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ADVERTISING MANAGEMENT & MEDIA PLANNING (Special Paper-II)

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STRUCTURE

1.0 LEARNING OBJECTIVES

After reading this lesson you will be able to:

- To understand the concept of Media vehicles.

- To explain the function of media vehicles.
- To throw light on the characteristics of Media vehicles.
- To describe the overview of traditional media vs. new media

1.1INTRODUCTION

The media vehicles significantly influences public opinion by altering how information is accessed, shared, and perceived through various mediait is essential to choose right media to reach right target audience. Various traditional media like TV is an audio visual medium and one of most creative and influencing media which easily convey the message to audience and influence consumer decision towards product and company. Radio is mass media which have high reach. Social media platforms like Facebook, Twitter, and Instagram have become central to public discourse, enabling real-time communication and democratizing information access. However, they also present challenges such as misinformation, opinion polarization, and the reinforcement of existing beliefs through algorithms and echo chambers. These dynamics have profound implications for consumer behavior, political activism, and social justice movements, among other areas.

1.1.1 Media: as vehicle of advertising

Advertising is a creative form of communication. Creativity it is an essential component for making advertisement different from others. After preparation of the advertising message, it needs to circulate to the potential buyer. It is very difficult to choose right medium to reach to the target audience is also a crucial task. A medium whose reach is good and have influencing power, is required to circulate the message. An idea of how to advertise your ad in different modes of communication makes the advertising process more effective. An advertiser has an important task of choosing the right medium of distribution of his information. There are various aspects to be kept in mind before choosing the right medium such as reach of the medium, cost & reliability of the medium. The selection of an improper medium, may lead to insignificant awareness of the products and services and the message may not reach the intended buyers. Consequently, the company’s performance will suffer.

Media Options

A marketing vehicle is a tool through which business advertisement is done physically. The aim of marketing vehicle is to connect with the target consumer group and attain response to the advertising messages from the group. Today, there are various advertising vehicles for advertiser to reach his target audience. These vehicles may consist of New Media or Old/Traditional media of communication. The general category of media includes, internet, flyers, mobile phones, cinema, newspaper, magazine, TV, Radio, advertisements on bus, customer surveys, or phone numbers may also be used to track conversations. A company shall choose their marketing vehicles wisely. The main motive a vehicle should be to target the intended audience. An advertiser shall spend amount on selection of marketing vehicles to convert the desires of customers into action at proper frequency. With the reference to advertising media a department for advertising is also organized.

Digital media as an advertising medium: In today's scenario the Internet/World Wide Web is a fast-developing medium for advertising. It is a worthy opportunity for consumers, as well as the business and advertiser. There are various forms of digital advertisements on the internet. These can be classified as banners, buttons, sponsorships, interstitials, email ads, and classified ads. Companies are multiplying their profits through the proper utilization of their website as an extended promotional platform. Some companies also use their website as an online catalog store.

On the home page of the website, an unlimited number of pages can be visited by the customer for more information. There may be hundreds of pages of information in a large website, which means that a website may contain hundreds of different documents of varying lengths, each focusing on a different subject.

Banners: Making an ad banner is the most basic form of web advertising. A web banner refers to a little billboard spread across the web page. It consists of text and pictures of the product/service. Generally, larger banner ads look very catchy and dominate the screen.

Buttons: Similar to banners, buttons are their smaller version that often looks like an icon usually hyperlinked with the call to action. They carry less information, therefore, they take lesser space than the banner and in turn are less expensive.

Sponsorships:

Sponsorships are also a form of advertising on the web, getting popular these days. Corporate sponsors are nowadays sponsoring entire sections of a Web page. Some time they sponsor single events for a stipulated period of time. Usually, in exchange for sponsoring the event, the companies get exclusive recognition on the site.

Interstitials:

It refers to a dynamic form of Net advertising. Interstitials use a variety of animated pop-up ads that appear on the screen while the computer downloads the website clicked by the user. Now, there are various types of interstitials including splash screens, pop-up windows, etc.

Meta Ads: A meta-ad refers to an advertisement displayed on the results page of the web. These are also referred to as keyword advertising. Meta ads enable an advertiser to focus on its target audience. If relevant keywords are searched by the user, then advertisers may pay search engines to display their banners. For example, if a customer searched for the term “textiles and handlooms” the meta-ads displayed might be for textile and handloom items.

Classified Ads:

Classified ads are much more popular in print media. Nowadays, classified ads are a developing area for Internet advertisers. Few websites also offer free classified advertising options and opportunities. Digital classified ads are more or less similar to newspaper classified ads. A user may search for homes, jobs, investments, etc.

E-Mail Advertising:

Advertisers have a good marketing opportunity of sending e-mails to the customers who have asked for it. It resembles the technique of direct mail advertising. E-mail advertising is one of the most effective forms of internet advertising. However, there is a high chance of mails getting into the spam section via this method. Spam refers to unsolicited, mass e-mail advertising for a product or service that is sent by an unknown entity to e-mail addresses.

Internet advertisement has a global scope for advertisers. Nowadays, it is the most trending medium for advertising. Many facts support the use of an interactive media, such as, it allows consumers to get in direct touch with the advertiser, it provides the maximum reach to the people worldwide and it also provides instant feedback to the advertiser. Interactive media provides insightful information and commercial opportunities that can make the brand go global. The Internet also provides a platform to the consumer to explore the company’s products and/or services, the ability of commercial websites to provide detailed information to the users, make it an exclusive medium for advertising.

No advertising medium is 100% oriented towards the result. Just like other mediums, the internet also has a few drawbacks, such as lack of mass-media efficiency. Internet doesn't perform as other mass mediums like television and radio, moreover, for developing nations like India, it is complex for a layman, due to poor network connection and unnecessary advertisements. There is a hefty amount of spam content via e-mail and therefore, and people still believe in the physical inspection of the goods before purchase. Consequently, a large number of businesses do not give much attention to internet advertising.

Cinema:

Cinema is an infotainment medium of audio-visual communication. It entertains the audience along with information on various topics/issues, such as gender inequality, illiteracy, hygiene, etc. Cinema is a good opportunity for any advertiser to screen advertisements produced by them. Nowadays cinema is an important and efficient medium for advertising. Advertisement of films on the big screen creates a long-lasting impact on the audience's mind as the products are presented to them very effectively. Advertisements may be shown before the start of the feature film or during the interval. Today, there are three kinds of films used as media of advertising:

1. Straight Advertising Films: These films concentrate on the advertising messages relating to one product of a company, such as Hindustan Lever, Tata Oil Mills (toilet preparations), D.C.M., Gwalior Rayon, Calico, etc. These are of short duration lasting from 3 to 5 minutes.
2. Documentary Films: In cinema, ads may be presented as documentary films. Usually, social ads fall into this category. These ads are used for public awareness and education.
3. Sponsored Advertising Films: Many companies sponsor films for their own benefit as filmmakers display sponsored products before the start of the film and also at the end. This kind of advertisement becomes is a good combination of advertisement and entertainment. In India, cinema has reached to roots with a wide coverage of every age group. The ability of cinema to educate along with entertainment makes it quite convenient. Though, like every medium, cinema also has few limitations, such as, high production cost, one-time watch content, and the audience may not take the advertisement or message seriously due to the factor of entertainment.

Television Advertising:

Television is the best-selling medium of advertising, having a great potential to create an impact that is unmatched by any other form of media. Commercials on media were introduced in India on January 1, 1976. Television ads need to be very entertaining, creative, short, and crisp. It has to be very expressive, where a product/service shall be introduced within few seconds and thus, advertisers should avoid long TV Commercials. The optimum usage of light, sound, and motion graphics helps to attract the audience's attention and converts the attention to action. It helps to increase the sale and therefore, the advertiser gets the desired result. Television, as a medium of mass communication, has a wide coverage around the globe. This kind of advertising is beneficial for those advertisers whose products require demonstration. Sponsoring of television programs is also a popular technique in India.

Advertising on television is a perfect combination of both radio and cinema. Thus, it stands out to be the most powerful audio-visual media, making the message more attractive and impressive. Advertising is the backbone of all the production houses worldwide, contributing to their major source of income. Advertising possesses geographical selectivity as an advertiser has many choices on television to run his ads on various programs, serials, news, etc.

Same as every other medium, television is also subject to few demerits; Being an electronic source television is an expensive source of advertising and certainly excludes small advertisers. Commercials on television are very small due to the high cost of placement on television. Television is a very deliberate media, which requires long-term planning, and approval from the authorities. Television advertising also lacks flexibility.

Radio:

Radio is a public medium of advertising, having the widest reach in developing nations like India. It reaches the roots of the country to a common man and provides a large coverage of audience in both urban as well as the rural areas. The commercials on the radio were introduced in 1967 and now it is undertaken by Delhi, Bombay, Madras, Calcutta, Poona, Nagpur, and Bangalore stations, etc. of All-India Radio. Commercial broadcasting is a major source of income for news channels and Ceylon Radio Commercial Broadcasting is very popular across the country.

Printing form of advertising:

Print advertising has been one of the oldest forms of advertising, due to its effectiveness in the field of media publicity. Print media has a wide range of carrying advertising messages to the intended audience. In India print media is the most commonly used method by the companies, they share 70% of their total expenditure on advertising of their brand/product/service.

Options in print media: Print advertising has the following two major forms:

1. Newspapers:

   Newspaper is a broadsheet, with dimensions of 43 x 56 cm. They are classified on the basis of areas of circulation; national/local daily/weekly. Nowadays there are many vehicles to pass on the information about a brand/product.

   Newspaper is one of the most preferred mediums by any advertiser, it has the ability to reach every nook and corner in a short span of time. Along with, it can be used for local, national, and regional markets too. In India, around 84656 newspapers are published in Hindi, English, and regional languages with many newspapers having nationwide coverage. Therefore, advertising through newspapers may have a long-term impact on the minds of the readers. Even small enterprises prefer local newspapers as their advertising medium as space is charged on the basis of column centimeter space used by the brand/advertiser.

   Magazine: A magazine is a medium to circulate the advertising message to the intended readers, spread over a large area. It is also an infotainment media that aims at providing information and entertainment on one platform. Magazines have different characteristics from other media vehicles, as they have their own value positioning in the eyes of readers. Each magazine targets a particular kind of people based on different regions and communities.

Advertisements in magazines have a longer life as the readers keep them as a collection until the new edition comes on the market. Nowadays magazines are published nearly on every topic pertaining to *Political, Fashion, Travel and Tourism, Business, Sports, Health, Social, Education, Entertainment, and Employment.*

Magazines are also classified based on their circulation; weekly, fortnightly, monthly, tri-monthly and also, bi-annuals. Magazine advertising is a good alternative for advertisers.

Flyers:

Flyers have a vital role in the promotion of the product and marketing of the business. They are one of the cheapest and effective marketing tools for advertisers. Providing information on a single paper. Flyer refers to a piece of creative designing, which gives an opportunity to the advertiser to reach the target audience. This medium maintains relationships, and also allows the advertisers to develop a connection with the brand. It can be circulated with newspapers or on cars, public places, etc. They are the easiest and cheapest way to get in direct contact with the customer and to develop a long-lasting relation. Choosing the right type of flyers is also a crucial task; for the launching of the business cost-effective options shall be considered. An advertiser shall be well aware of his needs of advertising, and then select the right size, colors, font, and pictures for marketing of the business.

Brochure:

Brochures are usually known as folded paper, carrying a lot of written text/message. It is used to send advertising messages to intended consumers about the company/product or service. In brochures, more visuals are used than text. Usually, in creatives there remains a proportion of 70-30% between visual and text, a creative designer shall have the ability to convert readers/viewers into potential buyers. Brochures are cheap and easy to distribute, they also help the advertiser to achieve his/her marketing goals. Brochures are in different shapes, sizes, it depends on the advertiser and their brand. A creative brochure can generate consumers' trust with the brand and may also establish long-term relations with the brand/company.

Pamphlet:

Pamphlets are one of the cheapest mediums of advertising. A pamphlet refers to a loose printed sheet distributed to the masses to promote the brand/sales. Generally, to cut the cost it is printed in regular quality paper

Leaflet:

A leaflet refers to a sheet printed on both sides. These sheets usually carry short advertisements in the form of a single-fold brochure. This tool is usually preferred by small companies due to its cost-effectiveness and small size. Leaflets may be placed indoors, in cars, in public places, etc. This method helps to attract buyers and increase sales, also the color combination and quality of the paper may improve the response.

Transport media

Transport media refers to moving advertisement, which consists of placing posters on the surface of moving vehicles such as buses, taxis, trains, delivery vans, etc. The main benefit of this medium is the small space available for these posters. These posters are usually eye-catchy and can be easily read, therefore, this method is very common and is considered to be effective too.

Outdoor media:

Outdoor advertising is one of the oldest forms of advertising and most common media even today. Outdoor advertising is also known as wall advertising, it consists of:

Posters:

This is one of the most common forms of outdoor advertising, these are exhibited on walls, fences, chimneys, etc. A long-lasting impact can be produced at very less cost, in comparison to other mediums of advertising. An advertisement is totally based on the design. The advertising poster should be simple, colorful, and capable of telling its story at a look, then only it will make a good impact.

Advertising Board :

Advertising boards are a form of posters, kept at fixed places mostly at points where people frequently visit or assemble, for instance, bus stops, crossings, etc. Usually, these boards are made of metal sheets put in a wooden frame and fixed with a panel at a specified height.

Electric Displays and Signs :

Electric displays and signs are illuminated by electricity and are seen in large numbers in cities. This medium is one of the most modern and attractive forms of outdoor display. It may consist of wooden letters, and sometimes with a view to attracting attention, multi-colored bulbs are used

Sky Advertising (Sky Writing) :

Sky advertising is a modern form of outdoor advertising where an airplane writes the name of the brand in the sky, it is also generally known as ‘smoke writing’ because it makes the use of smoke.

