings, offer advertisement and trade show allowance, conduct sales demonstrations to encourage the traders.

11. Maintain Sales after Promotion

Buy back allowance is given to traders to avoid sudden sales decline, after a trade promotion.

12. Induce Sales People to sell more

Annual Bonus, Sales contest and sales meetings induces company sales force to sell more.

13. Supports Advertisement and Personal Selling

Advertisements with consumer promotion offer are noticed by many people. Similarly personal selling with free sample distribution, product demonstration makes selling more effective.

PUSH AND PULL STRATEGY

Push Strategy

It is generally used in industrial product marketing. Industrial products have high unit value. It is aimed at the middleman with a high trade commission. This strategy induces traders to push the product. This strategy can be used when consumers believe the advice of retailers for purchase. In this strategy personal selling and trade promotion offers are used instead of advertising.

Trade Promotion or Channel Oriented Promotion or Retailer or Wholesaler Oriented Promotion or Merchandising Allowances or Push Strategy

This induces the traders to buy more. The traders push the product towards the buyers. Hence it is called push strategy or pressure strategy. The types of trade promotions are given below.

Trade Promotion Strategies

a. Dealer Sales Contest

b. Push Money

c. Buy back allowance

i. Dealer Sales Contest

Retailer or wholesaler showing maximum sales in a particular area within a particular time wins the contest and gets the prize.

ii. Push Money or Premium

Money or Gift is paid to the traders to push the product. It is given on piece rate system.

iii. Buy-back allowance

Certain percentage of total purchases made during previous trade promotion is deducted from the new purchase bill. This avoids the sudden sales decline after the end of a trade promotion.

iv. Display Allowance

Producers pay allowance to retailers to display their products inside or outside the store.

v. Display Loaders

Retailers are given the displayed articles free of cost. If they buy the specified amount of Goods.

vi. Pop or PoS from Materials

Point of purchase materials like, posters, hanging, sign Board, stand and coolers with the brand name are given to the retailers to promote the sale.

vii. Store Demonstration

Producer's sales people demonstrate the product to the general public, from inside or outside the retailers shop. This technique is used to promote new and slow moving goods.

viii. Trade Fair Exhibitions

Many whole sale traders of related products gather at one place and put temporary Stalls to push their products. Manufacturer pays rent and other expenses of the stock. Eg. Home Needs Exhibition and Computer Fair.

ix. Sales Meeting

Producers conduct meetings for wholesalers and Retailers to discuss market problems, to announce new selling terms, new product introduction and to explain new promotion programme. This encourages Traders to sell more.

x. Co-operative advertising

In this method producer and retailer share the cost of advertising. In such ads. producers Brand name and retailer shop address appear.

Sales Force Promotion strategies:

This induces the companies sales force to sell more.

Sales force Promotion Strategies

a. Bonus

b. Premium

c. Contest

i. Bonus

Annual Bonus is paid to sales people if they exceed their annual sales target. It may be individual or group bonus.

ii. Premium

Premium is paid for special efforts such as, creating new customers, reducing sales expenses, collecting competitor's information.

iii. Contest

Sales man selling maximum goods in a particular area is awarded. The Area may be a district or a state or the whole nation.

iv. Meetings

Meetings are conducted for sales force to discuss the market problems, to announce new selling terms, new product introduction, new promotion programme, to train them and to award best sales man.

v. Supportive Materials

This supports the salesman while selling. Product sample, Photo, audio visual tools and sales manual with product details and selling terms are examples of supportive materials.

Pull Strategy

This is mass communication directed towards the consumers. Here the advertising and consumer sales promotion are used. Here the induced consumers demand the product from the retailers. Then the Retailers demand from wholesalers. Then the Retailers demand from whole sellers. Then the Retailers demand from whole sellers. Then the wholesalers demand from the manufacturers. Thus the product is pulled step by step starting from the consumers. This strategy is mostly used fast moving consumer goods with a low unit value. Pull strategy reduces distributors commission, salesman salary and also creates goodwill for the company. Some examples are given below.

Consumer Promotion Strategies

Consumer Promotion Tools or Consumer Premiums or suction strategy

This strategy induces the consumers to buy more. Here the product pulls the consumers towards it. Hence it called pull or suction strategy. Types of consumer sales promotion are given below.

a. Direct Premium

It is a gift with a product. The gift may be kept inside or outside the package.

b. Self-Liquidating Premium

An extra product is offered at a low price along with the main product. Example. Plastic Bucket at a low price with surf washing powder.

c. Re-Usable Container

Container of the product can be used after using the product. The producer charges for the product but not for the container. e.g. Horlicks Re-usable Jar.

d. Additional weight

Additional product is given without additional charges. Powder, Paste, Cool drinks follow this technique.

e. Multiple Packs

Similar or Related products are offered at a discount. Free soaps or paste and brush together at a discount. Example- Sakthi Masala Powder for Rs.50.

f. Trading stamps

Different gifts are offered for different quantities of product wrapper or bottle covers/cap. These wrapper or bottle covers are called trading stamps. E.g. Pepsi offered a cooling glass for 4 bottle covers and jeans pant for 8 covers.

g. Exchange Offer

Value of the old product is deducted from the new products price. Many electronic Goods and two wheelers follow this method.

h. Honey Refund Offer

Seller Refunds the price if the buyer is not satisfied with the product.

i. Coupon

Coupon offers discount (Price-off) or free sample or gift. Coupons are supplied through advertisement or package of the product.

j. Rebate

Consumer sends a copy of purchase bill to the manufacturer. Then the manufacturer sends a cash discount by mail. This discount is called Rebate.

k. Contest

Buyers fill up the quiz answers or advertisement slogan or product suggestions asked in the contest form and send it to the seller. Attractive prizes are awarded for the good answer.

l. Sweep stakes

Buyers send their name with a proof of purchase. Lucky names are selected on lottery basis and awarded prize.

m. Sample

A small quantity of the product is given free to the potential customers. This technique is used at the introduction and growth stage of the product.

2. Advertising Strategies

Informative Advertisement.

Persuasive Advertisement

Reminder Advertisement

Conclusion

Most of the companies use both strategies in different proportions. Push strategy is used in the introduction and decline stage. Pull strategy is used in growth and maturity stage.

Integrated Promotion

This includes the more traditional marketing elements of trade promotions, consumer promotions and personal selling. When marketing managers carefully design all of the steps taken up to this point, the firm is in a better position to integrate consumer and trade promotion in conjunction with personal selling tactics. Messages presented in the advertisement campaign can be reinforced in the trade and consumer promotions. Trade promotion includes contests, incentives, vendor support programs and other fees and discounts that help the retailer to promote the product. Consumer promotions are directly oriented to end users and include coupons, contests, premiums, refunds free samples. The goal is to fully integrate all communications so that advertising messages are repeated and reinforced by sales staff.

IMC is the coordination and integration of all marketing communication folds, and sources with in a company into a seamless program that maximizes the impact of consumers and other end users at a minimal cost. The tope level of IMC program includes all of the integration tools needed to make sure all customers are effectively being served. All of the IMC tasks are included in managing a small business; however the emphasis changes due to special challenges such as limited funds for promotions.

Promotional Strategies

The sales promotion strategy is an important element in the overall marketing strategy. It involves, Communication, Objectives and tasks, media, budgets, promotional mix, strategic approach, evaluation and control.

(a) Communication:

Sales promotion should attract the attention of target audience. Different audiences perceive the same message in different ways and interpret it differently. The communication process has five elements namely encoding, message channel, decoding and receiver. The source delivers the message in different ways and an expression or word may convey different meaning in different part of the country. An action oriented model CAIDA) is employed to create interest

among the existing buyers and potential buyers because it aroused attention, holds interest, arouse desire and obtain action. The Communication process varies in accordance with each adoption stage.

Sales Promotion Media:

Sales promotion may involve different methods of approaching people. Strategic variables are taken into account while deciding a particular method of sales promotion. Consumer promotion has been considered a very effective mode of sales promotion. The point of purchase display, show room display, in store display makes it easy for buyers to familiarize themselves with the different features of the product. Trade promotions through buying allowances, free goods, merchandise allowances the help to enhance sales by retailer and traders. Sales force promotion has motivated the sales person to enhance then sales quota and get the benefits of bonus on additional sales. Special premiums have attraction for the people.

Budgets:

It is very essential to determine sales promotion budgets before resorting to sales promotion activities. The resources and sales potentials are estimated before the formulation of budgets. Sales promotion budgets should be adequate so that they might achieve promotion objectives. Some marketing managers use arbitrary methods based on trial and error eg. Percentage of sales technique is used to determine the sales promotion budget. A formula is framed to fix the budget level, which is generally 0.5% of the sales. This may increase to 1% in a competitive atmosphere. Setting tentative marketing communications and allocate tentative budget to achieve sales promotion objectives.

Promotional Mix:

The term promotional mix refers to the combination, types and amount of promotion used by the marketing manager. This can be accompanied by publicity advertising a personal selling or coordination may be more effective than an individual approach to promotion. This promotional mix depends upon on the notion that promotion elements are interchangeable and some promotion mixes are more suitable for the attainment of certain objectives. The promotional mix is a variable in the marketing strategy. It should be clearly decided row for a particular element should be used in combination with other promotional methods.

Strategic Approach:

The kind of promotional mix employed determines the promotional strategy.

1. Push and Pull strategy

The push and pull promotional strategies may be used to enhance sales. The push strategy (consumer promotion) concentrates on middlemen or retailer who push the sale of their product to the final consumers. The pull strategy (trade promotion) is directed towards the final buyers and it persuades the buyers to go to the sellers to buy. The marketing manager has to adopt both these strategies to promote sales.

2. Sustaining Promotional Strategy

Sales promotion may require a sustaining of the markets. At a laggard stage, the markets may shrink. But this strategy is adopted only after the penetration strategy. To sustain promotional strategy, steps and taken to present the sales force from going across to the competitors. Brand loyalty of customers is fostered and reinforced. An appropriate promotional mix may contain the market.

3. Developmental Promotional Strategy

The introduction of new products may require expansion of the market. Innovators need to have a developmental strategy. The new consumers are given several after sales services. Consumer franchise building is done with developmental promotional strategy. The promotional mix for a brand with insignificant marketing penetration may require emphasis on both personal selling and sales promotion.

4. Promotional Appropriation

Promotional objectives determine promotional appropriations. The forms of promotion, the costs of each component of promotion, the activities to be performed and appropriations on personal selling, Sales promotion, advertising and publicity are determined under this strategic approach.

Product attributes, brand differentiation, purchase frequency, the nature of the market, the size of the market and its location, the nature of prospective buyers, purchase frequency

distribution and price strategies are evaluated before the formulation of an appropriate sales promotion strategy.

Evaluation a control of sales promotional strategy

It should be evaluated at the stages of implementation and final performance because implementation control will suggest improvements during the application of the promotional strategy, while performance control will be a guide for the future. Implementation control covers initial planning, objectives, promotional packages and printing of special premiums and packaging materials, distribution to retailers etc. Consumer experiments show how for the sales promotion techniques have been effective in increasing sales through motivating. Consumers and sellers and point the way to improvements in sales promotion.

Design of Sales Promotion Campaign

There are a number of internal and external factors that influence sales promotion design. These factors include (1) place of sales promotion in marketing strategy (2) allocation of budget (3) present and expected competitive moves and (4) significant external macro-environmental factors. Te starting point in developing the promotional design is to specify the sales promotion objectives. The range of sales promotion objectives is fairly large because the target groups involved can be consumers, trade and sales force. Once the objectives are set, there are six decision areas concerning the promotion design that must be taken up one after the other, in a sequential manner.