Sandwitchmen :

These are people hired for advertising, through this medium hired people to walk in the streets with boards and posters placed about them. The main idea of this technique is to attract the intended customers directly. Cinema theatres and food outlets usually use this kind of advertising.

Limitations of Outdoor Advertising Media:

The outdoor advertising mediums have various disadvantages just like other mediums of advertising; It is subject to have varied and adverse reactions from people as public places and private properties are also used for this medium. The content written in this type is very short and brief and also, it is very difficult to get feedback from the target audience. This technique may sometimes get immoral and might have an adverse effect on the public

1.2 Media Selection:

As stated above there are a lot of choices to advertise or launch one's company/product/service, therefore, it becomes very crucial to choose the best type of advertising media. Kotler (1982) said that media selection is the problem of finding the best way to deliver the desired number of exposures to the target audience. Exposure is a phenomenon that occurs when a potential buyer becomes aware of the message from the given medium.

Walters (1977) gave few points to be kept in mind before choosing any advertising medium:

1) Research the market:

   If a woman is launching any product, then women's magazines would be the most appropriate media. If the product to be advertised is a motorcycle, then the company shall look for the best way to reach up to young people.

2) Cost of the medium:

   The cost of the medium is the most important aspect to be kept in mind to make the right choice.

3) Past experience:

Past experience of any medium must be considered as experience is the best guide.

A low-cost medium that may not offer a boost in sales may not be a good choice. Sales potential is related to the market as the medium of advertising which best suits the needs of the market is likely to have a greater potential to impact sales in a positive manner. As, every media has its own merits and demerits, therefore, it is important to keep few things in mind before selecting the medium:

1. It must reach the intended consumer group.

2. It grabs the attention of the buyer and converts it into action.

3. It must be budget-friendly.

There are a number of advertising media choices but any single media which fulfills these three objectives is optimum for application. An advertising agency must identify out of the above, which medium is best suited for the company. For the same, management shall consider a few factors:

Type of Product:

An Ad company must understand the nature, quality, price of the product and then determine the appropriate choice of advertising media. If the company's budget is good and it wants to spend the amount on an advertisement, then cinema and television can be a good choice.

Market Requirements:

While the selection of advertising media, the company's market requirements shall be taken into consideration. For instance, fancy magazines would be best for high-income groups and people with sophisticated tastes.

Advertising Objectives :

The objectives or motives behind advertising also affect the type of media to be selected. For example, newspaper advertising is preferred to project corporate image and radio is preferrable for product advertisement.

Distribution Strategy:

The advertising media needs to be compatible with the distribution strategy adopted by the company. For example, if the company has an association with middlemen and sells goods through them, then outdoor advertising supported by television and radio may be effective for good results.

Nature of the Message and Appeals:

The nature of advertising message appeal determines the advertising media for a company. An effective media shall be able to carry the message and appeal in the right manner to the intended audience. For example, if time is the most important aspect of communication then radio or television may be the most effective mediums.

Budget:

The budget available with the company for advertising will also affect the choice of medium of advertising. For example, a manufacturer having a comparatively larger budget will have a choice of going for television or radio advertising. On the other hand, companies with limited budgets may prefer print media.

Competitors Choices:

A company should take into account the strategy and choices of competitors, as it is not right to outright their choices and dismiss them. Generally, the advertising appeal used by the competitors is beneficial for the promotion of the product.

Circulation of the media:

The company should take into account the circulation of selected media; the circulation must be compatible with the distribution channel of the product. Circulation should not be confused with leadership as both have their own roles. Circulation of a medium refers to copies sold after deduction of free copies, returns, and other differences between the total number of printed copies and the total number of the copies sold out.

Media selection shall be incorporated with media planning. Media planning consists of the objective of communication, selection of media, where and when to use the budget in an optimum manner. Media planning is the most crucial aspect of a successful advertising campaign.

STEPS IN MEDIA PLANNING:

There are various steps in the process of media planning, such as:

1) Deciding upon the target market: It is very important to decide a particular market where the product will be launched, and the target audience for whom the product is beneficial.

2) Setting of media objectives: Media objectives which is stated in terms of reach, frequency, continuity, and gross rating points shall be stated.

(a) Reach of the media: Reach of the media refers to the number of people or households using a particular media at least once during the stipulated time.

(b) Frequency of the advertisement: Frequency refers to the number of times an average person or household is exposed to the message during a specific period.

(c) Gross rating Points: GRP refers to the total weight of media effort in numbers i.e quantitative terms. GRPs equal to each multiplied by average frequencies. For instance, 70% of homes in Delhi watch Zee news and are exposed on average 2 times within 4 week period. Therefore, the total impact of GRPs= $70 \times 2=140$

(d) Continuity: It refers to the time span of the media insertions to be made.

***Media Mix*:**

After deciding upon the media, the next step is to establish the mix of media a company shall use. A company can arrive at this conclusion by considering its marketing objectives, target market, characteristics, and resemblance with the target market. The nature of mix is also affected by the budget of the company.

For instance, to acquire the company's advertising objectives it needs to use a mix of 50% television, 25% magazine, and 25% newspaper. Though a company may use more than one mix within the budget, it shall focus on a balanced mix. There are different perspectives on choosing the types of media mix, one school of thought believes in investing in one media type, while the other prefers a mix of different media options. A media mix helps to target different audiences within the selected segment.

Media Buying:

In an advertising agency, the professional who gets on the counterpart of media sales represents the media buyer. Media buying service is usually more direct and personal. The media buying specialist gives recommendations on what media shall be taken into account for product promotion, they help in purchasing space and time. A media buyer controls and evaluates the insights given by the selected media. These are known as Media Buying Units (MBU), they help both advertising agencies and media sellers to get the best worth out of the cost paid.

Allocation of Funds: The planner then decides upon the number of funds to be allocated to a particular media type and vehicle.

Media Scheduling:

Media scheduling may be used based on the demands of the advertisers.

Media planning is a process including series of decisions to deliver promotional messages to prospective buyers. It includes deciding upon the best media to be used for an advertising campaign, especially at the best price. The main motive of media planning is to match the right message with the right audience.

Structures of ad agency:

Every company wants to introduce their product in a different manner and exclusive way and for the same, they need a good advertising agency. A good ad agency may convert a simple piece of product to a unique proposition.

Advertiser

Promotion of the Product

Advertising Agency

Client Servicing

Designing and Create art work

Media Research

Media Selection and Media Buyer

Evaluation of Advertisements

Consumer behavior

A sponsor hires an advertising agency to plan, create, execute, publish and broadcast the promotion communication of the company, product/service. They look for an ad agency with good experience and according to their objectives and goals. Most sponsors get their media content designed by the advertising agency.

Structure of an advertising agency (based upon its size)

-Large agencies are full-sized organizations having good staff strength and departments, There main job is to create strategies, conduct insightful research and select the appropriate media for product promotion

-On the other hand, smaller and regional agencies have their specialization in a particular department. They operate to provide the same tasks but on a fundamental level.

- In small agencies, the senior team is led by the Chief executive and finance director. Whereas, the management teams of larger agencies include the chief executive and finance editor along with the directors responsible for each department of the firm.

Departments of a large advertising agency:

1) Account Service Department:
2) Account Executive,
3) Client servicing,
4) Client Briefing
5) Market Research Department:

Study the product, Company, and SWOT analysis,

6) Creative Boutique:
    A. Copy Department
    B. Product Photographers
    C. Art Department
    D. Graphic Designer

7) Media Department:

    a. Media Selection
    b. B. Media Planner
    c. C. Media Buyer

8) Production Department

    For Television ad

    a. Cameraman
    b. Editor
    c. Producer
    d. Director
    e. Screenplay
    f. Set Designer
    g. Scriptwriter
    h. Storyboard
    i. Makeup man
    j. Models

9) Research Department

Evolution of marketing campaigns for both Pre and Post testing to determine the results of the advertisement.

10) Public Relations (PR) Department: corporate communication, client relations, in house relations

11) Management and Finance Department: Administrative work.

Basic Selection criteria of an advertising agency:

An advertising agency is very crucial for product or brand promotion. An advertising agency is known to be the creator or the artist of the product image, as they can boost the brand image manifolds. On the other hand, the wrong selection of the agency may hamper the image of the company and product positioning.

According to Professor J.E. Littlefield and Professor C.A. Kirkpatrick:

"The relationship between the advertiser and the agency is one of the weddings for the life-time; like a selection of a life partner, selection of agency should be done with much exploration and thorough investigation so that both will not repent at leisure. Each must know and approve the ideas, the philosophy, the beliefs and the principles of others."

Criteria for selection of a good Advertising agency:

These are the points worth considering:

1. Economical

2. Facilities provider

3. Good writers and designers

4. Good History record

5. Good Market reputation.

6. Good Management team

7. Media Relations

8. Location

Key words

Marketing, Media Vehicles, Media Mix, Promotion, Media Scheduling

Summary

Advertising is a creative form of communication. Creativity it is an essential component for making advertisement different from others. Media planning is the strategic process of choosing the most effective media to deliver an advertising message to a target audience. This process involves selecting the right media types, platforms, scheduling, and budgeting. The ultimate goal is to maximize the return on investment by ensuring the message reaches the right people at the right time and place.

Media planning is a foundational aspect of advertising management. It bridges creative development and campaign execution. While creative content tells the brand story, the media plan ensures the story reaches the right audience effectively. Advertising on television is a perfect combination of both radio and cinema. Thus, it stands out to be the most powerful audio-visual media, making the message more attractive and impressive. Advertising is the backbone of all the production houses worldwide, contributing to their major source of income. Advertising possesses geographical selectivity as an advertiser has many choices on television to run his ads on various programs, serials, news, etc.

Newspaper is one of the most preferred mediums by any advertiser, it has the ability to reach every nook and corner in a short span of time. Along with, it can be used for local, national, and regional markets too. In India, around 84656 newspapers are published in Hindi, English, and regional languages with many newspapers having nationwide coverage. Therefore, advertising through newspapers may have a long-term impact on the minds of the readers. Even small enterprises prefer local newspapers as their advertising medium as space is charged on the basis of column centimeter space used by the brand/advertiser.

Media selection shall be incorporated with media planning. Media planning consists of the objective of communication, selection of media, where and when to use the budget in an optimum manner. Media planning is the most crucial aspect of a successful advertising campaign.

Self Assessment

1. What are the five main types of media discussed, and how do they differ in terms of reach and interactivity?
2. How does the characteristic of "lifespan" affect the choice of media for a marketing campaign?
3. Why is interactivity considered a key advantage of digital media over print and electronic media?
4. What are the primary advantages of print media in terms of credibility and permanence?
5. List two disadvantages of print media that limit its effectiveness in modern communication.

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SUBJECT: ADVERTISING MANAGEMENT AND MEDIA PLANNING	
COURSE CODE: MSM-524 C	**AUTHOR: MS. TARANPREET KAUR**
LESSON NO.: 2	
ADVERTISING CAMPAIGN AND MEDIA	

Structure

2.1 Introduction: A Snapshot

2.2 Advertising: Definition of Advertising in today's Context

2.3 Objectives of Advertising Budget

2.4 Framework for Advertising Budget

2.5 Method for Advertising Budget

2.6 Factor affecting Advertising Budget

2.7 Summary

2.8 Key Words

2.9 Self- Assessment Questions

2.10 Further Readings

2.11 Online Resources

Learning Objectives

By the end of this unit, learners will be able to:

- To Understand the Concept of Advertising Budgeting
- To Identify Advertising Objectives
- To Examine the Basis of Advertising Budgeting

- To Evaluate Methods of Setting Advertising Budgets
- To Understand the Process of Advertising Budgeting
- To Analyse Advertising Campaigns
- To Conduct Cost-Benefit Analysis in Advertising
- To Develop Strategic Thinking in Advertising

2.1 Introduction

An advertising budget is a financial plan that outlines the amount of money a company allocates for promoting its products or services through various channels. An advertising budget is a company's allocation of promotional expenditures over a specified time. It is a measure of a company's planned expenditure on accomplishing marketing objectives. The advertising budget is where a company's strategic marketing objectives and cost-benefit analysis converge in its operational plans.

2.2 Definition and Importance

An advertising budget is the amount set aside by a company for promotional activities, which may include market surveys, create advertisements, and run campaigns across print, digital, and social media platforms. It is crucial for ensuring that marketing efforts align with business objectives and for maximizing the return on investment (ROI) from advertising expenditures.

2.3 Advertising objectives

An Advertising Budget refers to the amount of money allocated towards advertising of a brand or product.

While developing an advertising strategy, it is empirical to set advertising objectives which are significantly influenced by the advertising budget. Advertising objectives are important for decision making and to have a point of reference or standard against which the results can be measured. A business may choose a sales objectives or communication objectives for the purpose of developing an advertising budget.

(i) Sales Objectives – The objective is to increase the sale of products or to compliment the selling efforts of the sales department. The objective may be changed from time to time depending upon the volume of sales which may be influenced by –

- Price of products
- Advertising and Promotion
- Personal selling
- Competition
- Consumer tastes
- Product quality
- Economy
- Technology
- Direct action advertising

(ii) Communication objective – The objective is to create awareness, develop interest or to change an attitude. For this purpose, a business may choose to –

- Increase the % of target customers who associate a special feature or benefit with company's brand
- Increase number of customers who prefer company's brand over competing brands
- Increase company's brand usage among existing members
- Encouraging a brand trial among targeted customers

2.4 Basis of Advertising Budget

The various factors that must be studied before setting the advertising budget are –

- Market size and Potential
- Product life cycle stage
- Market share
- Intensity of competition

- Advertising frequency
- Product differentiation strategies

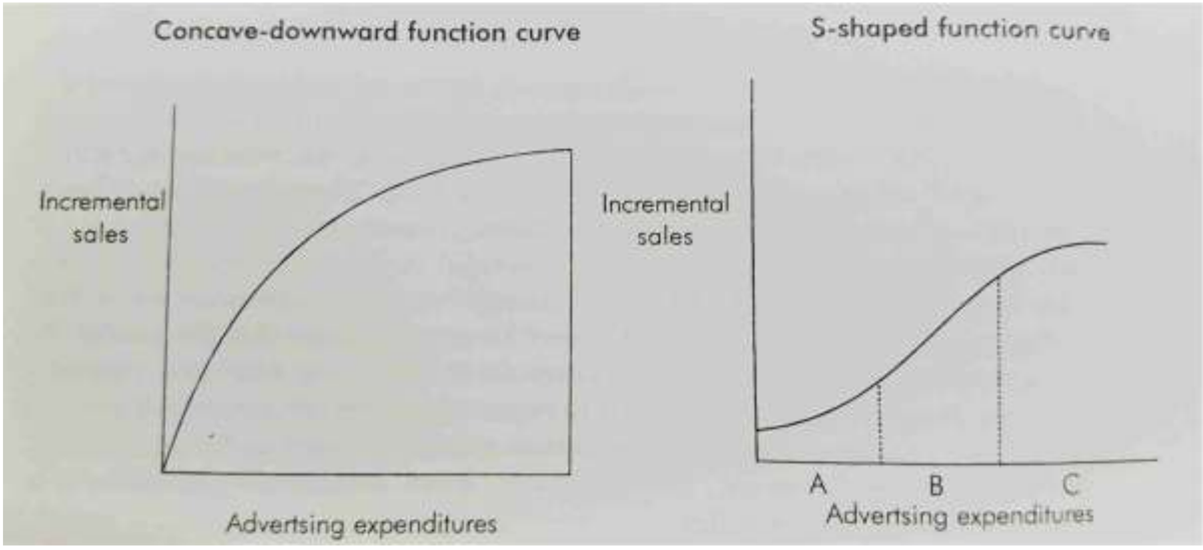
Many businesses consider advertising as an expense rather than an investment; hence it is important to use a theoretical basis and budget allocation methods to make an effective advertising budget.

The Theoretical basis for creating an advertising budget is Economic Marginal Analysis. According to Economic Marginal Analysis a firm should continue to increase its advertising budget for a particular brand or for a certain target market as long as the (MR) Marginal Revenue exceeds the Incremental Expenditure (IE). However, this basis considers the two assumptions which are:

- Advertising is solely responsible for sale
- Sales are a direct result of advertising, and the deviation can be measured accurately

Due to these assumptions this model is rarely used as it is not practical to that assume advertising alone determine sales as there are many other environmental factors that affect sales.

Most advertiser support one of two models of advertising to sales response function namely the Concave downward function or the S-shaped function.



Concave downward function curve – As the amount of advertising increases it incremental value decreases following the law of diminishing marginal utility i.e. advertising effects start diminishing quickly. Hence less advertising money may be needed for optimum sales.

S-shaped function curve – Initial expenditure on advertising has a very little effect on sales. After a certain point increment in advertising expenditure led to increased sales but the gain in sales continue only up to a point and after that there is no effect on increased expenditure on sales. Hence it suggests that less budget has a minimal impact, and a high budget may not necessarily have a high impact.

Advertisers must advertise and spend in rising curves where maximum return on advertising expenditure can be accomplished.

2.5 Methods of Advertising Budget

(i) The affordable method – All you can afford –

- It is a simple method
- Whatever is left out of the financial budget is allocated to advertising
- After making all business expenditures the amount left is allocated to advertising
- No consideration is given to advertising objectives or goals
- Chances of over or under spending are high
- A common method in small firms or firms with primary focus on new product development

(ii) Arbitrary Allocation Method –

- There is no theoretical basis of creating a budget
- Budget is allocated on the basis of what is felt necessary by decision makers
- It lacks systematic thinking
- There is no relationship with advertising objectives
- Managers believe that some amount must be spent on advertising and pick up a figure

(iii) Percentage of sales method –

- It is a commonly used method by large and medium sized companies

- Budget allocated depends upon the total sales figure i.e. high sales = high budget, low sales = low budget
- The basis of budget allocation is the total sale of brand or product. It may be:
  - A fixed percentage of last year's sales figure is allocated as the budget.
  - A fixed percentage of projected sales figures of the next year
  - A fixed amount of the unit product cost is taken as advertising expense and multiplied by the number of projected sales unit.

Advantages

- It is simple, straight forward, easy to implement
- Expenditures are directly related to funds available.

Disadvantages

- It ignores that less advertising may decline sales or potential of advertising in rising sales
- It can lead to over or under spending
- It is difficult to predict sales for new products
- Decrease in sales leads to decrease in advertising budget which may be needed

(iv) Competitive parity method –

- Budget is based on competitors' expenditure, advertisers decide budget matching competition's % of sales allocation
- Information of competitor`s budget is available in trade journal and business magazine
- The basis is that collective wisdom of many firms may generate an advertising budget optimum or close to optimum
- It leads to competitive stability
- It minimizes chances of promotional wars

Disadvantages

- Each firm allocates budget according to its own specific goals
- It ignores the contribution of media and creative executions
- Information is gathered when money is spent

(v) Objective and Task method

In this method the selling objectives and budget decision are linked and considered simultaneously. It involves –

- Defining the advertising communication objectives to be accomplished
- Deciding specific strategies and tasks necessary to achieve them
- Estimating the costs involved in putting these activities in operation
- The total of these costs is taken as the base to determine the advertising budget.

Advantages

- The method develops budget from ground up which is a proper managerial approach
- It does not rely on past sales or future sale forecasts
- It considers all factors under advertiser's control

Disadvantages

- It is difficult to implement
- It requires managerial involvement and high skills
- It attempts to introduce variables such as awareness, knowledge, attitude formation etc.
- It is difficult to estimate all costs and determine all tasks necessary to achieve the set objectives

(vi) Pay out planning

- It is useful when introducing a new product

- The aim is to spend heavily to achieve increased awareness and product acceptance
- It estimates the investment value of advertising by linking it to other budgeting methods
- The idea is to predict the amount of revenue the product will generate and the costs it will incur over a period
- The advertising budget is determined on the basis of rate of return desired
- Preparing a payout plan depends upon accuracy of sales forecast, factors affecting market, estimated costs
- Initially the advertising expenditures will be high and eventually will reach a break-even point and then will show decline and increase in sales following the S shaped Function

Advantages

- It is useful and logical planning tool

Disadvantages

- It cannot account for uncontrolled factors e.g. – competition, changes in government policies, new technology

(vii) Quantitative Models

- Advertisers use quantitative methods such as mathematical and statistical models to allocate advertising budget
- Multiple regression analysis is used to determine the effect of advertising expenditure on sales.
- Experimentation and formal analysis is required to use this method
- It is an expensive and time-consuming method

(viii) The Experimental approach –

- It is an alternative to quantitative models
- The Advertising manager conducts tests or experiments in one or more selected market areas

- The Advertising strategy is tested in market areas with similar population, brand usage, market share
- Different advertising expenditure levels are kept for each market
- Brand awareness and sales levels are measured before and after
- Results are compared and variation of influence of advertising expenditure studied
- The feedback results determine the advertising budget levels
- Manager may decide a certain budget level according to the advertising objectives

Disadvantages

- It is expensive and time consuming
- It ignores uncontrollable factors
- It not universally accepted

Methods for Setting an Advertising Budget

There are several common methods to determine an advertising budget, including:

1. Percentage of Sales: This method allocates a specific percentage of past or projected sales to the advertising budget. It is commonly used by small businesses.
2. Competitive Parity: Companies set their advertising budget based on what competitors are spending, aiming to achieve similar results.
3. Objective and Task: This approach involves defining specific advertising objectives and estimating the costs required to achieve them.
4. Market Share: The budget is determined based on the company's current market share, with higher shares typically requiring lower advertising expenditures.
5. Affordable Method: Companies allocate funds based on what they can afford after covering other expenses, often used by startups.

Common Mistakes in Advertising Budgeting

- Over-reliance on Percentage of Sales: This method may not accurately reflect the necessary budget for achieving marketing goals.
- Neglecting Needs Analysis: Failing to assess customer acquisition needs can lead to inadequate budgeting.
- Setting Arbitrary Test Budgets: Short testing periods can result in poor decision-making regarding advertising effectiveness.

Creating an Effective Advertising Budget

To create a successful advertising budget, consider the following steps:

- Define Clear Objectives: Understand what you want to achieve with your advertising efforts, such as lead generation or brand awareness.
- Analyse Historical Data: Review past advertising campaigns to identify what worked and what didn't, helping to inform future budget allocations.
- Select Appropriate Channels: Choose marketing channels that align with your target audience and business goals, ensuring effective use of the budget.
- Monitor and Adjust: Continuously track the performance of advertising campaigns and adjust the budget as necessary to optimize results.

By carefully planning and managing an advertising budget, businesses can effectively promote their products and services while maximizing their marketing ROI.

Advertising Budget Basis

The advertising budget of a company is based on the following factors:

- Type of advertising campaign that it intends to run
- Selection of target audience
- Type of advertising media
- Company's objective of advertising

Process of Creating Advertising Budget

The following steps are followed to set up this budget –

- Setting advertising goals based on the company's objectives.
- Determine the activities that are required to be done.
- Preparing the components of the advertising budget;
- Getting the budget approved by management;
- Allocation of funds for activities proposed under the advertisement plan.
- Periodically monitoring the expenses being incurred during the advertising process.

Advertising Budget Methods

The most common methods are discussed as follows:

- Percentage of Sales: Under this method, the advertising budget is set as a percentage of either the past sale or expected future sales. Small businesses usually use this method.
- Competitive Parity: This method advocates that a company sets an advertising budget like the one set up by its competitor to yield similar results.

- Objective and Task: This method is based on the advertising objectives of this method. Once the objectives are decided, the cost is estimated to complete those objectives, and accordingly, a marketing budget is set.
- Market Share: In this method, the advertising budget is based on a company's market share. For a higher market share, less marketing budget is set.
- All available Funds: This is a very aggressive method under which all available profits are allocated towards advertising activities. This method can be used by start-up businesses that need advertisements to attract customers.
- Unit Sales: Under this method, the advertisement cost per article is calculated and based on the total number of articles, it is set.
- Affordable: As the name suggests, the company sets its budget based on how much it can afford.

2.6 Factors Affecting Advertising Budget

- Existing Market Share: A company with a lower market share will be required to spend more on its promotional activities. On the other hand, companies with larger market shares can spend less on their promotional activities.

- The competition level in the industry: If there is a high competition level in the industry in which the company operates, the advertising budget would be required to be set on a higher side to get noticed by audiences. In case a monopoly exists or where there is the least level of competition involved, the company will need to invest less in marketing.
- Stage of the Product Life Cycle: It is a well-known fact that in the initial introduction and growth stages of a product or service, more amounts would be required for advertising. While in the later stages of the product life cycle, the need for advertising will decline.
- Decided frequency of Advertisement: The advertising budget will also depend on how frequently a company wants to run its ads. Frequent ads will call for a greater budget.

Strategies

Let us have a look at some strategies a company can follow.

- Social Media Marketing: One can start by making profiles of the businesses on social media platforms like Facebook and Instagram, which can help reach out to larger audiences cost-effectively.

- Referral Benefits: In this strategy, you ask your customers to refer your business pages to their friends and family. This way, your customers do the marketing for you. You provide referral benefits and points when such referrals are buying the products.
- Content Marketing: Start a blog and update interesting content that attracts your audiences. This strategy, combined with other strategies, will benefit the business.
- Email Marketing: This strategy will depend on your database's strength and relevance.
- Pay per click ad: In this strategy, you pay per ad you run on social media platforms. Based on your selected target audience, the e-commerce ads is run and reaches the audience.

Advantages

Let us have a look at some advantages a company can follow.

- It helps to understand the advertising requirements and allocate the budget toward each necessary activity.
- The company's overall advertisement expense remains monitored, ensuring that actual expense remains within a prescribed limit.
- When the budget is followed, it is ensured that the advertisement activities are done as per advertisement goals only, and no unnecessary expense is incurred.
- Each advertisement activity is kept under supervision and remains controlled well within budget.

Disadvantages

- An inaccurate budget can attract unnecessary costs since the target of the budget would not be met.
- It may be a costly affair for companies.
- Since advertising costs will also be ultimately recovered from the customers, the prices of the products will increase.

Advertising Campaign

An advertising campaign refers to a planned series of advertisement messages with a common theme and objective, spread across various media, within a specific time frame. Campaigns ensure that the brand message is consistent, memorable, and impactful, leading to higher consumer engagement and sales.

Objectives of Advertising Campaigns

The objectives of advertising campaigns are multifaceted, as they help businesses meet various goals by communicating effectively with their target audience. We can define the primary objectives of most successful ad campaigns as follows:

- Establishing a connection with potential customers: The central goal of any ad campaign is to resonate with the audience, encouraging them to learn more about the company or try the brand’s products.
- Driving website traffic and engagement: An ad campaign aims at directing potential customers to a specific website or landing page to increase user interaction and conversion rates.
- Enhancing brand awareness and image: Ad campaigns play a crucial role in raising the brand’s profile and improving its overall impression among the target audience.
- Lead generation: Ad campaigns can effectively generate leads for upcoming products, events, or services offered by the company.
- Product launch promotion: An Ad campaign is generally used to introduce new products to the market and create excitement around them.
- Promoting special offers and increasing sales: Campaigns can announce deals, discounts, or other special offers to attract customers and bring in additional revenue.
- Customer acquisition and retention: Ad campaigns help businesses acquire new customers, persuade them to make their first purchase, switch from competing brands, and keep existing customers engaged.
- Educating leads: Effective campaign can serve an educational purpose by communicating the unique value proposition of the company and providing necessary information about the products or services offered.