Promotion choice

There are three types of promotions that can be used, singly, or in combination

- Consumer promotion
- Trade promotion, and
- Sales force promotion

There are two major approaches for consumer and trade promotions

- Same for less, and
- More for the same

The types of promotions for consumers and the trade ca be usefully put under the beadings, 'immediate value offer in delayed value offer' and 'price-cut vs. extra value offer'

Immediate Value Offer vs. Delayed Value Offer

In case of sales promotions that offer immediate value to consumers or the re-seller, the incentive is offered right at the time of purchase, such as a discount, extra goods, or a premium. For example, there as significant brand switching an toiletries, laundry products, soft drinks and cooking oils, etc.

Delayed value offer produce a weaker response compared to immediate value offers because the reward for behaviour is not at the time of purchase. These promotions are often used to reinforce and reward the loyalty of regular users of the product.

Price – cut vs. Extra Value Offer

One important feature of sales promotion is that there is an incentive associated with purchase of the product or service. The manufacturer or the retailer may offer 'same for less' in the form of a price discount on the promoted product. On the other hand, there could be an offer of extra value, which would be 'more for the same. For example, a special bonus-pack that contains more quantity of the same product without any increase in the price, or a premium offered free with the purchased product. This extra value offered is independent of the promoted product and has move value to the customer than the cost to the marketed. For brands having smaller market share, large price cuts are required to make the offer appear attractive to customers.

In case of low-involvement products, major portion of the sales promotion budger is allocated to rewarding the consumers at the time of purchase by cutting the price or offering extra quantity of the product (immediate value offer).

Product Choice

This step focuses on choosing the products for sales promotion, their pack sizes, or models and different variations of the product, etc. For example, Hindustan Lever Ltd markets may brands of toilet soaps and detergents; VIP bags are available in different sizes, quality and price range. Sales promotion planners have to decide whether to run promotions on the entire

product-line, or only selected items in the line? Should the promotion be run on higher priced or lower-priced products, the products that contribute more to sales or those that contribute less? In case of consumer non-durable products, would it be advantageous to come out with special promotion packs, or the promotions should be regular packs? Answers to these questions are likely to be significantly influenced by considering consumer and trade behaviour, competitive situation and coordination with advertising and personal selling.

Some brands enjoy high awareness and loyalty. In promoting such strong brands, it is preferable to offer price discount to traders as they are more likely to pass through part of the benefit to consumers. if price cuts are offered in the form of coupons to consumers, it is advantageous to mail coupons to non-users rather than existing users.

Brands, which are weak, do not have many options Promotions requiring trade 'push' are generally not available for such brands. It is a good idea to go for in promotion with a strong brand that can attract greater consumer and trade attention. Sales force is also unlikely to pay much attention to weak brands unless they are offered some incentive sales force promotion.

Choice of Market Areas

Promotion planners have the option to select national or regional markets. When promotion programmes are developed for regional markets, they provide some degree of protection from competitive moves. However, developing different regional promotional deals can complicate sales forecasting, production scheduling and physical distribution. This may also lead to cost escalation. In case of strong high involvement category brands, such as computers or entertainment electronics, etc, promotion managers should observe caution about deal variations in different regions on nationally distributed brands.

Promotion Timing, Duration and Frequency

When product or brand inventories are less than normal in trade channels, the objective of the promotion would be to build inventories but when inventories with unders are high, then the objective would be to clear the inventories. If the product use were linked to weather conditions (such as creams and lotions used during winters to project the skin from dryness, or woolens, etc.), then this factor would affect consumer demand and the timing of promotion.

Ideally some manufacturers plan their promotions when annual marketing plans are developed. Sometimes marketers face compulsions to announce sales promotion in an emergency as a result of unexpected slow sales. As promotions grow complexity and creativity with producers desiring more support from trade, trade cooperation in planning has become more important.

How long should a particular sales promotion last? There are no precise answers to this. The duration of consumer promotion should be such that a larger percentage of customers get exposed to the promotion officer. Low-involvement products are usually purchased more frequently and hence the duration of the deal for this category can be shorter.

In case of high-involvement category products, to induce a sense of urgency, the duration of the offer cab be short. To attract the second wave of customers, it may prove to be advantageous to announce the extension of the deal period. If the brand is weak, then the deal period is usually longer.

Frequency of promotion depends on the competitive situation deal sensitivity of customers, the interest of the trade and the complexity of the promotion offer. However, if the high-involvement purchases relate to think category such as real estate, then promotions are unlikely to have any impact on price quality relationship.

Rate of Discount, Terms and Conditions

Except for some interest promotions, such as contests and sweepstakes or free samples, where no purchase is involved, marketers offer either a straight price-cut or extra value ('same for less' or 'more for the same' planners have to ascertain and answer this question.

If the proportion of goods, which is sold through trade at list price, were low, then re-sellers would want a deeper discount to 'push' the product.

Except in the event of a clearance sale, the rate of discount of expensive, high-involvement products generally should not be as high as on low-involvement products. A smaller discount figure on high priced products would translate into a high monetary figure and would appear significant enough to attract customer attention and is likely to influence purchase behaviour. In case of low priced products, a higher percentage figure can be associated with the

purchase of multiple units of the product (for example, detergent bars and ready so wear garments), which looks attractive but in real monetary terms would be low. Generally, the price elasticity of low prized products is high because consumers do not mind swishing to another brand. Customers can also stock more units of low priced and low bulk products in response to a promotion offer. To achieve large short-term sales, managers responsible for low priced products consider higher discounts.

On items of high inventory risk, deeper discourse attracts re-sellers. Strong brands, in general, do not involve any inventory risk, serve as traffic bounders and would no require higher discounts.

In case of trade promotion, the producer man specifies the minimum purchase value or the quantity of product to avail the benefit of promotion. Payment terms may be specified, or the terms may be related to display arrangement and as timing. Consumer promotion may require coupon expiry date, or rebate claim date. Contests and sweepstakes would require spelling out the conditions of participation, etc. Depending on the specific type and technique of promotion, market conditions and consumer response pattern. There would be different terms and conditions associated with sales promotion.

Protection from Competition

Sales promotions, in general, are easily imitated by competitors and legally there is nothing that any manufactures can do about such moves. The very purpose of gaining short-term competitive advantage is lost to the manufacturer. For example, in a certain price range of toilet soaps, if a marketer announces 'one cake of soap free with three cakes purchased' and other competitors announce the same or some similar deals on their brands, then the advantage is likely to be lost. Another way is to join hands with other well-known non-competing firms and develop an exclusive joint promotion (tie-in promotion) that cannot be imitated in a hurry. For example, Ariel and Vimal Suiting developed a joint promotion. With a free sample of Ariel detergent a coupon was distributor which entitled the customer to a discount of 15% on Vimal fabrics within a specified period. A & M magazine announced an offer on subscription. Those customers who would subscribe for one, two or three years would be entitled for a specified gift and also would participate in a draw. The participants had a chance of winning a Hands City car, 450 lit refrigerator, air-conditioner and washing machine from Videocon; LML Vespa scooter, colour television; holiday package from Club Mahindra, etc. These two examples show that joining hands with two or more non-competing companies cannot be copied in a hurry.

Outsourcing sales promotion:

Over 80 percent of internet traffic comes solely from search engines. Effective web promotion through search engine puts your website in front of your most qualified customers. Results continue to show internet search engines and directories to be the most popular and cost-effective way to increase online visibility with your potential customers.

Top ways websites are discovered

Banner ads	1%
Targeted email	1.2%
TV spots	1.4%
"By accident"	2.1%
Magazine ads	4.4%
Word-of-mouth	20%
Random Surfing	20%
Search Engines	46%

With out top rankings in major search engines for words and phrases related to your products and services, you are missing the bulk of your potential customers.

It is widely felt that any ranking outside of the top 20 is virtually worthless, and anything outside the top 50 completely useless.

If you're listed but not within the first two or three pages of results, you lose, no matter how many engines you submitted your site to.

Weblineindia's search engine optimization and web promotion services are designed to help you uncover your websites' most valuable content and find new customers through cutting-edge research and analysis.

Web Promotion
- ➢ Web page tune up
- ➢ Search engine Submission

Example of outsourcing sales promotion

Outsourcing your IT projects will save more than 50% on your project cost. Why outsource your IT projects?
- ➢ Allows you to concentrate on your core business
- ➢ Reduce operating cost and reduce project overheads
- ➢ Savings on skilled manpower, IT infrastructure and technology
- ➢ Availability of skilled professionals and infrastructure as per your projects
- ➢ Completion of project in time and within budget
- ➢ More than 50% saving on project cost.

Benefits of Outsourcing in India
- ➢ Large pool of computer literate and English speaking professionals
- ➢ Well recognized Information technology skills
- ➢ Wide gab between personnel costs in India and developed countries
- ➢ Combination skill sets easily available (For example computer and legal or commercial skills)
- ➢ Government supportive of such activities
- ➢ Excellent training infrastructure
- ➢ Excellent Telecom infrastructure in major cities

Weblineindia Advantages
- ➢ Experience professionals having various skill sets
- ➢ Experience of 200 plus projects
- ➢ Competitive price at no compromise approach
- ➢ Ability to quickly understand your needs
- ➢ Flexible project cost options – Fixed price OR hourly price
- ➢ Completion of project within given time frame and budget
- ➢ Experience of communicating and working with global clients
- ➢ Transparent approach and long term relationship

Online sales promotion

Activities, materials, devices, and techniques used to supplement the advertising and marketing efforts and help coordinate the advertising with the personal selling effort through internet, email, instant messaging etc. Sweepstakes are among the best-known sales promotion tools, but other examples include special displays, coupons, promotional discounts, and gift offers. Casually, combined activities employed to sell a product or service through online.

Example – Internet Marketing

Internet marketing is the use of the Internet to advertise and sell goods and services. Internet Marketing methods include search engine marketing (both search engine optimization and pay per click advertising), banner advertising, e-mail marketing affiliate marketing interactive advertising, and email advertising.

Internet marketing is a component of electronic commerce. Internet marketing can sometimes include information management, public relations, customer service, and sales. Electronic commerce and internet marketing have become popular as internal access is becoming more widely available and used. Well over one third of consumers who have internet access in there homes report using the internet to make purchases (Devang, 2007)

Business models

Internet marketing is associated with several business models. The main models include business-to-business (B2B) and business-to-consumer (B2C). B2B consists of companies doing business with each other, whereas B2C involves selling directly to the end consumer When Internet marketing first began, the B2C model was first to emerge. B2B transactions were more complex and came about later. A third, less common business model is peer-to-peer (P2P), where individuals exchange goods between themselves. An example of P2P is Kazaa, which is built upon individuals sharing files.

Internet marketing can also be seen in various formats. One version is name your-price (e.g. Price line com). With this format, customers are able to state what price range they wish to spend and then select from items at that price range. With lowest prices on items. A final format is online auctions (e.g. Ebay.com) where buyers bid on listed items.

It should be noted, however, as described above, under history, that current use of the term internet marketing commonly refers to the use of direct response marketing strategies, that were traditionally used in direct mail, radio, and TV infomercials, applied to the internet business space. When professionals and entrepreneurs commonly refer to 'internet marketing" it is this model that they are often referring to. ….The theory was that broadcaster would begin transmitting digital signal in this new band and then the analog signal would be discontinued when consumer penetration of the new technology was deemed sufficient.

Benefits: Some of the benefits associated with Internet marketing include the availability of information. Consumers can long onto the Internet and learn about products, as well as purchase them, at any hour Companies that use Internet marketing can also save money because of a reduced need for a sales force. Overall, Internet marketing can help expand from a local market to both national and small players. Unlike traditional marketing media (like print, radio and TV), entry into the realm of Internet marketing can be a lot less expensive.

Furthermore, since exposure, response and overall efficiency of digital media is much easier to track than that of traditional "offline" media, Internet marketing offers a greater sense of accountability for advertisers.

Compared to the other media marketing (like print, radio and TV), Internet marketing is growing very fast. It's also gaining popularity among small business and even consumers when trying to monetize their website. The measurability of the internet as a media makes it easier to experience innovative e-marketing tactics that will prove a better Cost of Acquisition than other media. However, in most developed countries, internet marketing and advertising spending is around 5% only, while TV, radio, and the print are more.