The Best Advertising Campaigns of All Time (And What Made Them Successful)

Undoubtedly, some advertising campaigns have stood the test of time, becoming ingrained in our cultural fabric due to their compelling messaging, innovative thinking, and strategic execution. Several great ad campaigns surfaced that have notably transformed ordinary brands into global entities.

Nike's "Just Do It"

A standout campaign in the late 1980s, Nike's "Just Do It" campaign shifted the brand's focus from a niche market of marathon runners to appeal to the emerging fitness-enthusiastic audience. This strategic move not only drove Nike's sales from $800 million in 1988 to over $9.2 billion in 1998, but it also found a universal resonance with consumers. The simplicity and relatability of the phrase encapsulated the motivational spirit inherent in exercise, promoting a persevering mindset which people could easily associate with. This campaign serves as a lesson in identifying customers' pain points and aiming to solve them.

Coca Cola's "Share a Coke"

Coca Cola, a global leader in the beverage industry, sought personal connection with its "Share a Coke" campaign, overcoming the challenge of invention when the brand was already well-established. Customizing bottles with popular names allowed brand identity for Coca Cola to resonate on an individual level, creating anticipation over the name that one might find on a Coke bottle. This unique approach capitalized on avid consumers' sense of ownership, proving that a brand can further intrench its familiarity by prioritizing personal interactions.

Absolut Vodka's Bottle Campaign

Daring to showcase its distinctively nondescript bottle, Absolut Vodka embarked on an exceptionally long-running campaign featuring its bottles "in the wild." Over 25 years, Absolut achieved dramatic market growth, from occupying only 2.5% of the vodka market when the campaign started, to representing half of all Vodka imports into the U.S by its end. The campaign demonstrated that even a simple product could tell a captivating story, illustrating the power of creative thinking and the benefits of staying the course.

Anheuser-Busch's "Whassup"

As one of the very few ad campaigns to have changed colloquial language, Anheuser-Busch's "Whassup" campaign hinged on the power of humor and relatability. The simplicity, casualness, and resonance of people chilling with beer while watching a game struck a chord with many, giving a new phrase to the beer-drinking culture. The takeaway from this memorable ad campaign is that authenticity connects with the audience, enhancing a brand's value.

Miller Lite's "Great Taste, Less Filling"

Bucking the perception that light beer lacks good taste, Miller Brewing Company ventured into an untapped market by actively promoting their light beer's great taste among "real men." This bold, divergent approach led to their domination of the light beer market they essentially created. Their daring strategy teaches us that carving out a unique market niche could lead to unexpected leadership within that space.

Always' #LikeaGirl

The feminine product brand, Always, triggered a powerful societal conversation with its #LikeaGirl campaign. This groundbreaking ad addressed a social stigma and transformed it into an empowering message. By focusing on girls' strength and capability, especially during puberty, Always represented the challenges faced by its consumer base. The campaign showed that marketers could fearlessly address societal issues aligned with their audience's beliefs, creating a bond with their socially conscious customer base.

Volkswagen: Think Small (1960)

Despite the trend of big cars in post-WWII America, Volkswagen embraced its uniqueness with its "Think Small" campaign. The advertisements portrayed the Volkswagen Beetle exactly as it was – small, German-made and no-frills. The success of this campaign lies in the authenticity of the messaging. Effective marketing doesn't need to oversell its product, rather it should present it in its true light. Honesty and authenticity create a stronger, long-lasting relationship with the consumers.

Google: Year in Search (2017)

The "Year in Search" campaign showcases how people worldwide rely on Google to gain information about significant happenings and events around the globe. The campaign brings together various Google users, uniting them through the shared use of the platform. It's a reminder that showing your customer's you care about their interests, unifies them through your services and products. Remember, businesses aren't just selling products but also values, ideas, and experiences.

Dos Equis: The Most Interesting Man in the World (2006)

This campaign made Dos Equis beer synonymous with allure and intrigue by presenting a character that embodied these qualities perfectly. The enduring phrase “I don't always drink beer, but when I do, I prefer Dos Equis. Stay thirsty, my friends.” sharpens the appeal. This tagline captures the imagination of consumers, making the brand unforgettable. Engaging humor and catchphrases can yield astonishing brand recall.

California Milk Processor Board: Got Milk? (1993)

Instead of targeting non-consumers, the “Got Milk?” campaign directed its efforts toward milk-drinkers, aiming to get them to appreciate and consume even more milk. This inverted approach resulted in a surge in milk sales, provoking countless spoofs and parodies. The take to heart here is; brand enhancement among existing consumers can be just as beneficial as carving out new markets.

Metro Trains: Dumb Ways to Die (2012)

The Australian Metro Trains took an innovative approach to delivering a crucial safety message using catchy music and adorable animation. The “Dumb Ways to Die” campaign went viral, collecting millions of views on YouTube, proving that creativity can not only engage people in a serious topic but also breakthrough the clutter and publicly resonate.

Apple: Get a Mac (2006)

Apple's “Get a Mac” campaign brilliantly illustrated the Mac's benefits compared to a PC, through friendly and relatable interactions between two characters. The campaign promoted the increasing popularity of Apple products, despite the tech market being dominated by PC. Instead of being product-centric, the advertisements were customer-centric, showcasing relatable use-cases portraying Apple's user-friendly and intuitive nature.

Clairol: Does She or Doesn't She? (1957)

This enduring campaign gave way to an increasing demand for Clairol's hair color products. The key takeaway here is the power of subtlety and mystery in advertising. Clairol's advertising strategy was spun around making their product so authentic that others couldn't tell whether it was applied or not, thus creating an allure around their product.

De Beers: A Diamond is Forever (1999)

The De Beers campaign was an efficacious demonstration of how a well-crafted message can render a product indispensable. The masterstroke was embedding the idea that no marriage could stand complete without a diamond ring, thus turning a product into an essential part of a cultural tradition.

Old Spice: The Man Your Man Could Smell Like (2010)

The secret weapon of this campaign was the brand's agile adaptability and audience engagement. Old Spice effectively used online platforms to interact with fans in a personalized way, keeping the brand's image and messaging consistent.

Wendy‘s: Where's the Beef? (1984)

The Wendy's campaign underlines the importance of identifying and wisely exploiting your competitors' weaknesses. While it obtained success, it teaches us the golden rule of not overusing a successful strategy until it turns stale. Embrace evolution and change to unbox new opportunities.

Procter & Gamble: Thank You, Mom (2012)

This emotional and powerful campaign serves as a reminder of how effective nostalgia and emotional marketing can be in connecting with audiences. P&G tapped into deeper, universal narratives that extended beyond time and place creating an enduring impact.

KFC: “FCK” (2018)

This ingenious apology ad showcases the power of humor, humility, and audaciousness in dealing with the PR crisis. It not only helped KFC bounce back but also garnered a net-positive reputation.

Heinz's “Draw Ketchup”

Heinz's “Draw Ketchup” campaign plays with the power of brand recall, illustrating the familiarity and dominance that Heinz holds within the ketchup market. Through inviting users to draw ‘ketchup’, Heinz subtly exhibits their unrivaled position within the consciousness of consumers, propagating further brand recall.

Jif® Peanut Butter's "The Return" campaign

Jif® Peanut Butter's "The Return" campaign is a perfect blend of relevant influencer marketing and social listening. With their target clearly defined as Millennials, Jif cleverly associated with the rapper Ludacris, aligning with the musical preferences of their demographic. Their successful use of humor and the deployment of a TikTok challenge underscored their understanding of their audience's preferences.

Visit Iceland's "Icelandverse" campaign

Visit Iceland's "Icelandverse" campaign masterfully exploited a currently trending topic, Meta. Their swift response and sharp satirical humor perfectly captured the overall sentiment against the new 'Meta' brand, marking an outstanding example of trend-jacking in the advertising industry, even for smaller brands.

The "End Plastic Waste" campaign by Stan Smith for Adidas Original

The "End Plastic Waste" campaign impressively treads the thin line of addressing serious issues without appearing preachy or inauthentic. Pairing past iconography with a contemporary focus on sustainability, this campaign highlights the brand's adaptive evolution whilst championing its commitment to the environment.

Cadillac's "ScissorHandsFree" campaign

Cadillac's "ScissorHandsFree" campaign effectively leverages nostalgia whilst intertwining themes of diversity and inclusivity. Paying homage to the 1991 classic "Edward Scissorhands," the campaign aligns with the interests of its Gen X target audience while showcasing Cadillac's hands-free driving technology.

The "Fumble" campaign by iPhone 12

The "Fumble" campaign by iPhone 12 is a textbook example of Apple's mastery over minimalistic design, keeping the primary product feature, the ceramic shield, at the center of the campaign.

Contributing to the success of the campaign is the perfectly orchestrated sense of urgency, amplified by the soundtrack.

Bud Light Seltzer Lemonade's "Last Year's Lemons" campaign

Bud Light Seltzer Lemonade's "Last Year's Lemons" campaign uses the universal phrase "when life gives you lemons, make lemonade" with a refreshing post-pandemic perspective. The apocalyptic narrative, coupled with a tongue-in-cheek approach to the fatigue induced by the pandemic, is elegantly relatable and poignant.

Jimmy John's "Meet the King" advertising blitz

Jimmy John's "Meet the King" advertising blitz leverages the star power of celebrities and the appeal of cultural classics, in this case, successfully emulating the film style of "Goodfellas" for the highly esteemed Super Bowl slot. This spot effectively positions the brand and product at the forefront, in a highly engaging and memorable context.

Progressive Insurance's "The Ad Where Nothing Happens" campaign

Progressive Insurance's "The Ad Where Nothing Happens" campaign demonstrates the power in simplicity. Acknowledging the post-pandemic fatigue, it offers respite with a basic yet humorously crafted advert, peppered with nods to past cultural icons.

Toyota's "Jessica Long's Story" campaign Toyota's

"Jessica Long's Story" campaign harnesses the power of authenticity and emotional appeal. Trading product promotions for the celebration of human resilience, Toyota aligns itself with the spirit of overcoming challenges. The heart-stirring narrative not only engages the audience emotionally but also reinforces Toyota's brand values.

Dove's #DetoxYourFeed campaign

Dove's #DetoxYourFeed campaign hit a visceral note with audiences, championing the cause of combating toxic beauty advice on various social media platforms and platforms. With a fitting short film titled "Toxic Influence" and the branded hashtag, Dove positioned itself as a champion of positive body image, targeted primarily towards the youth. The primary takeaways from this campaign are the incorporation of a socially relevant topic, creating tailor-made content for the core audience, and successfully leveraging the art of storytelling.

Reddit’s Super Bowl stunt

Reddit’s Super Bowl stunt was groundbreaking for several reasons. Choosing a 5-second slot instead of a traditional 30-second slot, their ad sparked intrigue and curiosity, leading to a flurry of online chatter about it. The campaign proved the effectiveness of unconventional strategies and the importance of an omnichannel approach in advertising for heightened engagement.

Oral-B’s advertising campaign

Emphasizing direct and clear messaging, Oral-B’s advertising campaign distinguished itself by focusing solely on the product’s attributes. Recognizing their target audience’s needs and focusing on direct response copywriting, and video marketing, they showcased the power of a straight-forward, no-nonsense approach coupled with expert opinion to bolster credibility.

Slack’s Work from Anywhere ad campaign

Slack’s Work from Anywhere ad campaign addressed current global work dynamics. The campaign centered around how the service connects people and aids adaptive work habits, demonstrating that the most successful campaigns need to keep pace with societal shifts and cater to evolving consumer behaviors.

Volkswagen’s ‘The Last Mile’ campaign

Volkswagen’s ‘The Last Mile’ campaign bid farewell to the iconic Beetle with nuance and nostalgia, compellingly communicating a difficult message. Utilizing emotive storytelling backed by iconic brand imagery, the timeless campaign interwove sentiment and symbol to create enduring resonance.

In essence, these successful advertisement campaigns underline the importance of socially relevant themes, audience-centric content, leveraging contemporary trends, direct messaging, real-world scenario consideration, and emotive storytelling in crafting compelling and memorable advertising campaigns.

Characteristics of an Advertising Campaign

• Goal-Oriented – Campaigns are designed with specific objectives such as creating awareness, boosting sales, or repositioning a brand.

• Targeted – They are directed towards a well-defined audience segment.

• Unified Message – A central theme runs across all advertisements for consistency.

• Creative Appeal – Campaigns often use catchy slogans, visuals, and storytelling.

• Time-Bound – Planned to run for a particular duration.

• Measurable – Effectiveness can be evaluated through reach, sales, or ROI.

Importance of Advertising Campaigns

• Builds Brand Image – A campaign creates and strengthens brand identity.

• Increases Customer Reach – Through multi-channel communication.

• Improves Sales – Promotional campaigns stimulate buying behavior.

• Supports Product Launches – Helps introduce new products successfully.

• Creates Competitive Advantage – Differentiates a brand from its rivals.

• Emotional Bonding – Campaigns often build long-term customer loyalty. Advertising Campaign

Steps in Developing an Advertising Campaign

1. Setting Objectives
2. Identifying Target Audience
3. Budgeting
4. Designing the Message
5. Selecting Media Channels
6. Execution of Campaign
7. Evaluation and Feedback

Types of Advertising Campaigns

• Product Launch Campaign – Focus on new products (e.g., Apple iPhone launches).

• Brand Awareness Campaign – Building recognition (e.g., Nike’s 'Just Do It').

• Sales Promotion Campaign – Discounts, festive offers, flash sales.

• Social Media Campaign – Online promotions through Facebook, Instagram, Twitter.

• Cause-Related Campaign – Linking brand with social responsibility (e.g., Dove’s 'Real Beauty').

• Reminder Campaign – To maintain top-of-mind awareness (e.g., Coca-Cola ads every holiday season).

• Comparative Campaign – Directly comparing with competitors (e.g., Pepsi vs Coca-Cola ads).Elements of a Successful Campaign

• Strong Creative Idea – Memorable and unique concept.

• Slogan/Tagline – Short, catchy, and powerful (e.g., 'Because You’re Worth It' – L’Oréal).

• Consistency – Same tone and message across media.

• Emotional Connect – Humor, aspiration, nostalgia, fear, or empathy.

• Right Timing – Seasonal ads, festival promotions.

• Engagement – Encouraging customer interaction (hashtags, contests).

Challenges in Advertising Campaigns

• Clutter and Competition – Too many ads reduce attention.

• High Costs – Production and media space are expensive.

• Changing Consumer Behavior – Short attention span, ad-blockers.

• Cultural Sensitivity – Campaigns may backfire if not adapted to local values.

• Measurement Difficulties – Hard to measure long-term brand image effects.

Cost-Benefit Analysis of Advertising Campaigns

A Cost-Benefit Analysis (CBA) in advertising refers to comparing the total costs of running an advertising campaign with the benefits generated (sales revenue, brand value, customer engagement). It helps businesses decide whether an advertising campaign is financially viable and worth the investment.

Components of Costs in Advertising Campaigns

- Production Costs – Designing advertisements, video shooting, graphics, copywriting.
- Media Buying Costs – Payments for TV, radio, print space, digital ads, influencers.
- Distribution Costs – Channels, logistics, and sponsorships.
- Research Costs – Market surveys, consumer insights, pre-testing of ads.
- Monitoring Costs – Tracking and evaluating campaign performance.

Components of Benefits in Advertising Campaigns

- Direct Financial Benefits
    - Increase in sales revenue
    - Higher profit margins
- Indirect Benefits
    - Improved brand recognition and recall
    - Customer loyalty and retention
    - Competitive advantage
    - Long-term goodwill and market positioning
- Digital-Specific Benefits
    - Engagement (likes, shares, comments)
    - Website traffic and lead generation

Methods of Measuring Costs and Benefits

A. Cost Measurement

- Total Campaign Budget = Production + Media + Research + Monitoring.

B. Benefit Measurement

- ROI (Return on Investment)

ROI=Net Profit from CampaignCost of Campaign×100ROI = \frac{\text{Net Profit from Campaign}}{\text{Cost of Campaign}} \times 100ROI=Cost of CampaignNet Profit from Campaign ×100

- Sales Lift Analysis – Comparing sales before and after campaign.
- Customer Lifetime Value (CLV) – Estimating long-term value of new customers gained.
- Brand Equity Indicators – Market surveys on awareness and perception.

Example of Cost-Benefit Analysis

Factor	Cost (₹)	Benefit (₹)	Notes
Production	5,00,000	–	Shooting, design, editing
Media Buying	10,00,000	–	TV + digital ads
Research & Monitoring	1,00,000	–	Surveys, analytics
Total Cost	16,00,000	–	
Sales Revenue Increase	–	22,00,000	After campaign
Brand Value (estimated)	–	5,00,000	Intangible gain
Total Benefit	–	27,00,000	

 Net Benefit = 27,00,000 – 16,00,000 = 11,00,000

 ROI = (11,00,000 ÷ 16,00,000) × 100 = 68.75%

Advantages of CBA in Advertising

- Helps in budget allocation.
- Provides objective evaluation of campaign success.
- Supports decision-making for future campaigns.
- Identifies most cost-effective media channels.

Limitations of CBA in Advertising

- Difficult to measure intangible benefits (brand image, customer trust).
- Long-term impact may not be captured immediately.
- External factors (competition, economic conditions) can influence results.
- Overemphasis on short-term ROI may ignore brand-building campaigns.

2.7 Summary

A cost-benefit analysis of advertising campaigns ensures that businesses can balance financial expenditure with expected returns. While direct sales gains can be calculated easily, the real challenge lies in quantifying intangible benefits such as brand loyalty and customer goodwill. Therefore, CBA should combine financial metrics (ROI, sales lift) with strategic indicators (brand awareness, engagement) for accurate evaluation.

Ever wondered why companies spend so much on running advertisements? The company intends to attract audiences to its brand name through advertisement. Advertisement helps a company reach out to larger audiences and introduce them to its products and services. Because of this, the sales increase, which enables the company to earn more profits. It is important that before setting the advertising budget, the company's objective is understood. A company should set up its advertising budget after understanding and evaluating its advertising objectives and the need for advertising.

Summary in Points

1. Meaning of Advertising Budget
    - A financial plan for promotional activities.
    - Aligns marketing efforts with business objectives.
    - Ensures effective allocation of resources for maximum ROI.
2. Importance
    - Guides decision-making in advertising.
    - Provides a benchmark for measuring results.
    - Helps balance expenses with marketing goals.
3. Advertising Objectives
    - Sales Objectives – to increase sales, support sales team.
    - Communication Objectives – to create awareness, change attitudes, encourage brand trial.

4. Basis of Advertising Budget
   - Market size & potential.
   - Stage in product life cycle.
   - Market share.
   - Competition intensity.
   - Frequency of advertising.
   - Product differentiation strategies.
5. Theoretical Models
   - Economic Marginal Analysis – spend until marginal revenue equals incremental expenditure.
   - Concave Downward Function – diminishing returns on advertising.
   - S-shaped Function – little effect at low spending, strong effect at mid-level, saturation at high spending.
6. Methods of Advertising Budgeting
   - Affordable Method – leftover funds allocated.
   - Arbitrary Allocation – based on managerial judgment.
   - Percentage of Sales – fixed % of past or projected sales.
   - Competitive Parity – matching competitors' spending.
   - Objective and Task – based on defined goals and tasks.
   - Pay-out Planning – heavy spending for new products until break-even.
   - Quantitative Models – regression/statistical analysis.
   - Experimental Approach – testing in selected markets.
7. Process of Advertising Budgeting

- Set advertising goals.
- Determine required activities.
- Prepare budget components.
- Get approval from management.
- Allocate funds.
- Monitor expenses continuously.

8. Advertising Campaign
   - Planned series of ads with a common theme.
   - Objectives: brand awareness, sales, product launches, customer acquisition/retention, image building.
   - Characteristics: goal-oriented, targeted, creative, measurable, time-bound.
   - Steps: set objectives → identify audience → budget → design message → choose media → execution → evaluation.
9. Cost-Benefit Analysis (CBA) of Campaigns
   - Costs: production, media buying, research, monitoring.
   - Benefits: increased sales, brand recognition, loyalty, engagement.
   - Measurement: ROI, sales lift analysis, CLV, brand equity indicators.
   - Limitations: difficult to measure intangible benefits, long-term impact, external influences.
10. Advantages of Budgeting
    - Ensures planned allocation of resources.
    - Controls unnecessary expenditure.
    - Supports goal-oriented advertising.
    - Enhances brand equity and competitive advantage.

11. Disadvantages
    - Wrong estimates may cause overspending.
    - Advertising costs add to product prices.

2.8 Keywords

Brand, Budget, Brand Loyalty, Brand equity, Measurement Metrics, Media Staretgy

2.9 Self Assessment

Q1. Why is understanding financial concepts important for effective personal budgeting and saving strategies?

Q2. What are the various factors of financial information, and how do they influence decision-making?

Q3. What types of challenges do companies face when collecting financial information and making decisions based on that information

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Budgeting is time-consuming and costly.

SUBJECT: ADVERTISING MANAGEMENT AND MEDIA PLANNING	
COURSE CODE: MSM-524 C	**AUTHOR: DR. NISHA SINGH**
LESSON NO.: 3	
ADVERTISING AGENCYSTRUCTURE AND FUNCTIONS	

Structure

3.0 INTRODUCTION

The world of advertising cannot function properly without an advertising agency. This agency provides the skills, experience, and knowledge needed to plan, design, and execute an effective advertising campaign. It consists of creative individuals, including writers, artists, media experts, and account executives. Most advertisements we see, enjoy, and hear from various media outlets come from modern advertising agencies. These specialists work together to understand the needs of advertisers and develop suitable strategies and plans. They create and help deliver those creative ideas through the right media channels.

According to the American Association of Advertising Agencies (AAAA), an ad agency is a stand-alone company composed of entrepreneurs and creatives. These people create, prepare, and distribute advertising materials for companies that sell goods and services. The purpose, organization, and range of tasks that advertising agencies carry out to deliver the greatest advertising will be covered in this unit.

3.1 LEARNING OUTCOMES

After working through this Unit, you should be able to:

- Understand the importance of advertising agencies.
- Comprehend their nature of work and activities.
- Analyze the various tasks of ad departments.
- Examine their organizational structure.
- Learn about leading advertising agencies around the world.

3.2 EMERGENCE OF THE ADVERTISING AGENCY

Originally, before legitimate advertising agencies emerged, ads were sent to various media outlets through representatives. In the early days of advertising, these representatives sold and resold the ad space. This marked the beginning of what we now call the ad agency. The first ad agency dates back to 1786, when William Taylor opened his office in London. However, it was Volney B. Palmer who expanded the concept globally. Palmer opened his ad agency in Philadelphia in 1840. He bought ad space from newspapers at discounted rates and resold it to advertisers at higher prices. This laid the foundation for the practice of space selling and led to the term "Agent." He also conceptualized the ads, designed them, and handled all the artwork needed by clients, influencing the creative aspect of advertisements. Many others entered this field as they found it more profitable and engaging. They created directories with advertising rates for newspapers. Francis Ayer, who was only 20 years old, established a full-service advertising agency called N.W. Ayer and Sons, which is considered one of the oldest agencies in the world.

3.2.1 Global Advertising Agencies

Tracing back to the history of the UK, which has been a significant part of the capitalist economy for centuries, we see that the advertising space had a modest beginning. It grew into a powerful force that gathered and organized advertising agencies for the benefit of advertisers. The three forms of advertisements that appeared in the early stages were Trade Cards, Posters, and Display Advertisements in newspapers. Print ads, in particular, underwent a complete transformation with the rise of standardized ad agencies that changed how ads were created for the public.

In the UK, Thomas J. Barratt, who worked for the Pears Soap company, began creating effective campaigns for the company’s products. His campaigns featured targeted slogans, images, and phrases, providing new insight into the development of ad agencies in London and other major cities in the UK. He is credited with laying the groundwork for the modern ad agency concept, which has evolved significantly since then.

It was only at the start of the 19th century that agencies began preparing advertisements and sending them to the media. Lord and Thomas in the USA started hiring copywriters to create advertising content. By that time, agencies had become the center of creative planning, and advertising was firmly established as a profession. The early agencies were seen as brokers for space in newspapers, but with the rise of full-service agencies, they also took on the responsibility for advertising the content.

David Ogilvy was a British advertising tycoon who founded the well-known ad agency Ogilvy &

Mather, which is still one of the top global agencies today. He is recognized as the "Father of Advertising." Trained at the Gallup research organization, he credited the success of his campaigns to careful research into consumer habits.

3.2.2 Indian Advertising Agencies

Founded in 1905, Bombay (now Mumbai)-based B. Dattaram and Co. asserts that it is the oldest Indian advertising agency still in operation. India Advertising Company came next in 1907, and Calcutta Advertising Agency came next in 1909, followed by S.H. Bensen in 1928. The Indian agencies began gradually moving into the territory of being owned and run by foreigners.

In the 1920s, numerous organizations were established, including Ogilvy and Mather and Hindustan Thompson Associates (HTA), which soon began conducting business in India as well. In terms of their operations, the majority of them adopted the foreign agencies' strategies. The first marketing campaign for the "Dalda" as an exclusive brand was planned and carried out in 1939. The format was specifically created by the agencies with the Indian market in mind. Due to the numerous new agencies created by mergers and acquisitions, JWT was rebranded and introduced as HTA in India. The advertising industry's need for inputs and professional development accelerated the process of reaching the next level.

As a result of the formation of numerous advertising associations and groups, the advertising circuit became closer. These organizations began defending the advertising industry's interests by 1950. Ad agencies created the first radio commercial in 1967, which Vividh Bharti aired. This was followed by television commercials. Mudra Communications was established in 1986 with the goal of running advertisements on Doordarshan, the only TV channel available at the time. The situation changed with the advent of satellite television after 1991, and as the medium expanded, so did the new advertising campaigns and duties of the advertising agencies.

Check your Progress: 1

Note: 1) Use the space below for your answers.

2) Compare your answers with those given at the end of this unit.

1. Fill in the Blanks:

Volney B. Palmer opened his ad agency in _______ in the year ____.

2. Who was David Ogilvy

....

3. In which year was the first Radio Commercial aired in India

....

3.3 ORGANISATIONAL STRUCTURE OF ADVERTISING AGENCIES

The way Advertising Agencies operate and organize has changed over the years. Many adjustments have taken place in how an Ad Agency handles its day-to-day activities. It functions as a team. Teamwork is essential to moving tasks forward. The typical organizational structure of an Ad Agency often shifts based on its specific functions. You can find a full-fledged Ad Agency, a medium-sized one, and even smaller agencies, which vary in the number of employees. However, the main activities of an agency remain consistent. Some ad agencies have a global presence, while others operate at the national level, and a few focus only on local markets.

Madison Avenue in New York City is known as the center of advertising because many well-known global ad agencies are based there. In India, Mumbai, considered the financial capital, has a large number of ad agencies, followed by major cities like Delhi, Chennai, Bangalore, Pune, Hyderabad, Kolkata, and Gurugram.

Ad agencies typically have different departments led by their respective heads. A standard organization should have a senior management team responsible for business and financial operations. Larger ad agencies usually include a management team with a Chief Executive, a Finance Director, account officers, account planners, media planners, a creative team, an administrative team, a sales team, and a production team. Often, a management member handles relationships with the Board and organizes meetings. The success of an ad agency relies on its team and its members. Therefore, agencies choose team members carefully based on their skills and abilities.