Limitations: Limitations of Internet marketing create problems for both companies and consumers. Slow Internet connections can cause difficulties. If companies build overly large or complicated web pages, Internet users may struggle to download the information. Internet marketing does not allow shoppers to touch, smell, and taste or try on tangible goods before making an online purchase. Some e-commerce vendors have implemented liberal return policies to reassure customers. Germany for example introduced a law in 2000 (Fernabsatzgesetz – later incorporated into the BB), that allows any buyer of a new product over the internet to return the product on a no-questions-asked basis and get a full return. This is one of the main reasons why in Germany internet shopping became so popular. Another limiting factor, particularly with respect to actual buying and selling, is the adequate development (or lack thereof of electronic payment methods like e-checks, credit cards, etc.

Security concerns in online sales promotion: For both companies and consumers that particular in online business, security concerns are very important. Many consumers are hesitant to buy items over the Internet because they do not trust that their personal information will remain private. Recently, some companies that do business online have been caught giving away or selling information about their customers. Several of these companies have guarantees on their websites; claming customer information will be private. By selling customer information, these companies   are breaking their own, publicized policy. Some companies that buy customer information offer the option for individuals to have their information removed from the database (known as opting out).

However, many customers are unaware that their information is being shared and are unable to stop the transfer of their information between companies.

Security concerns are o0f great importance and online companies have been working hard to create solutions. Encryption is one of the main methods for dealing with privacy and security concerns on the Internet. Encryption is defined as the conversion of data into a form called a cipher. This cipher cannot be easily intercepted unless an individual is authorized by the program or company that completed the encryption. In general, the stronger the cipher, the better protected the data is. However, the stronger the cipher, the more expensive encryption becomes.

Effects on industries: Internet marketing has had a large impact on several industries including music, banking, and flea markets – not to mention the advertising industry itself.

In the music industry, many consumers have begun buying and downloading MP3s over the Internet instead of simply buying CDs. The debate over the legality of duplicating MP3s has become a major concern for those in the music industry.

Internet marketing has also affected the banking industry. More and more banks are offering the ability to perform banking tasks online. Online banking is believed to appeal to customers because it is more convenient than visiting bank branches. Currently, over 50 million U.S, adults now bank online. Online banking is now the faster-growing Internet activity. The increasing speed of Internet connections is the main reason for the fast-growth. Of those individuals who use the Internet, 44% now perform banking activities over the Internet.

As Internet auctions have gained popularity, flea markets are struggling. Unique items that could previously be found at flea markets are being sold on Ebay.com instead. Ebay.com has also affected the prices in the industry. Buyers and sellers are putting their items up for sale online and running their business out of their homes.

The effect on the Ad industry itself has been profound. In just a few years, online advertising has grown to be worth tens of billions of dollars annually. As Advertisers increase and shift more of their budges online, it is now overtaking radio in terms of market share.

ORGANISING SALES PROMOTION CAMPAIGNS

Though almost all companies resort to sales promotion techniques, only some of them go about the job in a planned way. Others mostly view sales promotion as a weapon that can be taken out just like that and used in an emergent situation. Sales promotion yields the intended results only when it meets certain basic requirements that are discussed below.

Identifying the Basic Requirements

The first step is to identify the specific requirement of the firm in. resorting to sales promotion. Earlier in this chapter, we identified the broad contexts in which sales promotion techniques can be employed. The firm finds out its need: Is it to enhance the dealer's off-take of the product? Is it to bring in substantial extra sale immediately? Is it to offload accumulated stocks? Is it to regain loosing consumer interest in the product? Is it to enlist some support for the advertising effort that is already on?

Identifying the Right Promotional Programme

The next step is to identify the apt programme. Earlier, we discussed the type of different tools available for sales promotion. The firm has to select the programme suitable to the current need and the current situation. Should it go in for product demonstration? Or free samples of the product? Or should it go in for a large scale consumer contest? The choice of the programme will be primarily decided by the resources available to the firm. A big consumer contest cannot be organized and implemented unless the firm can command substantial resources and organizing capacity. It should have the capability to ensure that it gets back more than what it incurs on the sales promotion programme.

Enlisting the Support and Involvement of Salesmen

Often, sales promotion programmes are conceived and planned at the head office of the firm and implemented in a hurry without enlisting the cooperation and involvement of the field sales people. For campaigns to succeed, it is essential that salesmen are: (i) briefed on the context and content of the programme, (ii) informed of their roles in the

conduct of the programme, and (iii) given detailed information/working guides, explaining what they are expected to do at different stages of the campaign.

Enlisting the Support of Dealers

It is also essential to enlist the support of dealers in any large scale sales promotion venture. This is because a major part of the activity has to take place around the dealer shop, and if the dealer is not motivated to support the campaign, the campaign may flop. The POP materials on the campaign and the product under campaign will get required prominence only if the dealer so desires. While organizing consumer contests several companies incorporate a dealer prize whereby the dealer who submits the winning entry is given a percentage of the prize money.

Enlisting the Agency's Support

The ad agency's support is also essential for successful working of sales promoter campaigns. Carrying out a sales promotion campaign is as challenging as conducting an advertising campaign. In fact for an ad campaign, quite often the results do not led to immediate measurement. In a sales promotion campaign, the results are readily available to be measured. So companies while committing heavy funds for sale promotion make it a point to ensure that they derive maximum benefit from the experience and expertise of their ad agency.

Launching and Follow Up of Campaigns

Sometimes the sales promotion campaigns are launched with great publicity ar fanfare. But subsequently the tempo of the programme is allowed to die out. It essential that the initial tempo built around the programme is maintained during the entire period of the campaign, through advertising and POPs. Some companies even make announcements of prizes won from weekly draws! The 'Thril' contests us hoardings to declare Winners each week. Such creative handling of the contest ensures that excitement is generated and maintained around the contest throughout the contest period. The campaign tempo can also be kept up by suitably instilling a spirit competition into salesmen and dealers.

Timing of the Campaign

Timing of the campaign is another factor that decides its success. The sales needs of through company are of course the prime factor that decides the timing. But the firm also has considered factors like seasonality of purchase of the product, climate conditions, festival seasons, etc., in timing the campaign.

Coordination with Other Elements of Promotion

Sales promotion programmes yield the best results when they are well coordinated with other elements of Promotion — Advertising, Personal selling and Publicity. Sal promotion programmes cannot run independent of these major promotion variable when used in combination with promotion variables, sales promotion program stand a better chance of meeting their aims.

Sales Promotion, the internet, and New Media Sales promotion has entered the era of new media as well. Marketers are expanding their use of sales promotion techniques in the consumer, trade, and business markets by using the Internet and other net media options. In a recent survey, 49 percent of advertisers said they used Internet—based promotions. There are two parts to the issue of sales promotion in new media applications. First, there is the use by Internet and new media companies of sales promotion techniques. Second, there is the use of the Internet and new media to implement various sales promotion techniques.

The Use of Sales Promotion by internet and New Media Organizations. The new titans of technology—AOL, Earth Link, Linux—have discovered a new way to generate revenue fast: They give their products away. More specifically, they have discovered the power of sales promotion in the form of distributing free samples. These fast—growing, highly successful companies have discovered an alternative to advertising—sales promotion.

Of course, giving away free samples, as we have seen, is not a new sales promotion technique. But giving away intellectual property, such as software, is new and America Online is the king of giveaways. With each new release AOL blankets the United States with diskettes and CD—ROMs offering consumers a free trial of its Internet services. No distribution channel is left untapped in trying to reach consumers with the free diskettes. They have been stashed in boxes of Rice Chex cereal, in United Airlines in-flight meals, and in packages of Omaha Steaks—not to mention inside the plastic sack along with your local Sunday paper that the neighborhood kid delivers. -.

What makes sampling so attractive for AOL is that it helps takes all the risk away from consumer trial. Consumers with computers can give AOL a try without investing a penny or making a long—term commitment to a piece of software. If they like what they see, they can sign up for a longer period of time. The technology companies have embraced the concept and accepted the main abilities of sampling— cost and time.

But sampling is not the only sales promotion tool discovered by the dotcoms. In their desire to create "sticky" Web sites, Internet firms have relied heavily on incentives as a way to attract and retain Web surfers. Many of them are offering loyalty programs, and others have devised offers to make members out of visitors. In an attempt to make the incentive programs more interesting, many of the Web companies allow participants to review their standings in contests and then take a virtual tour of prizes—including the classic grand prize, an exotic travel destination.36

These technology companies have discovered that sales promotion can be a valuable component of the overall promotional program—and that the potential impact of sales promotion is quite different from advertising. Internet and new media companies have invested heavily in advertising as a way to develop brand recognition. Now they have discovered sales promotion as a way to help drive revenues.

It is interesting to see Internet and new media companies rely on traditional sales promotions. But it is also interesting to see how companies of all types are learning to use the Internet and new media to implement sales promotion techniques. In a survey of firms using various promotional techniques, over half responded that the Internet and new media were having a large impact on their promotional planning.

There are a variety of ways in which the Internet is being used to implement sales promotions.

First, companies like Sweeps Advantage (www.sensadyatittrc.com) are emerging to provide widespread visibility and access to company sweepstakes,

Second, the Internet is being used as a distribution system for couponing.

In the packaged goods area, Internet "triggered" coupons (either printed from the site or requested online for mail delivery) have become so popular that a printable-coupon Web site, cool savings.com, now boasts over 11 million members.

Sites like coolsavings.com allow you to print coupons for savings on pet products, beauty items, and baby products. Rebates are also being distributed through the Internet as a way to expand access to this sales promotion option. And sweepstakes are simply

highly popular on the Web. A General Motors game for the Chevy Tracker drew 1.3 million Webs—based entries.

While the Internet attracts most of the attention for sales promotion implementation, new media applications are also taking hold. The CD—ROMs distributed by AOL represent one form of new media application. In—store coupon dispensers are another.
Finally, interactive kiosks are being developed that provide both information and incentives in retail locations.

The Risks of Sales Promotion.

Sales promotion can be used to pursue important sales objectives. As we have seen, there are a wide range of sales promotion options for both the consumer and trade markets. But there are also significant risks associated with sales promotion, and these risks must be carefully considered.

Creating a Price Orientation.
Since most sales promotions rely on some sort of price incentive or giveaway, a firm runs the risk of having its brand perceived as cheap, with no real value or benefits beyond low price. Creating this perception in the market contradicts the concept of integrated marketing communication. If advertising messages highlight the value and benefit of a brand only to be contradicted by a price emphasis in sales promotions, then a confusing signal is being sent to the market.

This was a risk run by Schick and Gillette as their "razor wars" continue to escalate. At one point, both Finns were giving away razors that cost $10 and including a $2 coupon to try to stimulate repeat purchase. The cost of this one "skirmish" in the ongoing air was $40 million to Gillette and somewhere between $40 million and $70 million for Schick.39 Clearly the ongoing risk here is that men will simply take both free razors and wait to see which firm offers the next deal.

Borrowing from Future Sales.

Management must admit that sales promotions are typically short- term tactics designed to reduce inventories, increase cash flow, or show periodic boosts in market share. The downside is that a firm may simply be borrowing from future sales. Consumers or trade buyers who would have purchased the brand anyway may be motivated to stock up at the lower price. This results in reduced sales during the next few time periods of measurement. This can play havoc with the measurement and evaluation of the effect of advertising campaigns or other image— building communications. If consumers are responding to sales promotions, it may be impossible to tease out the effects of advertising.

Alienating Customers.
When a firm relies heavily on sweepstakes or frequency programs to build loyalty among customers, particularly their best customers, there is the risk of alienating these customers with any change in the program. Airlines suffered just such a fate when they tried to adjust the mileage levels needed for awards in their frequent— flyer programs. Ultimately, many of the airlines had to give concessions to their most frequent flyers as a conciliatory gesture.

Time and Expense
Sales promotions are both costly and time-consuming. The process is time- consuming for the marketer and the retailer in terms of handling promotional materials and protecting against fraud and waste in the process. As we have seen in recent years, funds allocated to sales promotions are taking dollars away from advertising. Advertising is a

long-term, franchise-building process that should not be compromised for short—term gains.

Legal Considerations.

With the increasing popularity of sales promotions, particularly contests and premiums, there has been an increase in legal scrutiny at both the federal and start levels. Legal experts recommend that before initiating promotions that use games, sweepstakes, and contests, a check into lottery laws, copyright laws, state and federal trademark laws, prize notification laws, right of privacy laws, tax laws regulations. The best advice for staying out of legal trouble with sales promotions is too carefully and clearly states the rules and conditions related to the program so that consumers are fully informed.

INTEGRATED PROMOTION – COORDINATION WITHIN THE VARIOUS PROMOTION TECHNIQUES

The Coordination Challenge:

Sales Promotion, Point of Purchase Advertising, there is an attraction to sales promotion that must he put into perspective. Sales promotions can make things happen—quickly. While managers often find the immediacy of sales promotion valuable, particularly in meeting quarterly sales goals, sales promotions are rarely a viable means of long—term success.

But when used properly, sales promotions can be an important element in a well—conceived IBP campaign. Key to their proper use is coordinating the message emphasis in advertising with the placement and emphasis of sales promotions. When advertising and sales promotion are well coordinated, the impact of each is enhanced—a classic case of synergy. When advertisers were surveyed about their perspective on sales promotion, 57 percent said that they employed a mix of brand building and sales incentives in the promotional process. Similarly, the majority of respondents indicated that sales promotion was an ancillary part of their Till' campaigns rather than a core component or the key component.

The effectiveness of coordination was demonstrated dramatically by magazine. The magazine ran a contest designed to prove to advertisers that the magazine's readers do buy advertisers' brands. Readers who wanted to participate in the contest collected the UPc codes of specified brands from their purchases and entered them on the magazine's Web site,. This coordinated effort was a huge success, attracting 51,543 Web contest entries and 37 new ad pages from advertisers.

The typical sales promotion should either attract attention to a brand or offer the target market greater value: reduced price, more products, or the chance to win a prize or an award. In turn, this focused attention and extra value acts as an incentive for the target market to choose the promoted brand over other brands. One of the coordination problems this presents is that advertising messages, designed to build long—term loyalty, may not seem totally consistent with the extra—value signal of the sales promotion.

This is the classic problem that marketers face in coordinating sales promotion with an advertising campaign. First, advertising messages emotional attractions. Then, the next contact a consumer may have with the brand is an insert in the Sunday paper offering cents—off coupon. These mixed signals can be damaging for a brand. Increasing the coordination between advertising and various sales promotion efforts requires only the most basic planning.

First, when different agencies are involved in preparing sales promotion materials and advertising materials, those agencies need to be kept informed by the advertiser regarding the maintenance of a desired theme.

Second, simple techniques can be used to carry a coordinated theme between promotional tools. The use of logos, slogans, visual imagery, or spokespersons can create a consistent presentation.

A good example of coordinating the message across all forms of communication is the M&M "Great Color Quest" promotion. Master foods USA introduced bold new colors for the old M&M brand but first turned all the candies black and white for a period. The release of the new colors was coordinated with print ads, billboards, coupons, and a new package.

Another key in coordination involves timing. Remember that the success of a sales promotion depends on the consumer believing that the chance to save money or receive more of a product represents enhanced value. If the consumer is not aware of a brand and its features and benefits, and does not perceive the brand as a worthy item, then there will be no basis for perceiving value—discounted or not. This means that appropriate advertising should precede price—oriented sales promotions for the promotions to he effective. The right advertising can create an image for a brand that is appropriate for a promotional offer. Then, when consumers are presented with a sales promotion, the offer will impress the consumer as an opportunity to acquire superior value.

Integrated brand promotion involves a strategic coordination of multiple communication tools to promote products and services. Instead of viewing advertising, public relations, sales promotions, and other marketing functions as separate, the IBP approach aims to streamline them together to execute campaigns with a clear, consistent, and persuasive message. Large corporations such as Disney use the IBP approach for the promotion of their brands on a global level.

Concept several considerations are necessary when designing advertising for other Review nations.

1. Overall factors to consider:
a. Role of advertising
b. Availability of media
c. Government regulations
d. Competitive situation
e. Quality/availability of advertising agencies
2. In selecting the message, the promotion manager must:
a. Accurately reflect language, values, and attitudes
b. Understand how the product is used and what motivates purchases
c. Identify appropriate decision makers
d. Understand cultural mores
e. Attempt to identify market segments
3. Considerations in selecting the medium:
a. Assess the availability and standardization
b. Assess technical limitations

Personal Selling

Personal selling is the most common promotional tool used in foreign markets. It may be the dominant mix element under at least two conditions:

(1) When the use of advertising or media is restricted, and (2) when the wage scale is so low as to allow the employment of a large local sales force.

The international marketer must first determine the role personal selling should play in each market compared with the other mix elements. Once this decision is made, the day-to-day administration of the sales force begins. Administration entails many of the same basic tasks associated with managing the domestic sales force: recruitment, selection, training, motivation, compensation, and evaluation.

Recruitment and Selection Salespeople are usually recruited and selected within the local market by individuals who know the market best. Two other sources of salespeople are also available: expatriates, people who are not natives of the local country but who take a two- or three-year assignment in a particular foreign market; and cosmopolitan personnel, people who are familiar with numerous foreign markets and work in several countries simultaneously. It is becoming increasingly difficult to find high-caliber expatriates who are willing to live abroad for extended periods, and it is very expensive to hire cosmopolitan personnel. 16

There are some restrictions on recruiting and selecting salespeople in foreign countries. Most notable is the negative view in many countries of sales as a career. This attitude may cause the best candidates to shy away from sales. The number of people with the desired characteristics and educational background may also be limited. Furthermore, many countries impose sanctions on the hiring of expatriates and cosmopolitans. In Argentina, for instance, foreign companies must make every effort to hire a local salesperson before they are allowed to bring in an outsider. Even then, a limit is imposed. Dealing with these restrictions has forced many international marketers to design sales positions to fit the strengths and weaknesses of specific countries. Thus the responsibilities of the job vary from market to market. In Spain, for example, IBM has a Spanish salesperson who deals with the technical selling issues.

Training:
Training location and content depend on the nature of the job and the previous preparation of the sales force. For local salespeople, training usually occurs in the host country and concentrates on information about the company and product. For expatriates, training is done initially at home with a focus on the customs and special problems in the host country. For both types of personnel, sales training must cope with problems that may be caused by long-established behaviors and attitudes. Americans, in particular, often think there is little to be learned from a foreign culture or a different way of doing things. This attitude is a mistake.

Since there is often a physical separation between the international marketer and the local sales force, continuing training is very important. Home office personnel should frequently check on the effectiveness of the training effort and assess the level of retention.

Motivating and Compensating Techniques of motivation and compensation must be designed to meet local needs. In many foreign countries, selling is a low-status job, and the proper cultural behavior is not to talk to strangers. In countries where selling has low status, superior training, titles, and financial rewards are all helpful. In the end, each method used to motivate a foreign salesperson should be examined for cultural compatibility.

Controlling and Evaluating the Sales Force The control and evaluation techniques used in the United States are also applicable to foreign markets. However, the manager must learn about the local market in order to appraise its potential and assign territories and sales quotas. Comparison of markets is an additional task; it gives the manager a better idea of the possible range of performance.

Dealing with multiple markets that have very different sales potential makes evaluation a trying task. Should salespeople be evaluated on individual performance, or should they be compared to salespeople in other markets? Evidence supports comparison.

INTERNATIONAL PROMOTION STRATEGIES

The decision to use sales promotion internationally is normally the third choice after due consideration is given to personal selling and advertising. Nevertheless, sales promotions are often more attractive than other promotional elements. Consumers in less wealthy countries tend to be especially interested in saving money through price discounts, product sampling, premiums, or contests. Furthermore, sales promotion may provide a strategy for bypassing restrictions on advertising. It is also a way of reaching people who live in rural and less accessible parts of the market.

	U.K.	Ireland	Spain	Portugal	Greece	France	Italy	Netherlands	Denmark	Belgium	Luxembourg
In-pack premiums	■	■	■	■	■	●	■	●	●	●	▲
Multiple-purchase offers	■	■	■	■	■	■	■	■	●	●	▲
Extra product	■	■	■	■	■	■	■	●	■	●	■
Free product	■	■	■	■	■	■	■	■	■	●	■
Free mail-ins	■	■	■	■	■	■	■	■	●	●	●
With-purchase premiums	■	■	■	■	■	■	■	●	●	●	▲
Cross-product premiums	■	■	■	■	■	■	■	●	●	▲	▲
Collector devices	■	■	■	■	■	●	■	●	●	●	▲
Competitions	■	■	■	■	■	■	●	■	●	■	■
Free drawings	■	■	■	■	■	■	■	▲	▲	▲	▲
Share-outs	■	■	■	■	■	●	●	▲	▲	▲	▲
Sweepstakes/lottery	●	●	●	●	●	●	●	●	▲	●	▲
Money-off vouchers	■	■	■	■	■	■	■	■	●	■	●
Money-off next purchase	■	■	■	■	■	■	●	■	▲	■	▲
Cash backs	■	■	■	■	■	■	▲	■	■	■	▲

■ Permitted   ● May be permitted   ▲ Not permitted

Both Coca-Cola and PepsiCo set aside part of their Latin American advertising budget for carnival trucks that make frequent trips to isolated villages to promote their products. These trucks provide free entertainment, including movies, and distribute free products along with coupons for additional products. Product samples may also be left with local stores, as well as premiums such as clock signs, clothing, and temperature gauges. For example, laws may not permit promoters to give premiums or gifts. Even when they are permitted, the value of the premium may be limited to a percentage of the value of the product purchased, or the premium may have to be directly related to the product purchased (for example, a decanter given with a salad dressing mix). In France, promoters are required to keep records of their sales promotion expenditures and the dollar amounts are limited. In many Spanish-speaking countries, the typical inexpensive toys and games found in children's cereals have been banned because of lack of value. Yet Procter & Gamble Co. successfully included a free nativity scene in each box of one of its detergents. Again, the influence of culture is evident.

Coupons, the most frequently used tool in the United States, are prohibited in many countries and tend to play: a minor role in countries such as Sweden or the United Kingdom where they are used. In most overseas markets, price reductions in the store are the most important sales promotion tool, followed by reductions to wholesalers and retailers. Also of importance in some countries are product samples, double-packs, and in- store displays. Distrust of foreign marketers makes warranties mandatory in some countries.

Problems in gaining the involvement and cooperation of resellers represent a very serious barrier to sales promotion in foreign markets. Wholesalers and retailers often lack

the appropriate facilities to properly process or merchandise promotional materials. They may not understand the sales promotion or be able to explain how it works to their customers.

If the promotion manager can overcome such constraints, the opportunities for sales promotion in foreign markets are impressive. This is particularly true when the company has a competitive edge in a particular market. Since sales promotion tends to enhance the basic value of a product, products that are highly regarded will benefit most from sales promotions, regardless of the country.

Public Relations

To a large extent, public relations are the international marketer's attempt to create a positive image of itself in the host country. PR is a vital part of any international marketing program.

Public relations play both a proactive and a reactive role for most international marketers. It is proactive in the sense that an international company develops a PR strategy specifying a promotional mix, including scheduling and budget allocations. The strategy might include press releases, news conferences, plant tours, and sponsored events. Reactive public relations refer to how the international marketer plans to respond to unplanned events such as product failures, catastrophes, and personnel misbehaviors. Since host countries are very sensitive to the indiscretions of foreign visitors, reactive public relations must be particularly responsive.

Effective international public relations begin with primary research. This research should (1) identify the relevant publics in each market, (2) assess how various public relations events or issues will affect the various publics, and (3) determine the most effective public relations strategy to use in presenting or responding to these events or issues. Too often, public relations practitioners fail to conduct this research.