Advertising agencies today generally fall into two categories: full-service agencies and specialized agencies. Full-service agencies offer a complete range of activities related to media and marketing sectors. Specialized agencies, on the other hand, have three types of services. First are independent agencies that provide limited services like media planning and buying. Second are agencies focusing specifically on internet-related activities. Third are agencies that operate in a narrow market sector, such as business-to-business advertising.

3.4 DEPARTMENTS OF AN AD AGENCY

Like any other organization, ad agencies assign responsibilities to their employees in different departments. Each department must operate based on its specific activities, but they are closely connected.

The major classifications of personnel in an ad firm are as follows:

- Accounts Department
- Client Serving Department
- Creative Department
- Production Department
- Media Planning Department

Roles and Responsibilities of Departments:

As mentioned earlier, ad agencies have various departments. Their main job is to perform their roles to create a final product. Each department is linked and relies on the others. They cannot function separately. An agency can be broadly divided into two units: the Creative side and the Production side.

Now let's look at the departments and their responsibilities, along with the key personnel involved.

3.4.1 Account Planning

One of the main departments in an ad agency is the Accounts department. In advertising terms, 'Account' refers to a client. This department is usually led by an account's director, who also serves on the board if the agency is limited. He is supported by Accounts Executives or an Account Planner who helps with further activities. The primary job of these account executives is to understand the needs and requests of a client. The sales department provides a 'Lead' to him, and he communicates that information to his team. The Accounts department is mainly responsible for bringing clients to the agency. They must monitor all other departments to ensure that the ad campaign runs smoothly. Clients choose your agency based on your past and current work and your reputation in the advertising market.

The common and informal term for account planning is client servicing. This means that the account planner addresses the needs and requests of clients who come to the agency for advertising. The main role of an agency is to create advertisements, and account planning serves as the foundation for this work. An account planner has several responsibilities, which include:

a. Planning the main goals of the advertising. They use analysis, logic, insights, and various skills to develop a cohesive final product.

b. They are also in charge of selecting and evaluating the feedback received from research. This helps the team make further decisions and judgments more easily.

c. They ensure that the objectives and feedback are relevant and inspiring to all team members, especially the creative team.

d. Account planners also act as a link between the client and the agency. They address client questions and find suitable solutions for them.

e. They help craft effective messages for the target audience by fostering a positive dialogue between the creative team and consumers.

f. Having a friendly relationship with clients is important for maintaining lasting connections between both parties.

Account Planner:

An account planner is someone who works closely with the creative team and the agency's accounts. They make sure the campaign ideas and strategies are effective and target the right audience. The key qualities of account planners include teamwork, commercial awareness, strong verbal skills, and the ability to present to clients. Their tasks also involve interpreting information, staying updated on cultural and social trends in advertising, conducting qualitative research, evaluating advertising campaigns, and analyzing sales data.

3.4.2 Client Servicing

With increased competition, advertising agencies must build strong relationships with their clients. It's important to have good compatibility between the client, agency, and brand. The services provided by the agencies help them retain clients over the long term, so agencies need to deliver their best to keep their accounts. They must evolve and respond to new changes and demands from the industry. Often, clients evaluate agencies, giving some an advantage over their competitors. Agencies must meet all client requirements. Therefore, having all services available under one roof is essential.

Client servicing means offering all necessary support for a client in planning, design, budgeting, production, and media placements. Some clients spread their budget across multiple agencies, while others prefer a single agency. Clients may switch to a new agency when they feel bored, disagree on ideas, have different opinions, or if the creative team moves to another agency to maintain brand continuity.

The following points are essential for maintaining a healthy client-agency relationship:

a. It is crucial to maintain transparency with each other.

b. The agency keeps the media commission for itself, while the client handles the bill.

c. Any media discounts must be passed on to clients.

d. Clients should not blame the agency for mistakes in scheduling or positioning.

e. Clients should avoid working with rival agencies.

Clients choose an ad agency based on these criteria:

a. Popularity in the market.

b. The agency's creativity in its work and delivery of advertisements.

c. A solid track record.

d. Competent account executives who can resolve issues.

e. Personal relationships with the agency.

f. Commitment to their work.

g. Unique or exclusive contributions to the industry.

Agencies also help produce ad campaigns for their clients during the planning, execution, and branding stages to achieve better reach. A good client servicing agent should possess patience, strong listening skills, clear communication, time management, product knowledge, positive language, and results-driven actions.

3.4.3 Creative Department

The heart of an ad agency is the creative department. This department plays a key role in attracting and keeping clients. It takes ideas and turns them into visuals, packaging everything into a product for the target audience.

A creative director leads the creative department, supported by a team that includes a copy chief, copywriters, visualizers, layout artists, typographers, freelancers, and full-time artists. These team members collaborate to develop advertisement concepts. In larger agencies, a creative director oversees different teams that handle various accounts. In smaller firms, creative directors often work with freelance writers to complete tasks. The creative team is always a lively group of people full of bright and innovative ideas. They stand out by creating new and engaging concepts, copy, or graphics.

The following are the activities of the Creative Department:

a. Conceptualize the idea for the client.

b. Copywriters write the copy and create the storyline for the ad.

c. They also contribute to the theme of the advertisements.

d. The copy is transformed into various forms by the visualizer.

e. The visualizer, with the help of layout artists, designs the ad.

f. The typographers and final artists prepare the final artwork.

g. The creative department members decide on the creation of the logo, selection of colors, and use of appropriate fonts in consultation with each other.

h. The members use their creative energy and coordinate with designers and visualizers to finish an advertisement.

Personnel in a Creative Department:

- **Copy Writers:** They are the creative backbone of an agency. They need to think creatively to thrive in the competitive advertising world. Their main job is to turn ideas into words. Their writing brings life and energy to advertisements. They create and design promotional content for their clients. They should have a sense of humor, as it is one of the key elements of a good advertisement. They come up with taglines, jingles, and text that make the ad stick in consumers' minds. Copy writers are behind the billboards, catalogues, emails, and websites used by advertisers. Key traits for a good copy writer include strong communication, good language skills, keen observation, reasoning, and analytical abilities.
- **Graphic Designers:** Graphic design is a key part of advertising. Today, ads rely heavily on graphics to enhance their appeal and effectiveness. Graphic designers at ad agencies play an important role in promoting content. Their presentation skills are crucial. A graphic designer should be dedicated, able to handle criticism, innovative, and willing to listen to colleagues. They must think logically and adhere to work ethics, which helps them meet deadlines through effective time management. Their job involves creating designs, logos, and characters that fit the copy. They do this by selecting color textures, fonts, backgrounds, and animations to convey the message more powerfully. A solid understanding of software like Photoshop, design programs, and QuarkXPress is essential for a graphic designer.
- **Art Directors:** They are the people responsible for the visual images and styles in newspapers, magazines, product packaging, and television and movie productions. Their main job is to create the overall design and guide others in developing artwork and layouts. They need to have a deep understanding of typography, photography, and printing techniques. They work as part of a team to create campaigns that can immediately influence consumers' perceptions of the product and the brand. Their activities include discussing ideas with the creative team, planning a budget, collaborating with artists and photographers, managing on-site and off-site shoots, and presenting the final draft to clients. Most art directors work under the guidance of a creative director.

3.4.4 Production Department

The production department handles the delivery of the approved ad copy. A production manager leads this department, with several assistants helping out. These assistants focus on typography, making blocks, lettering, stereos, and electros. They also provide all the text and artwork needed for the photogravure process. In this department, the work is organized into copy, artwork proofs, corrections, and the final output as scheduled. In larger agencies, a traffic controller supervises the work and has a say in the finished copy. In smaller agencies, freelancers often take on production tasks.

In the modern world of advertising, we now have ad makers who create the final product. Some ad agencies have in-house creators, while others hire freelancers or outsource the work. These ad makers help with production by finding the right artists, musicians, jingle writers, voice-over actors, set designers, and editors to complete the project according to the clients' needs. The demand for visual ads has grown due to television and social media. A production manager oversees this process, focusing on visual media communication.

The responsibilities of this department include:

a. Managing client schedules

b. Handling campaign budgets

c. Coordinating with creative and media teams

d. Working with external suppliers like videographers, photographers, artists, and printers

e. Meeting all final output requirements for agency clients

Outsourcing of the Production Work:

Often, ad agencies rely on outsourcing to finish their services. Many well-known agencies have in-house teams, but smaller agencies depend on freelancers to complete their tasks. They hire creative professionals based on their needs and get the work done for a fee. Numerous freelancers are ready to offer their services and deliver the final product on time to the agency.

Freelancers can include:

- **Directors:** Directors are the key players in an advertisement. They rely on their instincts and insights, but they also need to plan strategically. They must execute their campaigns carefully. A good director should be a strong team leader, working collaboratively with all departments to produce quality work. Experience, resilience, diplomacy, a solid track record, creativity, and market knowledge are essential qualities for a successful director. They need to plan and execute projects in a way that stands out from the rest. Their innovative ideas should be reflected in their production. The director is responsible for taking the concept from paper to film.

- **Camera Persons:** The men and women behind the lens play a crucial role in creating an ad. The visualization and its presentation on screen matter a lot. Camera persons must have qualities like experience, a strong track record, and the ability to work with respected directors. Creative technical ideas add more value to the work. It is the camera person's job to shoot and present visuals according to the storyboard. They work under the director's guidance and suggestions. It is their responsibility to bring the storyline to life by adding color, using various shots and angles, and creating a visual treat for the audience. This makes the process complete.

3.4.5 Media Planning

Another important department in an agency is the Media Planning department. The finished product, advertisements, has to be sent to different media. The Media Planning department is led by a Media Controller or Planner, who usually gets help from several sales executives and marketing executives. The marketing team, which includes a research team, works closely with the media planners to better understand the market and its demands. This collaboration helps clarify how to execute the plan for their clients. Their main role is to coordinate with media houses and the agency.

The first question that comes up is how to allocate the budget for this process. Budget plays a crucial role. It determines how clients position their ads in different media outlets, such as print, TV, radio, and outdoor. The media planners make key decisions regarding which media to choose, the frequency of ads, their size, and when to publish them. The sales executive helps secure advertising space in newspapers and magazines, time on TV, and spots on the radio for their clients. Clients rely on these media planners to get their ads in front of the public. Media planners need to maintain strong relationships with media outlets. Most ads reach the media through ad agencies. Both the media and these agencies depend on each other; one cannot survive without the other. The chances of getting ads published and broadcasted increase if clients work with reputable ad agencies.

The main activities performed by a media planning department include:

a. Identifying the right medium for their client.

b. Suggesting ideas and helping to place ads at the right time.

c. Assisting clients in getting a good deal regarding budgeting.

d. Buying space, time, or spots for a client in various media.

e. Conducting regular market research for clients.

f. Coordinating activities between clients and media regarding billing, commission, consent, and obtaining final approval.

The media department operates entirely on a commission basis. The amount is split between the ad agency and the media houses at a 70-30 ratio, which is standard.

The primary principles in a media and agency relationship are:

a. The agency is responsible for all payments to media.

b. The agency does not take any cut from the commission it receives from clients to the media.

c. The media follows a uniform policy for all agencies.

d. The media does not change any material without prior consent from the agency.

There are many media planning agencies around the world that help clients in several ways. Some well-known agencies include Vowels Advertising, The Media Ant, Grey, Adverlabs, Good Apple Digital, YoYo Media, and Seagull Advertising.

In this changing market, it’s essential to understand the market landscape for business development. Companies worldwide want to promote their offerings, satisfy customers, engage them, and ultimately keep them for business growth. Advertising firms use various software to stay relevant and excel in digital marketing. Some popular software that is widely used because of its user-friendly design and easy adaptability includes Marketo, Vocus, Hubspot, Sailthru, Yesware, Localvox, and Mailchimp. These programs support various activities like customizing emails, boosting user engagement, providing marketing solutions, acquiring and retaining customers, and launching marketing campaigns.

Qualities of a Media Planner:

Media planners develop action plans for ad campaigns and set marketing goals. Their job requires strong connections between clients, consumers, and agencies. They must help choose the right mix of media platforms for placing ads to reach the right targets. Qualities like a systematic attitude, clear perspective, focus, communication skills, and prioritization will lead to long-term success.

Check your Progress: 2

Note: 1) Use the space below for your answers.

2) Compare your answers with those provided at the end of this unit.

1. List the major departments of an advertising agency.

....

....

2. What are the main roles that an ad agency serves for a client?

....

....

3. How many different types of ad agencies can you name?

....

....

3.6 LEADING ADVERTISING AGENCIES OF THE WORLD

The popularity and sustainability of an agency depend on several factors, including credibility, innovation, the team, success rate, and compatibility. Despite challenges in the business, many agencies have prepared to navigate the market and establish a strong presence. Here, we discuss some prominent agencies, both global and national, for your convenience. The agencies listed below have consistently ranked among the best and the types of clients they serve contribute to their growth. Here is the list of global agencies known for their work:

Ogilvy and Mather: This New York-based advertising and marketing company was founded in 1948 by David Ogilvy. John Seifert, the Chief Executive, Worldwide, is among its key leaders. It is part of the WPP group and ranks as one of the largest marketing and communication companies globally by revenue. They work with many well-known clients, including Amazon, Coca-Cola, IBM, Dove, and American Express.

Mullen: It is often regarded as the best ad agency in America. Jim Mullen founded it in 1970. The agency is known for content creation, brand planning, user experience design, and performance analysis. It consistently ranks among the top 10 innovative marketing and advertising companies. Its clients include Google, Acura, Jet Blue, and Zappos.

McCann World Group: Previously known as McCann Erickson, is a global player with a presence in over 120 countries. The agency primarily focuses on digital marketing, relationship management, professional communication, and media management. Its clients include L'Oréal, MasterCard, Nespresso, and Cigna.

Publicis Group: It was founded in 1926 in France by Leo Burnett. The agency is recognized for its acquisitions in the global market and has a team of digital specialists. It offers marketing, point of sale, and video editing services, along with communication solutions. Its clients comprise Coca-Cola, Garnier, Vicks, and American Airlines.