Armed with this information, however, public relations practitioners can anticipate potential problems and react appropriately. Many international marketers have come to the realization that they cannot always give in to government or public demands. To illustrate an exception, however, Anheuser-Busch agreed to sponsor an educational program about drunk driving in conjunction with its entry into Taiwan.

INFLUENCE OF COVID 19 PANDEMIC ON TEACHING OF SUSTAINABILITY IN EDUCATION

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Abstract

The educational system across the world has enormously been affected due to COVID-19.It forced to shut down of educational institutions, which affected student society throughout the world. Due to its infectious nature, COVID-19 demanded containment and compulsory isolation that extremely affected personal contact of teachers and students. In the absence of traditional classroom teaching and face to face interaction, mobile - based learning has arisen and substituted off-line teaching. It has been forced the students and the faculty to go for online teaching due to covid pandemic. Hence, E-learning has emerged as a new way of enhancing the learning process by using technology to improve the learning output which facilitate educational institutions and policy makers to take this online-learning process compulsory to sustainability on education. To conclude higher educational institutions must continue to work on sustainable development teaching on education throughout the curricular aspects throughout the pandemic and post pandemic period of covid 19. Higher educational institutions must provide sustainable development in education and technical & other skills is the only one going to grow in the up-coming years and eras, irrespective of the current COVID-19 end.

Keywords: Higher Education, Quality Education, Sustainable Development, Teaching Online, Technology

Teaching of sustainability in Education

In our country like India, many researches showed that the impact of COVID-19 across the higher education sector have enforced the teachers to unrestraint face-to-face teaching and campus-based events like placements for a period of time. Due to covid 19, various methods of lockdown were declared which leads to the closure of educational institutions in order to lessen physical contact in spreading of the virus. It has not resulted in a full stop of teaching, but it has been switched from teaching in the classroom to through online. The teachers were trying to deliver content through different modes using distance learning technologies like Zoom app, Google meet etc. It was found that, this change made a big challenge not only to the teachers but also to the students who study through online resulting in an increased workload. Moreover, science related subjects have Laboratory based work which has affected the most. Some courses have more of field work which has been affected. Student placements have been mainly impacted, and assessments of marks of the students have made a biggest challenge for the institutions which required re-thinking. In this situation, teaching was done a virtual mode and students felt very difficult to hear the lecture through online mode. They must develop the necessary skills to adapt to

different methods of delivery, with a range of technological methods installed to support the continuation of learning.

In the framework of learning from online, many responses suggest that students and staff have been profoundly dependent on online materials like google search, YouTube, accessing articles from journals, online media reports and e books. But the teachers felt that the effectiveness of their teaching can be done perfectly only through offline rather than online because many students were come from Tamil medium, hence they lack in understanding the subjects particularly quantitative papers. There will also be lack of personal communication with students, along with worries about students' motivation if the teachers teach online. Overall, the lack of educational model for distance learning has delayed progresses. But some of them suggested that the experience of online learning has given positive experience like creativity while learning through online. In the future, we can foresee the increased use of distance/blended learning methods and the greater use of technology will impact on sustainability teaching. The experience of the COVID-19 pandemic has provided an opportunity for teachers and the students to disapprovingly reflect and to study variable opportunities to reform the ways of sustainability is actuality taught at higher education institutions.

The influences of COVID-19 on social, economic and environmental systems may also help as to emphasis on the issues on sustainable development on quality education. It also considers about knowledge, understanding, skills and attributes which are required to deal with the challenges levied. But there is still nonexistence of issues in quality education for sustainable development. It is authoritative that we need to redesign a lined, business-based economy to adjust with environmental change. We need to talk how unsustainability will lead to global covid pandemics and sustainable results. Such issues need to be essential to sustainability teaching on quality education. This covid pandemic lead the teachers and faculty to challenge themselves which upgraded the higher education system to take welllead of digital technologies in this changing pandemic environment. These changes need to be adopted and absorbed by the universities in the post-pandemic world. It has been shown that the covid pandemic will influence HEIs in the long run. Hence blended learning increases, and more staff use technological resources in their home or college itself. It will be mandatory on universities to facilitate and support taking classes online at home or college premises with appropriate software and systems access. Governments and Higher educational institutions will need to make superior effort and follow additional investments on internet access and technological resources for learning and teaching for students and professors. It offers extraordinary understandings into how higher education institutions have been managing COVID-19: the impact of a global crisis on sustainable development in this COVID-19 epidemic. It evidently shows the various ways and how the COVID19 pandemic reduced sustainability on teaching and the means organized by many universities in view to moderate the effects of the covid pandemic. Institutions and the universities must investment in IT so as to place a better position to

manage with conditions when the normal teaching, based on face-to-face interactions, is reduced. By the way, the world gradually recovers from the covid pandemic, its economic impacts are becoming stronger. The increase in unemployment rates, the loss in financial markets makes it clear that the sustainability on quality education are as important as not often before. By undertaking the need for upholding reasonable conditions across different sectors, countries and time, the covid pandemic situation may be used as a teaching resource to prove the need for sustaining a balance between people, the environment and human health.

Conclusion

To conclude HEIs must continue to work on sustainable development teaching on quality education throughout the curricular aspects. Higher educational institutions must provide sustainable development education and skills is the only one going to grow in the up-coming years and eras, irrespective of the current COVID-19 end.

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CYBER SECURITY

Editor

Dr. R. Meenakshi

CONTENTS

DATA PRIVACY AND SECURITY ISSUES IN CLOUD COMPUTING

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Abstract

Cloud computing technology has gained extensive popularity around the world and this is justified by the fact that many enterprises applications data and services are migrating in to cloud platforms. The impact of technology on our lives continues to rise, with online businesses moving at a much faster pace than traditional businesses. At logistic organizations adopt technologies such as huge data, Internet and cloud security is a necessary evil. In this technology-driven digital world where everything is connected and easily accessible, fraction of seconds data are transfer from one place to another place using data transfer protocols ie UDP, TCP, ITP, FTP and HTTP. At that time data security and privacy is very important due to occurrence of many data issues and risks. This chapter focuses on a set of important data privacy and security issues pertaining to storing and accessing data in cloud computing.

Keywords: Cloud Computing, Security, Privacy, Technology, Internet, Network, Authentication, Architectures and Protection.

Introduction

Cloud computing technology has gained extensive popularity around the world and this is justified by the fact that many enterprises applications data and services are migrating in to cloud platforms. The impact of technology on our lives continues to rise, with online businesses moving at a much faster pace than traditional businesses. At logistic organizations adopt technologies such as huge data, Internet and cloud security is a necessary evil. In this technology-driven digital world where everything is connected and easily accessible, fraction of seconds data are transfer from one place to another place using data transfer protocols ie UDP, TCP, ITP, FTP and HTTP. At that time data security and privacy is very important due to occurrence of many data issues and risks. Data encryption provides an effective way for protecting data confidentiality. An another way to deal with data confidentiality is to ignore sensitive data and just store non-sensitive data in the cloud. This chapter focuses on a set of important data privacy and security issues pertaining to storing and accessing data in cloud computing.

Data privacy and Security

Data Privacy is a branch of data security concerned with the proper handling of data-consent, notice and regulatory obligations. Data privacy needs to be a high priority for businesses. Mistake to comply with data privacy regulations can lead to heavy losses. Security refers to protective measures put in place to protect digital data from unauthorized users, such as cyber criminals and hackers.

PARTITION OF INDIA :

Memory, Trauma and Representation

Editors

DR DIPAK KUMAR DOLEY

DR ABUL FOYES MD MALIK

PARTITION OF INDIA :
Memory, Trauma and Representation

Partition of India : Memory, Trauma and Representation

'Pali': A Univocal Cry for 'Identity' of the Child-Natives of Border Lands

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The partition of India, purely on the basis of Religion, is the most debated incident of the twentieth century. Partition is commonly quoted as the darkest event of the nation and is recorded by the historians as the most lethal event not only in the history of India but of the history of the World at large. Every individual of the nation, irrespective of caste, creed and religion, were directly or indirectly affected by the pains of partition. The event gave rise to unfiltered wickedness, violence and extreme communal uprisings throughout the nation and heavily impacted the peace of the world during that period.

Despite the pass of time, still many a people in India and Pakistan couldn't come out of the traumatic events faced by them during the time of partition. It was horrible days when neighbors turned enemies, violent action, abduction, rape, physical cruelties and massacre took place. The partition resulted in more than one million deaths, victimized five thousand and more women with abduction and rape, and resulted in the creation of ten million refugees and more. It is natural that a disaster of such magnanimity incited the literarians. The indigestible cruelty that got staged during partition acquired vivid reflected into varied genres of literature. Thus, the genre of literature that illustrates the human cost of the independence and partition is aptly titled as 'Partition Literature'. The partition literature deals with the traumatic violence, death, agony, pain, suffering and the killings on both the sides. A few partition writers focus on the massacre during the refugee migration and the rest talks about the problem faced by the people at the place of rehabilitation in an alien nation. Raja Rao, R.K. Narayan, Kamala Markandaya, Manohar Malgaonkar, Khuswant Singh, Bapsi Sidhwa, Chaman Nahal, Amitav Gosh, Mukul Kesavan, Bhisham Sahani, Balchandra Rajan, Manju Kapoor, Attia Hosain, Khawja Ahmed and Salman Rushdie are some of the noteworthy exponents of partition literature. In this paper, I would like to dwell on the agony of partition, as described by Bhisham Sahani, in his most popular short story 'Pali'.

Bhisham Sahani, an Indian writer, playwright in Hindi and an actor is known for his powerful accounts of the partition of India. He was awarded with prestigious awards like Padma Bhushan and Sakitya Akademi for literature. He is a great novelist of partition literature. He has translated many of his short stories from Hindi to English. Among those his short stories 'Pali' is a portrayal par excellence of the plight of partition. It brings out the realistic picture of the people, who had undergone a lot of struggles during the period of partition and after. There

were certain issues which weren't penned by the partition writers. Sahni, an exclusive writer of partition literature, concentrates on the untouched area, especially the sufferings of children during the period of partition. 'Pali' is one certain story that clearly portrays the traumatic condition of a child named Pali.

Pali is the mouth piece of a million children in India and Pakistan, who got wielded away from their parents during the compulsive and brutal refugee migration. Most of the children were killed indefinitely for no reasons. Manohar Lal, the father of the protagonist, and his family were left behind in a small town, which is located distantly across the border of Pakistan. Pakistan was then a country newly carved out at the time of the Partition. The Manohar Lal's, with their little belongings, had joined the refugee caravan, which was loaded with countless uprooted people heading for India. There was no space to stand and no proper air to breathe. The entire ambiance was wrathfully silhouetted with dust and smoke. Manohar Lal, his wife and their two children, a little girl in her mother's arms, and Pali, a boy of four, holding his father's finger walked towards the caravan, carrying their bundles on their heads. They were tired and their eyes were searching their way through the dusted smoke. They kept their ears sharp to pick any remark that would guide them to the right path. They were very curious to know, where they would be landed and what would be their future.

On the last day of the refugee camp everybody started to move. They carried their belongings on their heads, and proceeded towards the convoy of Lorries, which were ranged one after the other along the battered road that would carry them to the border. Holding his son's finger and carrying a heavy bundle on his head, Manohar Lal walked towards the Lorries, his wife, Kaushalya, was following Manohar close. She had her baby daughter in her arms. She too carried a big bundle on her head. The refugees were throwing their loads frantically into the Lorries and racing their way into the vehicles, some of them struggled to enter in through the windows. Manohar Lal was striving hard to push his way towards the entrance. He then suddenly realized that his son, Pali, was missing. Kaushalya had managed to enter the lorry. Manohar Lal thought that Pali should be somewhere there in the crowd and showed least attention to him. As time rolled out, the sensation of the child's grip started lingering on his head. Everybody was madly pushing from behind and stamping each other to find a space to settle. There was a cry and shout everywhere. The crowd got more frantic with the passing of every moment as the Lorries are heavily loaded with refugees. The camp managers alarmed and shouted at the top of their voices, insisting the passengers to hurry up and get into the Lorries as they had to cross the border before nightfall.

Manohar became anxious as he couldn't locate the location of Pali in the lorry. There was no response as he started shouting "Pali! Pali! He raised his voice to the highest pitch possible but in vain. He started running madly in and around the Lorries. The Lorries had started leaving one by one. The lorry in which his wife was standing with their nestled child was jam-packed, the driver blew the horn alarming them to be ready as it was ready to start. Manohar Lal's throat had gone dry shouting. His legs trembled and his head rotated. He was still searching for Pali and the lorry started moving. His wife's eyes were fixed on her husband in the crowd and she was unaware of what was happening.

The story 'Pali' very clearly brings the irony and irrationality of the religious prejudices and its consequences. Pali was four years old when he got separated from his parents. When the chaos and confusion came to an end in the station, Pali was shocked to find that he was alone. He was picked up by Shakur, a Muslim, who takes him to his wife Zenab. They adopted him into their family. They became his new parents. Pali got bewildered as he was separated by his biological parents. He was left behind during the partition in Pakistan. Pali was now adopted by a Muslim family and then after some years taken back to India by his biological parents. He is made to encounter several ambiguous situations and go through difficult procedures and rituals in order to purify. The boy was simply a puppet for them. He had undergone several changes and conversion based on the rituals of those who adopted him. At times of all this drama of conversion and displacement, nobody worries about the feelings of the boy. The trauma that he experiences remains a scar in his mind throughout. Religion and communism decide the fate of the people at the time of partition.

It was fortunate that Pali was adopted by a loving and caring family. But it was not the case for all the other children, who got separated by their biological parents during the time of partition. There were a few instances, where the children were even killed by their own parents as they did not want their children to starve to death. Most of the children who survived the partition were subjected to many psychological and physical tortures. Some children who were left far in the madding crowd were left to survive on their own. The adoption process mostly favoured the boys as they could be engaged in work and to earn. On the other hand some small girls were adopted but to the shock they were used as domestic workers or prostitutes. Young girls were poisoned to death by their own parents in order to save their family's repute.

Pali's foster parents were kind to him. But still, he had to go through a lot that had deeply rooted on his mind. He had to convert to a different religion. He was made a Muslim for some time then later a Hindu. On the day of his conversion, he was shocked to see the sight of the razor in Maulvi's hands. "Little Pali was terrified at the sight of the razor and clung to Zenab's ... But nobody was sympathized with the little boy, who had almost been lost between two different religions. The Maulvi, the Islamic teacher, consoled little Pali. Pali was in fear holding ... Zenab. The maulvi did not mind it at all. He just smiled indulgently. The neighbors ... and greeted Shakur and Zenab. Everybody knew that he is a Hindu boy, who is very ... understand the importance of religion and rituals like circumcision. But nobody came ... stop the ritual procession. Initially he was confused with the trauma of conversion. ... new identity. He was no more Pali now. He was Altaf. He was dressed in Muslim ... and his rumi cap; he memorized Quran and started taking daily namaz.

... unate that the new identity makeover of Pali did not last long. When, Pali was ... age, he was again thrown to another chaos. His biological father, his Pitaji, ... from nowhere. He proved that Altaf was his own son, who was lost during partition ... succeeded in it. Even at this time also, it is Pali or Altaf, who had to suffer the ... of identity struggle. In front of a large crowd, little boy was made to stand and ... real father. The boy was made to stand before the magistrate. Seeing the crowd in ... yard, he became nervous and clung to Shakur's legs. Pali had his finger in his mouth

and looked around at the people bewildered. The boy was finally handed over to his biological father and sent back to India. Nobody could actually care, if Pali wanted to go or not. Pali just got transformed into a puppet handed over from one another to the other.

He was happy about his journey to homeland but after a few years there were some shocking turns out that get revealed to him. He was too young to understand the nuances of religious sanctity and the codes associated with it. He was torn between his present and the past. He witnessed everyone around him, who seemed to be muted. On his way back home when the social worker woman carrying him takes his rumi cap and said why a Hindu boy had a rumi cap on his head. He protested not to remove but he was forced to. He did not understand what the woman meant and why she wanted the cap to be removed. He could not understand the difference between the religions. For him, the cap did not have anything important to convey rather it was just a piece of cloth that can be worn on head.

After reaching India, Pali continued to lead his normal way of life, saying his namaz and wearing his Muslim clothes. While doing this, Pali could sense the tension that prevailed in and around his family. The neighbours looked down upon him with disgust and aversion. Gradually he understood that he was in a place where muslim clothes, saying namaz and wearing cap was strictly prohibited. The biggest blow he experienced was that he was once again made to go through the process of conversion ceremony in order to assimilate into a new religion. His "hair is cut, his Muslim clothes are taken off, and he is newly clothed in a "dhoti and kurta" (Sahni 52). Pali was confused to decide on the religion to be followed. He did not know whether he could show his real love to his present parents more or to the earlier ones, who brought him up all this while. He couldn't understand the complexities of the religious divide that had already taken countless lives in the name of partition.

I stand to believe that Pali is a representative of thousand and more children who suffered during the time of partition. They were torn between the customs and traditions of two different religions, two different parents and two different countries. The emotional and sentimental feeling of an individual is not accounted where the religious sentiments and the communal rites take an upper hand. A little child like Pali, who had already suffered a lot, is made to go through various rites and rituals which he couldn't understand at all at his age. He is not asked and given a chance to say whether he wanted to go with his father to his homeland or not. When he is converted to Islam and then to Hinduism, he was forced to learn and later forego the practiced religious procedures and rituals all of a sudden. He is surrounded with an overwhelming feeling of helplessness. He felt alienated in his own place and homeland. Bhisham Sahni has left to the reader many questions unanswered. The end of the story suggests that Pali would be happy if he was left with his adoptive parents.

Pali by Bhisham Sahani is a typical representation of the identity swipe that partition enforces. It is completely absurd and exhaustively painful to wipe one clean of a long nurtured self identity overnight and to get compelled by extensive force to put on a new robe of identity, to which one could hardly connect with. Such a violent wipe of one's identity can completely demoralize one and shatter one's hopes for the future. Partition apart from destroying the people economically, left within the victims an emotional void, implanted in

them the pangs of a bleak future, morally devastated them and spared them to mere vegetative existence. If the aftermath of partition can be such cruel, it is all the more abusive to have a child as 'Pali' to endure such high intensity social trauma.

The plot of 'Pali' still has a wider relevance to the modern day society, wherein religion and rituals are accorded with higher importance than the much needed humane considerations. The search for identity and the pains that follow it are still experienced by people, especially the child natives of the border lands of our nation on a daily basis. The children of the border lands are often forced to live far away from the life of their dreams. The heavy political tension that surrounds them suppresses their dreams and aspirations, converting them into mere puppets of the political power play. Pali of Bhisham Sahani is an epitome of the search for identity and an unquenched longing for a life of their choice painfully experienced by every child native of the border lands of our glorious nation.

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MODERN INDIAN DRAMA

Theory, Practice and Criticism

EDITOR

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MODERN INDIAN DRAMA :
Theory, Practice and Criticism

Delineation of Women in Vijay Tendulkar's
Silence ! The Court is in Session

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Indian theater was mostly occupied with plays written in regional languages that were easily understandable to the audiences. Early Indian English writers could not enjoy this advantage and as a consequence the growth of Indian English drama suffered. Further, English being a foreign language was not understood by the masses and the playwrights too found it difficult to write vividly, easily and naturally. English being a foreign language has not given a easy way for the writers in regional language. After a long way the works were translated into English but still there lies artificiality in the choice of words.

In post-independence India too Indian English drama did not show any remarkable development. The Indian regional languages monopolized the theatre. No effort was made to establish a regular school of Indian English drama. Indian English drama or plays were given only occasional performances. However, in post-independence period Indian English literature has been popular abroad.

The plays of dozens of modern dramatists – Asif Currimbhoy, Pratap Sharma, Gurucharan Das and Vijay Tendulkar have been successfully staged in Europe and the United States of America. Indeed it is a laudable venture. In India, the theatre groups in Bombay and other agencies too have produced the plays of these dramatists. Vijay Tendulkar is an Indian playwright, screen and television writer. He is a very well known literary essayist, political journalist, and a social commentator. For the past four decades he has been a very popular dramatist in his regional tongue Marathi. . The play I have taken for discussion here is Vijay Tendulkar's **Silence! The Court is in Session.**

In the play Silence! the structure revolves wholly round the idea of a game. It is a play within a play. The whole people in the play try to needle Benare but at least in the first half of the play she is able to out-smart them. The accusations against Benare are based partly on hearsay. The fellow colleagues of Benare have planned to trap her in a game. It is actually a trial game. It is decided in a way that Benare will be taken before court for trial. Benare took it a harmless game.But when the trial began she could sense that she has been evolved in a hunt. She has tried to seduce almost every male present, lure him into marriage. Benare was questioned and many of her colleagues who stood before the court as witness had not spoken any single word good of her. Almost the groups accused her. She was targeted for seducing men in and out the work place. She was sentenced to destroy the infant she carries in her womb and she should lose away her teaching job. These two were considered to be her sources of livelihood.

It is the curiosity of the people that makes them to bring in limelight the life of Leela Benare and questioned about her morality. Gossip and hypocrisy are two of the most common

weaknesses of society. Vijay Tendulkar disliked gossip and the people who indulged in it .He tolerated harmless gossip, but not gossip which would spoil someone's life or reputation. In this play Vijay Tendulkar raises very important questions on the need of maintaining social stability, moral sanctity and legal integrity.

Leela Benare, the heroine of Vijay Tendulkar's play, **Silence! The Court is in Session** symbolizes the emancipated modern woman. She is the most important and most powerful female character in the play. The entire play revolves round upon her character. She is young and energetic and fun loving. Miss. Benare is frank, freedom loving and independent woman. She feels that her life is her own and nobody needs dictate her how or what to do with it. She cannot understand why the management should try to dismiss her from her job when she is impeccable as a schoolteacher. It is not proper on their part to punish her for the unfortunate happenings in her private life. Benare confesses that she is a victim of love and life. She has not harmed anyone. If at all she has harmed anybody, it was her own self. She feels that everyone around her, including her own people and her lovers has betrayed her. This being the case she is already victim of life and it is meaningless on the part of the management or the society to victimize her further. It will be an added insult to injury.

She alone has borne the brunt of the betrayal of her lovers and the people who are close to her. If at all she has harmed, she has harmed only herself and none else. Even when she was bleeding in her heart, she taught only hope, beauty and purity to her school children. She has never led the poison of her agonizing life to pollute the innocent children under her care. That being so she cannot understand how they can deprive her of her job, which is the only source of comfort to bring up her child with security. So we find that Miss. Benare is more sinned against than sinning. Her offences are of private nature, which does not call for such a cruel punishment as meted out to her. Her professional popularity has caused the envy of her colleagues at school and even the school management. They plan to institute an enquiry for a small bit of scandal about her. So far we have examined the stand of Miss. Benare as a victim of life and society.

But during the course of the mock-trial of Miss.Benare for infanticide, the witnesses of the prosecution prove that she had a love affair with her maternal uncle while she was teen and tried to commit suicide when she could not marry him because her mother were against it calling a sin; that she loved Prof. Damle, a married man with became pregnant by him and he had jilted her, that she tried to persuade her ...khe and Balu Rokde into marrying her and fathering her child, and that ...e of Tik-20 in her bag with an intention to commit suicide if everything

...utor Sukhatme points out that motherhood is sacred and a mother ... rearing her child unmindful of her own difficulties. So he points ... brought shame to the holy motherhood by her conduct. It is ... character of Miss. Benare came to be developed by ... of a beautiful poem by Mrs. Shirish Pai who highlights the ... Benare definition of life in the third act of the play almost nearly ... She tries to uppress the overweighing betrayals and teach ... While her heart is breaking with sorrow she teaches them of joy. ... never let the poison life-consuming her slowly affect the tender

children left to her care. She lets herself betrayed by her own co-artists without betraying any of them.