Dentsu: Is a Japan-based ad agency that holds a significant share of the global market. Founded by Jerry Bhulman, it is one of the leading agencies in Japan. The company has its corporate office in London to manage European markets. While the Asian region remains largely untapped, Dentsu has acquired several global ad agencies, including McGarryBowen in the USA. Its main clients include Airtel, Flipkart, Pepsi, Bacardi, and Red Bull.

Havas: Founded in 1991, this American ad agency was taken over by a French media group. It is now one of the five largest communication groups in the world. It was known as Euro RSCG until 2012. Its clients include Lactose, IBM, and Air France.

Grey Global: Established in 1917, this century-old ad agency is based in New York. It specializes in public relations, public branding, and interactive marketing. It is known for its subsidiary groups like GCI Group and Media Com Worldwide. Its clients include Canon, P&G, Advil, and Cover Girl.

Drogan: Created in 2006, it is known for its presence across all platforms, including broadcast, print, social media, experiential, and out-of-home advertising. Based in New York, it ranks as one of the best among its competitors. Its clients include BBC, Johnsonville, Google, and Heineken.

BBDO: Founded by George Batten and is one of the world's most admired creative networks. It has received many global advertising awards. Its marketing services are in demand in most countries around the world. The agency has partnerships with many acquired local subsidiaries. Some of its well-known clients include Subway, PepsiCo, Hewlett-Packard, and Fisher-Price.

Y&R (Young & Rubicam): An iconic agency founded by John Orr Young in 1978. It specializes in digital and advertising media for both online and offline advertising. The agency employs more than 300 people. Its client list includes Sony, Adobe, Burger King, and Dell.

Other notable names in the industry include Lintas Worldwide, FCB, TBWA, Bozell, J. Walter Thompson, and Saatchi & Saatchi, among others.

3.6 LEADING ADVERTISING AGENCIES OF INDIA

Advertising has become one of the most popular professions in the media world. With the growing economic power and expanding market forces in the country, there is a high demand for marketing and related activities. The shift in production and sales has led large companies to promote their products and services through advertising. This, in turn, has led to a surge of advertising agencies across the country. Even global players in the advertising industry are looking to our country and have started their own subsidiaries here. Mergers and takeovers are now common in the advertising world. The quality of creative work in our advertising industry has drawn positive attention to the Indian market. Below are some of the leading advertising agencies in India that have established a reputation and made a mark in the industry through their work and product branding:

DDB Mudra Communications: Founded in 1980 by A.G. Krishnamurthi in Mumbai. It started with just 15 employees. Today, it is one of the most recognized ad agencies in the country. In 1990, the company signed an agreement with DDB Needham Worldwide and merged with DDM. It has received many national and international awards, including Cannes, Adfest, and Spikes Asia. Their notable clients include Aditya Birla Group, ACC Limited, Bharat Petroleum, Puma, and Reebok. Their famous campaign for RASNA made it the top-selling soft drink in 1986.

Grey India: Located in Mumbai and is part of the Grey Global Group. They have produced some of the most well-known and effective work for prestigious clients in India. They often handle projects related to retail, visual design, and fixture design. Their client list includes Sensodyne, the Indian Air Force, Cadbury Silk, and Kinder Joy.

Rediffusion (Y&R): This ad agency started in 1973 through the collaboration of three friends, Arun Nanda, Ajit Balakrishna, and Mohd. Khan. It is part of the Y&R global network, which has 187 offices worldwide. The agency has regional offices in Delhi, Kolkata, Chennai, Bangalore, and Colombo to provide creative and strategic services to its Asian clients. Their client list includes Tata Motors, ITC, Ambuja, and Emani.

McCann-Erikson India Ltd: It has been awarded as the Global agency three times. This ad agency has offices in over 120 countries and a strong global network. It is known for its creativity, blend of technology, practical solutions, and unique understanding of people. Their clients include Maybelline, MasterCard, Microsoft, and many others.

Ogilvy and Mather: It operates in six major cities across the country and is a leading agency here. The firm has won many awards for its quality work and follows the principle of 360-degree branding on both local and global scales. Major clients include IBM, Dove, NASCAR, Philips, and Coke Zero.

JWT: Recognized for its integrated network and widespread activities in cities like Hyderabad, Delhi, Chennai, and Bangalore. It operates in more than 90 countries and was acquired by Hindustan Thompson in 2002. Major clients include Nestlé, Unilever, and DTC. Some of their iconic campaigns feature Kit Kat and Burger King.

Triverse: Gurgoan-based agency, was founded in 2008 by Suresh Tiwari. It is now one of the popular agencies known for its brand architecture, design language, and social media communication. It works with both luxury and mass brands. Some of its clients are Vardhaman, PARI India, and SMC.

FCB ULKA: It has kept its position among the top 10 agencies in the country for many years. Founded in 1961 by Bal Mundkur, it is headquartered in Mumbai. The agency operates in more than 92 countries with over 150 offices in major cities. Currently, ULKA manages over 53 clients from leading brands.

Notable clients include Amul, Hero, Indian Oil, Sunfeast, Wipro, and Whirlpool.

Leo Burnett: An agency in Bangalore, has a global presence with over 100 offices around the world. The company focuses on meeting people's purposes and needs. Its clients include Samsung, Kellogg's, and Coca-Cola.

Madison Communications: It was established in 1988 by Mr. Sam with its office in Mumbai. The agency is known for its iconic campaigns. It has a diverse communication group with 26 units specializing in sports, mobile, outdoor, aviation, and entertainment. Its clients include CEAT, Asian Paints, Cafe Coffee Day, the BJP party, and Levi’s.

ACTIVITY

Visit an advertising agency near you to learn about its structure and functions. Talk to the advertising professionals in different departments and ask about their roles. This will provide you with practical insights to complement the theoretical knowledge you've gained in this unit.

3.7 AWARDS AND RECOGNISATIONS IN THE AD WORLD

The creative minds at these agencies show they are committed to creating and promoting their ideas in the media. Advertising agencies have millions in revenue each year. To boost the morale among advertising professionals, many awards and recognitions have been established in the industry. These are held and presented annually. Some of the well-known awards in the advertising world include:

- The Cannes Lions

- The ADDYs

- The CLIO Award

- The OBIE Awards

- The D&AD Awards (Design and Art Direction)

An advertising agency's popularity often depends on the awards it receives for its work. Clients select an agency based on its reputation and market position. This leads agencies to compete with one another to deliver their best.

The competition among established advertising agencies is intense. They are recognized for their creativity and innovation. Agencies strive to be successful in all areas of their work. Strong teamwork and talented individuals are key for an agency's growth. There are many opportunities for professionals to expand their services despite the emerging challenges in advertising. These challenges relate to media, motivations, messages, audience, and the market itself. Yet, these agencies are here to stay and are sure to grow larger in the coming years.

3.8 LET US SUM UP

In this unit, we explored how an advertising agency operates, its different departments, and the employees who fill various roles.

The size and scope of an agency can change, which also affects the roles and responsibilities of its staff. As a client, you should find that the agency's structure meets your needs, from results to communication. Ad agencies work closely with clients to gather information and present their campaign ideas. This is followed by the creative process of producing and distributing print ads, other media, and online advertisements. Advertising agencies use a variety of strategies to create marketing campaigns that fit their clients' needs.

Nowadays, the trend of specialized boutique agencies is on the rise. These agencies focus on specific tasks, such as media planning or creative development, for their clients.

We identified the main departments of an agency, which include Account Planning and Client Servicing, Creative, Production, Research, and Administration. It is rare for an agency to handle all these tasks independently; they usually outsource work to experts in the field.

We also reviewed some well-known agencies worldwide and in our country. I hope you gained some insight into what an ad agency is like. I encourage you to visit an ad agency near you to experience firsthand what you've learned theoretically.

3.9 CHECK YOUR PROGRESS: POSSIBLE ANSWERS

Check Your Progress 1:

1. Volney B. Palmer opened his ad agency in Philadelphia, America, in 1840.

2. David Mackenzie Ogilvy (23 June 1911, 21 July 1999) was a British advertising leader. He founded Ogilvy & Mather and is known as the "Father of Advertising."

3. The first radio commercial appeared in 1967 and aired on Vividh Bharti.

Check Your Progress 2:

1. Broad departmentalization in an ad agency involves:

- Account Planning
- Client Servicing
- Creative Department
- Production Department
- Media Planning
- Research
- Administration Department

2. Roles of Advertising Agencies include:

- Creating an advertisement based on information gathered about the product
- Researching the company, the product, and customer reactions
- Planning the type of media to use, when and where to use it, and for how long
- Gathering feedback from clients and customers, then deciding on the next steps

3. There are five main types of advertising agencies.

1. Full-Service Agencies

These are large agencies.

They handle all stages of advertising.

Each department has its own experts.

The process starts with gathering data and analyzing it, and it ends with paying the media people.

2. Interactive Agencies

These agencies use modern communication methods.

They create online advertisements and send personal messages to mobile phones.

Their advertisements are highly interactive, featuring new ideas and innovative concepts.

3. Creative Boutiques

These agencies focus on creating very creative and innovative ads.

They do not perform any other functions besides making the actual ads.

They are small agencies with their own copywriters, directors, and creative staff.

4. Media Buying Agencies

They buy space for advertisements and sell it to advertisers.

They sell time slots for when advertisements will air.

They schedule slots on different television channels and radio stations.

Finally, they check if the ad was broadcast at the chosen time and place.

5. In-House Agencies

These are as capable as full-service agencies.

Large organizations prefer these types of agencies since they are built internally and work exclusively for them.

These agencies operate based on the needs of the organization.

There are also specialized agencies that focus on specific types of advertisements. These agencies require people with specialized knowledge in their field. For example, ads that promote social messages, finance ads, or medicine-related ads.

Self Assessment

Q.1 Explain the role of advertising agency in India.

Q2. Describe the various reasons to choose an advertising agency .

Q3. Explain the various type of Advertising Agency.

Q4. Describe the structure of advertising agency

3.10 FURTHER READINGS/ References

- Foundations of Advertising Theory & Practice by S.A. Chunawalla
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- Creative Company: How St. Lukes Became "The Ad Agency to End All Ad Agencies," Andy Law. (Wiley, 1999)
- Cognitive Surplus: Creativity and Generosity in a Connected Age, Clay Shirky. (Penguin Press, 2010)
- Truth, Lies and Advertising: The Art of Account Planning, Jon Steel. (Wiley, 1998)

3.11 GLOSSARY

Agency commission: Typically, 15% of the money spent on purchasing time or space in different media is used to pay the agency for creating and executing ads. These days, this commission is frequently negotiable and could be contingent on the campaign's success.
Ala carte services: An agency may only offer the advertising services that a client wants to buy, as opposed to offering all services at a single cost.

Bait Advertising: The practice of promoting a product at a low price when it is difficult or impossible to get the product for that price. Bartering trading goods, or anything else besides cash, for space or time for advertising.

Billings: The total amount billed to clients, which includes production costs, media expenses, and the agency commission.

Boutique: An agency that offers a small range of services, like creative work without media planning, research, etc. This usually refers to a small business.

Cardrate: Media rates that are displayed on a "rate card" by a print or broadcast media outlet. Usually, this is the highest price a car will charge.

Collateral materials: Include sales brochures, catalogs, spec sheets, and other documents that are typically given to customers (or dealers) by a sales representative as opposed to the media. These resources are regarded as "collateral" to the salesperson's message.

Dailies: Also known as rushes, these are uncut films. These are called "Dailies" because, although the final commercial or program may require several days or weeks of filming, the film is usually seen from a single day of production.

Fringe time: The time on television that comes right before and right after prime time.

House agency: An advertising firm that manages an advertiser's account and is owned and run by the advertiser.

Net cost: The expenses related to an advertising agency's services, less the agency commission.

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<tr><td colspan="2">SUBJECT: ADVERTISING MANAGEMENT AND MEDIA PLANNING</td></tr>
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Structure

Learning Objectives :-

After reading this unit, you should be able to:

• understand and appreciate the term advertising

• explain how to prepare an advertising campaign plan

• outline the steps in planning an advertising campaign

• describe the role of media in campaign planning

4.1 INTRODUCTION

Advertising history can be traced back to around 3000 BC. Egyptians used papyrus, a thick paper-like material, to create sales messages and wall posters. Political campaign displays and commercial messages have been discovered in the ruins of ancient Arabia and Pompeii. The tradition of wall painting goes back to Indian rock art that dates to 4000 BC. In China, town criers announced their locations and sold fruits and vegetables from carts and wagons.

The first step toward modern advertising came with the invention of printing in the 15th and 16th centuries. Industrialization peaked in the 19th century, giving a major boost to the advertising industry. Agencies began to appear worldwide in the early 20th century, with some starting up by the early 1920s. This trend has continued ever since.

Advertising has changed a lot since then. Today, marketers do not act randomly when it comes to advertising. The whole process is organized and carefully planned. The goal of planning an advertising campaign is to find the right marketing activities and channels to meet the campaign's objectives, allowing them to influence customers. For a campaign to work well, it must be engaging and easy to share, using the principles of a complete 360-degree approach to online and offline marketing.

4.2 DEFINATION AND SCOPE OF ADVERTISING

Advertising combines techniques and practices to attract attention to products, services, brands, opinions, events, and causes. Its goal is to persuade people to respond in a specific way to what is being promoted. Advertising creates an emotional connection between the consumer and the product in a meaningful way. It establishes a unique difference between products that cannot be replicated.

If this definition seems a bit outdated or very textbook, it's because it is. The truth is that advertisements can be hard to define, now more than ever. From TV ads to outdoor promotions to search engines to Instagram influencers to Non-Fungible Tokens (NFTs), the advertising landscape has never been broader, deeper, or more complex. A modern definition of advertising could be seen as a method of storytelling—a new way to connect with consumers that they can remember. It’s about delivering a message that urges the consumer to take action.