In spite of Damle's irreparable damage to her love life, she does not like him to be called a scoundrel. As given out in the poem, Miss. Benare's life proves to be a battle where defeat is destined as the end. As Benare possesses a natural lust for life and spontaneous vitality, she ignores social norms and dictates. Being different from the others, she is easily isolated and made the victim of a cruel game, cunningly maneuvered by her fellow actors. During the so-called game, which is meaningfully garbed in the form of a mock trial, Miss. Benare's private life is exposed and publicly dissected, exposing her illicit love affair with a married man with a family resulting in her pregnancy. He is significantly absent at the trial. It denotes his total disowning of responsibility, either social or moral, for the whole situation into which he has driven Miss. Benare. During the trial, he is summoned merely as a witness but Benare remains a prime accused as the unwed mother of his illegitimate child. She is cursed for having an illegitimate child and she stands unholy among mothers in this world. This very reversal of the 'authorities ' exposes the basic hypocrisy and double standards on which our society is established.

Vijay Tendulkar in his play, **Silence! The Court is in Session**, gives a dramatic and realistic portrayal of how courts in India fail to administer justice. The trial is thus a mockery, as most trials are in India. Through the character of Benare a woman who suffers in trauma and agony in the jaws of society is brought to light. The play talks about the crushing effect that male domination has on woman. But Tendulkar presents Benare as more sinned against than sinned.

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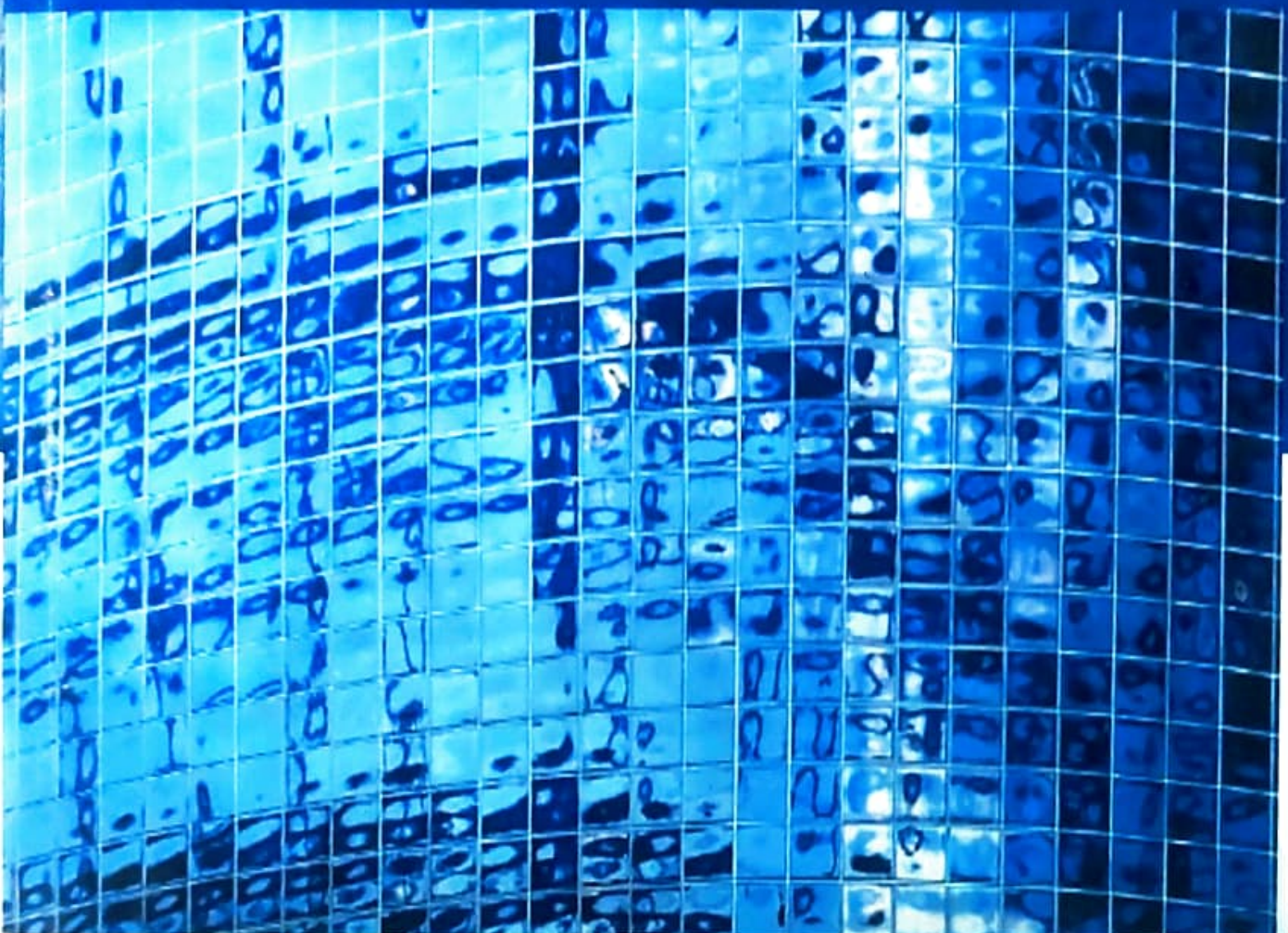
MODERNISM *AND* POSTMODERNISM

REFLECTIONS AND SPECULATIONS
VOLUME-II

EDITORS

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MODERNISM AND POSTMODERNISM :
Reflections and Speculations

The Strained Man : Woman Bond in Manju Kapur's *Difficult Daughters*

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The male characters of Manju Kapur's novels affect the psychology of women but they do not fit in the mould of a hero. On the other hand, it is the women characters that qualify to be heroes as they directly or indirectly transcend the societal restrictions thrust upon them by the mediators of patriarchy.

Her women characters are thoroughly conscious of their position in family and society which leads to their quest for individuality and freedom. They prefer to bring to an end the loveless relationship with men that affect their psyche and their social status and are ready to bear the credence of their ethical uncertainty. Men in her novels are represented as chauvinistic and compromising who are forever puzzled by the defiant attitudes of the women.

In Difficult Daughters, Manju Kapur beautifully shows the struggle to control each other's destiny and also control over one's own destiny as the reason behind the dysfunction of their relationship. Virmati's scandalous relainship with her neighbour, a married professor Harish leads her to a vicious circle of hatred and disgust, along with a fear of shame and disgrace.

Manju Kapur dexterously unveils the disillusionment of marriage in Virmati's life. Professor's interest in Virmati sprouts from her passion for studies. He professes his love for her and seduces her through his expertise in literature until he gains complete control over her mind. Professor's relationship with Virmati does not appear to give her the status of a wife but it just purely gratifies his intellectual and physical needs.

Virmati also seems to understand that they are bound together not only by intellectual gratification but also by a physical lust that overpowers them. She suffers physically and mentally during his relationship. Love-affair, miscarriage, constant pressure from her spousal and parental families tear her apart in several pieces and shakes her faith in relationships.

Harish plays the role of a dominant male partner in his relationship with Virmati as well as in his married life. In his love affair with Virmati, she becomes the source of carnal pleasure for him, where he can find a good combination of heart and mind. He gets her whenever he wants her disregarding various social and familial restrictions upon her and when it comes to marriage, he takes steps back. He refuses to abandon Ganga, his actual wife but wants to share bed with Virmati. Her sense of struggle between morality and modernity are intertwined with each other and go hand in hand. Her efforts to control her destiny, her attempts to elevate her female voice, her negotiation with conservation and her efforts for liberalization all seem to fall into pieces in front of personal trauma, social and communal problems.

One of the main features of the novel The Immigrant is the arranged marriage; a patriarchal tradition ingrained in Indian culture. With respect to patriarchy, the institution of the arranged marriage is where more often than not, a woman has very little say in the choosing of her husband. If a suitable husband is presented, it would be inexcusable for a woman to reject him as it would reflect poorly on her family's reputation.

There is a subtle underlying patriarchal tone to the character of Ananda, the protagonist and his actions. He is not seen as one who overtly tries to control and oppress his wife. However, through his various attempts to change her and steer their lives according to his reasoning, we can see how he tries to control Nina throughout the story. Ananda is portrayed to be an Indian immigrant man who has successfully integrated in Western society. Aiming at a successful integration he also struggles persistently against a white classist western society as he strives to be and to own all that is Canadian: an Indian-turned-Canadian bride, sex with stereotypical white Canadian women, a white collared Canadian profession, a liking to Canadian food, fashion and Canadian ideals. It can be argued that due to his struggle to establish himself an equal footing in such a society, his need to maintain power and control over his wife and their life together pacifies this yearning.

Kapur has initially made him out to be successful dentist, who is ideal husband material hailing from a respectable family with respectable values. He does not ask for any dowry for the wedding and takes care of most of the expenses, thus implying that he is a modern and western man who has not succumbed to the Indian oppressive tradition of the dowry. He initially treats Nina with respect and affection, and ensures that she is comfortable when she arrives in Canada.

However, as the story unfolds, a subtle patriarchal side to Ananda emerges as he tries to control Nina's wardrobe, dining habits, name, sexual practices and even her yearning to have children. This is because Ananda finds it necessary that Nina fit in with white Canadian society by discarding all things that identify her as an Indian woman. It unfolds as a cruel attempt to erase her identity as an Indian woman and as an immigrant. This stems from his own need to assimilate with white Canadian society so that he too is not seen as an immigrant and that he can avail the socio economic equality he so desires.

Throughout the story, Ananda is worried only of ascertaining his demands and achieving his end. He either turns a deaf ear or bothers very little about his personal discrepancies that mar their love life. He is blind to the fact that one can succeed only in getting accustomed to a foreign life style and cannot become a foreigner by right merely by adaptation. His engrossment on all that he deems as 'Canadian' completely alienates him from his homestead and degrades him as an individual. He holds on to the 'Canadian Identity' as repose to his personal discrepancies. It is like believing the world to be dark by closing his eyes. Given his extremist obsession to persuasion of a Canadian identity, Nina is left with no other comfortable option than to discard him completely out of her personal life.

Conclusion

Manju Kapur, with her innate sensibility of human affairs tries to present her novels successfully transiting through the complex groundscape of society, family and relationships. She presents the intricate struggle of her protagonists, surfing through the turbulent sea of emotions and also gives stress on cultural, social and political factors which play upon their mind and shape their responses. She gives importance to human relationships particularly in family ties and explores the problem of modern Indian society in its varying aspects. She not only concentrates on the aspects of human relationships but also delineates their emotional and mental state.

MODERNISM AND POSTMODERNISM : Reflections and S

Kapur divulges the numerous depths of the psyche of her characters, especially the feminine ones, by unwiring their multitudinous links with their family. Her art as a surveyor of human bonds lies in her depiction of various relationships, such as the relationship between an individual and society, the relationship between man and woman; and between mother and daughter. She brings to surface the vagueness of such bonds and the resulting pain and pleasure. Such an in-depth psychological analysis of human emotions that correlate with the human relationships gives an edge to her works and establishes them in the literary world as mirrors that reflect human life as it is lived and felt on a daily basis.

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METHOD OF RESEARCH IN SPORTS AND PHYSICAL EDUCATION

Dr. S.R.V. Ravindran

About Author,

Dr. S.R.V Ravindran has been working as Director of Physical Education (Associate Level) in Sourasthra college, Madurai since 1995. He did master degree in Physical Education, Master of Philosophy in Physiscal Education and Docroal Degree in Physical Education. He fill playing basketball with eagerly. He received 3 UGC. grants for constructing sports facilites(i) 3 Lakhs for GYM-MHRD in 1988, (ii) Rs.25 Laksh for Basket ball count in 2013, (iii) Physical Fitness Centre in 2017 . He has been acting as selection committee members for Basketball, Handball, Aheletics, Cricket, Volleyball, Tennis etc., since 1995. He served as convenor for Madurai Kamaraja University for 9 years. He also activate doing research work and guided Ph.D. scholors in Physical Education. He is an able adminstrator and academician in the field of education. under his leadership his college team received many sports and received of Dr. M.V.Rolling shield for 9 years for MK University Champions.

CONTENTS

INTERNATIONAL ONLINE CONFERENCE

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IMPACT OF COVID-19 ON INDIAN ECONOMY

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Presented a paper on

PSYCHOLOGICAL IMPACT OF COVID-19 PANDEMIC AMONG THE GENERAL PUBLIC IN TAMIL NADU

in the International Online Conference on

IMPACT OF COVID-19 ON INDIAN ECONOMY held on 23rd November 2020.

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IMPACT OF COVID-19 ON INDIAN ECONOMY

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Dr.T.K.S.VILLALAN | J . ALAGIRISWAMY

CHAPTER

26

PSYCHOLOGICAL IMPACT OF COVID-19 PANDEMIC AMONG THE GENERAL PUBLIC IN TAMILNADU

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Abstract

In the Past few decades, globalization across the world has made the people life smarter, simpler and sweeter. The tremendous growth of the Globalization is affected by an unforeseen time fighting an invisible enemy; the novel COVID-19 Corona Virus. Initially the people were affected in the wuhanprovince of China, later the impact was observed across the borders. This article tries to study about the Psychological impact of COVID-19 pandemic among the general opinion and the impact of COVID-19 towards the people opinion.

Keywords: corona virus, covid-19, pandemic

Introduction

In the past few decades, Globalisation across the world has made the people life smarter, simpler and sweeter. The major factors for globalization are emerging-market growth, Technological development, Economics of scale, political and economic issues. The drastic hike of the business across the world has greatly affected by an unforeseen time fighting an invisible enemy; the novel COVID-19 Corona Virus. Initially,human beings of Ch were affected by the virus in the month of December 2019 and the outbreak through terrible human suffering was gradually suffered by the entire countries of the entire world within a period of two to three months. Since, this pandemic is very new,the unavailability of the proper research and no vaccine for the virus had a great hit to households, businesses, financial institutions and international markets. The COVID-19 has turned the people life upside down because it can be easily transmitted through person by droplets, surface transmission, and aerosolized transmission. To curtailthe virus spread, countries have declared restrictive measures such as lockdown, shelter in place; work from home and to maintain social distance. The above said preventiveshad affected the people physically, mentally and in terms of monitory factors. In his situation, here an attempt has been made by the research to study the Psychological Impact of COVID-19 pandemic and lockdown among the general public in Tamilnadu.

Statement of the Problem

COVID-19 pandemic has caused a terrible tragedy all over the world. This unexpected and massive disastrous situation has impacted individuals' life and economy of the globe adversely. Everyone expect and believes that turnaround happens at hand. Post COVID-19 pandemic periods have to be critically handled by the general public in order to recoup the losses met during this worst period. If one is psychologically strong enough then he/she can overcome the physical and monetary

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issues effortlessly. Thus an attempt has been made by the researchers to identify the psychological impact among general public in Tamilnadu and the level of get back among them.

Objectives of the Study
1. To identify the level of awareness about COVID-19 pandemic among the general public in Tamilnadu.
2. To analyse the psychological impact of COVID-19 pandemic among the general public in Tamilnadu.

Research Methodology
The Research Article is both Descriptive and Analytical in Nature. Primary Data have been used in the Article. Data have been collected through Survey conducted with the help of Google form Application. As per the convenience of the researchers the survey link was posted to their known persons and totally 53 people answered the survey. Thus the 53 respondents are considered as the sample size for the analysis. The data were analysed using Software packages for social sciences.

ANALYSIS OF DATA

GENDER WISE CLASSIFICATION

S.No	Gender	No. of Respondents	Percentage
1	Male	28	52.83
2	Female	25	47.17
	Total	53	100

Source: Primary Data

It is inferred that most of the respondents (52.83 per cent) are Male.

AGE WISE CLASSIFICATION

S.No	Age	No. of Respondents	Percentage
1	21 – 40 years	25	47.2
2	41 years - 60 years	10	18.9
3	Above 60 years	2	3.8
4	Below 20 years	16	30.2
	Total	53	100.00

Source: Primary Data

It is clear that the majority of the respondents (47.2 per cent) come under the age group 21 - 40 years.

OCCUPATION/CURRENT STATUS

S.No	Occupation	No. of Respondents	Percentage
1	Government employee	9	17.0
2	Private employee	9	17.0
3	Professional	4	7.5
4	Retired person	1	1.9
5	Self employed	8	15.1
6	Student	22	41.5
	Total	53	100.00

Source: Primary Data

The above table shows that most of the respondents (41.5 per cent) are students

FAMILY SIZE

S.No	Family Size	No. of Respondents	Percentage
1	2-4	37	69.8
2	5-7	9	17.0
3	Above 7	1	1.9
4	Single	6	11.3
	Total	53	100.00

Source: Primary Data

Majority of the respondents (69.8 per cent) are having 2 – 4 members in the family.

WHEN DID YOU FIRST HEAR ABOUT COVID-19

S.No	Particulars	No. of Respondents	Percentage
1	Dec 2019	18	34.0
2	Feb 2020	12	22.6
3	Jan 2020	18	34.0
4	March 2020	5	9.4
	Total	53	100.00

Source: Primary Data

Most of the respondents have heard about the COVID – 19 during December 2019 and January 2020.

HOW DID YOU LEARN ABOUT COVID-19 THE FIRST TIME

S.No	Particulars	No. of Respondents	Percentage
1	Friends/relatives/colleagues	4	7.5
2	Internet	23	43.4
3	Newspaper	4	7.5
4	Television/radio	22	41.5
	Total	53	100.00

Source: Primary Data

Most of the respondents (43.4 per cent) got awareness about COVID-19 through internet

WHAT IS THE LEVEL OF KNOWLEDGE ABOUT COVID-19 AVAILABLE YOU SO FAR

S.No	Particulars	No. of Respondents	Percentage
1	Adequate	24	45.3
2	Disturbing and scary	14	26.4
3	Insufficient	1	1.9
4	Most of it is creating confusion	14	26.4
	Total	53	100.00

Source: Primary Data

Most of the respondents (45.3 per cent) are having adequate knowledge about COVID-19.

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ARE YOU GETTING ENOUGH TIME FOR YOURSELF UNDER THIS LOCKDOWN SITUATION

S.No	Particulars	No. of Respondents	Percentage
1	Maybe	8	15.1
2	No	8	15.1
3	Yes	37	69.8
	Total	53	100.00

Source: Primary Data

Majority of the respondents (69.8 per cent) are getting enough time for themselves during the lockdown.

STATE YOUR LIVING CONDITION DURING THIS LOCKDOWN PERIOD

S.No	Particulars	No. of Respondents	Percentage
1	Not good	26	49.1
2	Very good	27	50.9
	Total	53	100

Source: Primary Data

Majority of the respondents (50.9 per cent) are having very good living condition under the lockdown period.

OPINION TOWARDS COVID19
Result

For **Strongly Agree** = 5 points
For **Agree** = 4 points
For **No opinion** = 3 points
For **Disagree** = 2 points
For **StronglyDisagree** = 1 points

OPINION TOWARDS COVID-19

S.No	Particulars	SA	A	N	DA	SDA	Total
1.	Fear of Infection for myself or my kids/parents	9	17	18	5	4	53
2.	Fear of managing family due to financial constraints	5	20	20	7	1	53
3.	Increase in house hold works/official works	10	27	11	4	1	53
4.	Sleepless nights due to idleness	8	17	11	13	4	53
5.	Depressed/frustration/restlessness due to isolation	7	18	16	7	5	53
6.	Suffocating/difficult due to work from home systems	7	18	11	13	4	53
7.	Tired due to usage of gadgets /screens for a long time	11	22	9	9	2	53
8.	Irritated by staying at home with the routine work	14	23	11	3	2	53
9.	Getting more quality time to bond with my family	17	23	10	2	1	53
10.	Able to do works with relaxation and as per my schedule	4	26	14	7	2	53
11.	Take care of my physic by doing yoga/exercise/meditation	3	24	15	8	3	53
12.	Upgrade my skills through online courses/self-learning	5	23	11	12	2	53

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S.No	Particulars						Total
	Able to clean and maintain my home neatly						
	Happy as I find time to be in touch with my old friends/relatives/sibling through videos chats/audio chats	10	29	13	0	1	53
		14	24	12	2	1	53
15.	Blindly following all the instructions given by the expects to improve my immunity and safeguard for myself from COVID-19pandemic	7	24	17	4	1	53

Source: Primary Data

WEIGHTED AVERAGE ARITHMETIC MEAN

S.No	Particulars	SA	A	N	DA	SDA	Total
1.	Fear of Infection for myself or my kids/parents	45	68	54	10	4	181
2.	Fear of managing family due to financial constraints	25	80	60	14	1	180
3.	Increase in house hold works/official works	50	108	33	8	1	200
4.	Sleepless nights due to idleness	40	68	33	26	4	171
5.	Depressed/frustration/restlessness due to isolation	35	72	48	14	5	174
6.	Suffocating/difficult due to work from home systems	35	72	33	26	4	170
7.	Tired due to usage of gadgets /screens for a long time	55	88	27	18	2	190
8.	Irritated by staying at home with the routine work	70	92	33	6	2	203
9.	Getting more quality time to bond with my family	85	92	30	4	1	212
10.	Able to do works with relaxation and as per my schedule	20	104	42	14	2	182
11.	Take care of my physic by doing yoga/exercise/meditation	15	96	45	16	3	176
12.	Upgrade my skills through online courses/self-learning	25	92	33	24	2	175
13.	Able to clean and maintain my home neatly	50	116	39	0	1	206
14.	Happy as I find time to be in touch with my old friends/relatives/sibling through videos chats/audio chats	70	96	36	4	1	207
15.	Blindly following all the instructions given by the expects to improve my immunity and safeguard for myself from COVID-19pandemic	35	96	51	8	1	191

OPINION ABOUT REASON FOR STRESS

S.No	Particulars	WAM	RANK
1.	Fear of Infection for myself or my kids/parents	181	IX
2.	Fear of managing family due to financial constraints	180	X
3.	Increase in house hold works/official works	200	V
4.	Sleepless nights due to idleness	171	XIV
5.	Depressed/frustration/restlessness due to isolation	174	XIII
6.	Suffocating/difficult due to work from home systems	170	XV
7.	Tired due to usage of gadgets /screens for a long time	190	VII

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8.	Irritated by staying at home with the routine work	203	IV
9.	Getting more quality time to bond with my family	212	I
10.	Able to do works with relaxation and as per my schedule	182	VIII
11.	Take care of my physic by doing yoga/exercise/meditation	176	XI
12.	Upgrade my skills through online courses/self-learning	175	XII
13.	Able to clean and maintain my home neatly	206	III
14.	Happy as I find time to be in touch with my old friends/relatives/sibling through videos chats/audio chats	207	II
15.	Blindly following all the instructions given by the expects to improve my immunity and safeguard for myself from COVID-19pandemic	191	VI

Source: Computed Data

Results of Weighted Arithmetic Mean are stated as follows the first rank is given for the statement 'getting mor quality time to bond with my family' and the last rank is given for the statement 'suffocating/difficult due to work from hom systems'.

Conclusion

The Novel COVID-19 Coronavirus has greatly affected the entire globe in the recent days. Now mankind are well informe and adjusted to survive in this crucial situation because the impact if this virus will prolong for the couple of years. Th research concludes that the lockdown period has created the humans to spend some quality time with their family ar staying connected with their friends and relatives which are helpful to build a healthy environment.

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