It's important to distinguish between advertising and marketing. Marketing is the broader field; it is not the same as advertising. If marketing is the mother ship, then advertising is a satellite. Advertising is a subcategory of marketing. Marketing involves identifying customer needs and figuring out how to meet those needs. In contrast, advertising focuses on promoting a company and its products or services. Therefore, advertising is a part of marketing. While a contemporary definition of marketing aims to simplify the consumer's choices, advertising serves as a tool in this simplification. All marketing elements must work together to achieve a common campaign goal.

4.3 OBJECTIVES AND TYPES OF ADVERTISING

Advertising's three primary objectives are

- To educate consumers about the brand or offering,
- Convince them to make a purchase or complete an action, and
- To remind and reinforce the brand's message.

To Inform

Advertisements aid in expanding the target market's exposure and brand awareness. Reaching business objectives begins with educating potential customers about the brand and its offerings.

To Persuade

One of the main goals of advertising is to persuade customers to take specific actions. These actions may include buying or trying the products and services offered, creating a brand image, and developing a positive attitude toward the brand.

To Remind

Another goal of advertising is to strengthen the brand message and reassure both existing and potential customers about the brand vision. Advertising helps keep the brand at the forefront of customers' minds and prevents competitors from attracting their attention. This also supports word-of-mouth marketing.

With these three main goals in mind, let's examine how marketers plan advertising campaigns.

Types of Advertising: Traditionally, advertising can be divided into three main segments:

1. **Above-the-line advertising (ATL):** This includes activities that target a broad audience and have a wide reach. Examples of ATL advertising are TV commercials, print ads in newspapers, and radio spots. ATL marketing often occurs on a large scale, with marketers not having direct contact with their prospects or customers. You might choose this marketing approach if you want to expand your brand's reach, raise awareness, and appeal to a larger audience.

2. **Below-the-line advertising (BTL):** This includes activities focused on conversion that target a specific group. Examples of BTL advertising are billboards, sponsorships, and in-store promotions.

3. **Through-the-line advertising (TTL):** This includes activities that combine both ATL and BTL strategies. These activities aim at brand building and conversions, using targeted advertising strategies. Examples of TTL advertising include cookie-based ads and various digital marketing strategies.

Advertising activities can be divided into five types based on the medium used. These types of advertisements are:

Print Advertising: Newspaper, magazine, and brochure ads.

Broadcast Advertising: Television and radio ads.

Outdoor Advertising: Hoardings, banners, flags, wraps, and more.

Digital Advertising: Ads shown on the internet and digital devices.

Product/Brand Integration: Product placements in entertainment media like TV shows, movies, and YouTube videos.

4.3 ADVERTISING CAMPAIGN PLANNING

Let’s examine how the modern marketer handles advertising campaign management. The first step is to define the 4 W’s and one H. The 4 W’s are: Why, Who, What, When, and the H is How.

Do you remember the Cadburys ad? If you do or don’t, just click the link below: https://www.youtube.com/watch?v=e7JATezA1nY. This was a well-known advertisement from 1996.

Now, let’s look at what these 4 W’s and 1 H mean in this ad.

WHY? This is where you define the short and long-term goals of the advertising campaign. How do they fit with the business objectives? This identifies the business problem that advertising aims to solve and how communication will help achieve that goal.

Cadbury's ad: As economic liberalization was about to begin, society still held a taboo. For Cadbury, chocolate was meant for kids. The marketing team recognized that growth required attracting new users to the brand. Their goal was to encourage older consumers to eat chocolate.

WHO? This section outlines the intended audience for the advertising. It defines the primary and secondary audiences for the campaign. It also clarifies who the communication will reach and who will find it relevant. All these questions will be addressed appropriately.

Cadbury's ad: The target audience shifted from kids to adults. Having chocolate was seen as childish. The aim was to change this perception.

WHAT? This part clearly defines the campaign's message. Ideally, the marketer specifies what to say while the advertising agency determines how to convey the key message. This also outlines the main success factors for the campaign, the key areas to track, and the behaviors to change.

Cadbury's ad: It's okay for adults to enjoy chocolate and show their happiness. When someone feels joy, they should share it with chocolate.

WHEN? This is the moment when the marketer decides the campaign's launch date. Is this a short-term campaign, like a sale during Diwali, or a long-term campaign that occurs during a specific time like the IPL, or one that runs all year to keep the brand fresh in people's minds? The alignment with the overall context of the campaign's delivery gets determined.

Cadbury's ad: This was meant to be a brand-building campaign, which is why it had a loud TV plan. In the 90s, TV reached the most people. It was also a premium medium for brands to engage with.

HOW? This part tells the marketer about the formats it will use and the choice of channels for advertising. Should they go online, offline, or use both? All these choices are part of this process.

Cadbury's ad: A loud TV plan was launched. At that time, TV was not very crowded.

Activity 1

Do you remember the Hutch dog-boy commercial? Prepare the 4Ws and the 1H discussed above for this ad, which you can find at the link below:

https://www.youtube.com/watch?v=r8ZC9uDg8Ik

4.4 FRAMEWORK FOR MARKETERS TO THINK THROUGH THE FUNNEL

Building on the 4Ws and 1H discussed earlier, we can better understand the stages involved in advertising and marketing campaigns. Marketers often use the PRACE framework to guide customers through the entire lifecycle. This includes creating awareness, generating leads, converting prospects to make a purchase (online or offline), and encouraging repeat sales. This framework is known to drive growth and helps in planning effective advertising campaigns.

PRACE stands for Plan, Reach, Act, Convert, and Engage. Below, we explore each part of this framework in more detail.

PLAN:

Planning is the first step in designing an advertising campaign. It involves creating the overall strategy, objectives, and plan. In most cases, the current advertising campaign will be a part of a larger marketing initiative with its own strategic goal and key performance areas defined. This helps connect the marketing activities with the broader vision. It's important to clearly state why we are doing this campaign. Without this clarity, it's easy to feel lost. The most important thing that advertising needs to know is what marketing problem the advertisement will solve. For example, what keeps the client awake at night? What issues in the client's business have prompted the need for communication? What significant problem can the agency address? Take the Cadbury brief, which aims to get adults to eat chocolates.

REACH:

This involves building awareness and visibility for your brand, products, and services in offline media or on other websites. The goal is to reach the maximum number of people and have as many interactions with the advertisement as possible. This depends on the reach of the advertising platform chosen. For online media, this translates to visits to the company website, social media pages, or the new microsite created for the campaign. It's important to maximize reach. For example, in a sports program like the IPL, the reach does not increase day by day. The same audience returns to watch each match. Therefore, refreshing the creative on time is crucial.

ACT:

Act is short for Interact. The main goal of this stage is to generate leads. It encourages interaction between the consumer and the brand. It's all about persuading the consumer to engage with the brand. Current tools for interaction could include QR codes, contests, and engagement on social media or the website. It's about encouraging the consumer to take the next step in their customer journey.

https://www.campaignindia.in/gallery/oyo-wants-india-to-letlovein-learndifferent-expressions-of-love/475796

CONVERT:

This refers to turning an audience into paying customers, whether online or offline. It involves activities that encourage people to take the final step to buy. This last connection with the ad can include a sale, a discount, a new product launch, or guiding a consumer through an e-commerce transaction.

ENGAGE:

Today, the focus is on creating interaction between the brand and the consumer. It's about showing appreciation to the consumer and building a long-term relationship. This approach helps foster customer loyalty, encouraging repeat purchases and strengthening ties with buyers.

4.5 STEPS INVOLVED IN CAMPAIGN PLANNING

It is important to understand the details involved in campaign planning. This knowledge will help the planner or planning team anticipate any possible consequences. To make it easier for marketers, these steps should be remembered before starting the advertising campaign planning process. The seven steps listed below clarify the overall purpose and provide direction for the entire effort.

i) Evaluate the advertising opportunity

ii) Define the target group

iii) Set the advertising goal

iv) Allocate the budget

v) Formulate the media and creative strategy

vi) Pre-test the ad

vii) Post-evaluation

Step 1: Evaluate the advertising opportunity:

This is the first and most important stage for marketers. They need to identify and understand the reason behind the advertising decision. For example, do we need to create demand among regular buyers? Or do we want new buyers for our product or service? Is there a need to differentiate based on specific attributes or features? Understanding these factors will help the product gain a lasting advantage over its competitors.

Does the consumer need an emotional appeal to buy the product? This emotional element can serve as a lasting way to set the product apart. We must first address these questions. Remember, the first half of advertising is identifying the problem the business faces, while the second half focuses on the solution. Most marketers focus on the second half. Pinpointing the right problem to solve can change the game.

Step 2: Define the target group:

It's essential to identify and narrow down the consumer. Who buys, and why do they buy? Understanding what motivates consumers is crucial. Demographic traits, geographic locations, and buyer characteristics matter just as much.

For example, consider the consumer base for the carbonated soft drink 'Thums Up.' Since it is marketed as a drink with a strong kick, many assume the buyers are primarily male. However, that’s not the case. The buyer base is almost evenly divided between males and females, as all drinkers are drawn to the idea of masculinity. Even women connect with that concept. Therefore, it's important to determine who buys the product, why they buy it, when they buy it, how often they purchase it, what they use it for, and how the buyers perceive the product. Additionally, it's even more important for marketers to know which consumer segment buys and why.

Step 3: Setting the Advertising Goal:

In this step, the advertiser defines the main objective of the campaign. This applies not just to the campaign itself, but to all the mediums used. They can set the goal based on what the brand, product, or service wants to achieve. Take CRED, for example. It's a bill payment platform that rewards users for timely payments. When it launched, the company aimed to create awareness of its brand and its services. They chose a unique campaign that generated significant buzz and ran a series of ads during the Indian Premier League (IPL). The advertiser needs to understand consumer needs and wants within the overall market category and their specific offering. They also need to clarify how they plan to build their reputation and how advertising will help them achieve that. Advertisers should also be aware of the micro and macroeconomic situations and how they can take advantage of them.

Step 4: Allocate the Budget:

Nothing is free in business. The company must have a clear understanding of how much it can spend on creating and running an advertising campaign. Every company needs to work within a budget. Until they know the budget, they can't run an efficient operation. One way to determine the budget is to look at how much competitors are spending in the category or how much new players have historically invested. Marketers monitor their share of voice (SOV), which indicates how much they have spent or should spend in the category. It's also important to define a strategy for spending the money. Some marketers allocate a portion of their advertising budget upfront, while others spend equally throughout the campaign period. It depends on the goal they are pursuing.

Step 5: Formulate the media and creative strategy:

It is a critical step for marketers to decide on the media and the creative strategy. A media plan determines where to target, whom to target, and what mediums to use. A good media plan or planner finds the right mix of media that reaches a large audience at the lowest cost. To do this, marketers need to understand their target group and their media consumption habits. In short, a good marketer knows where the target group tends to be at different times of the day and delivers the message accordingly. On the other hand, the creative strategy defines "what to say." It sets the tone and style of the campaign and should align with the overall brand image. It also includes defining the central theme, proposition, and main creative idea for the advertisement.

Step 6: Pre-testing the ad:

Not all clients will test the advertisement before giving the go-ahead, but it's a good idea to conduct research on the ad. This research should evaluate how well the ad performs on various factors like persuasion and likability so that money is not wasted on the final product. After the research, adjustments can be made to the tested advertisement. There are different techniques, both qualitative (focus group discussions) and quantitative (surveys, market research), that marketers can use to improve the creative product. This gives marketers confidence when the final product meets or exceeds the established benchmarks.

Step-7 Post evaluation:

Some companies, especially in the FMCG sector, also review the advertising campaign after it runs. This helps them check how effective the ad's message is. Feedback from the target user group or a new group helps refine the message. Usually, they research not only the final advertisement but also analyze how they reached the campaign's end goal. Remember, in the first stage, we set the campaign goals. It's important to compare the initial objectives with the final results. Understanding how successful or unsuccessful the journey has been is essential.

To explore how these concepts are put into practice, refer to the links at the end of the unit.

Activity 2

A: Imagine you are the brand manager for a new toothpaste. How would you plan the campaign for this toothpaste? Please explain your approach.

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4.6 MEDIA AND ITS ROLE IN CAMPAIGN PLANNING

As they say, "the medium is the message." It's quite difficult to stand out in a world that has grown much more fragmented. The media plays the most important part in the entire advertising process. It establishes the location and frequency of exposure to the advertising message. To get messages to the right people at the right time, marketers need to know how to use that power. It's critical to understand that all messages, regardless of their nature, will be communicated through owned, paid, or earned media.

For the media to work efficiently, it should ask a set of questions. These questions will help in understanding how to work effectively and efficiently. One needs to go back and frame a few questions that will clarify:

Reach: Simply put, reach is the actual number of people who can see your advertisement. For instance, if your newspaper sells 20,000 papers daily, your advertisement can potentially reach at least 20,000 people. If a TV program has an audience of 200,000, its reach is 200,000. The higher the reach, the higher the advertisement cost.

Determining reach isn’t an exact science. It relies on estimates from circulation numbers, viewership ratings, listenership ratings, and clicks or views on websites. Sometimes, for outdoor ads like billboards, reach is estimated using population and traffic data. It does not consider whether multiple people see the same message in the same spot.

How Can Reach Be Efficiently Increased?

If you're not trying to reach the right people, reaching as many potential customers as you can can quickly become expensive and ineffective. For example, it is useless to advertise a store in New Delhi in a national newspaper. What will the rest of the country do now that a new store has opened in New Delhi?

One should aim to reach the right people, not just everyone. However, expanding your reach can help with demographic research when you want to identify a new customer base.

Frequency: It refers to how often the message will be seen, or how many times the same audience will encounter it. It is the number of times someone in your target demographic sees a marketing message during the campaign period. Research shows that most people need to see a message several times before they take action.

The more often people see your message, the more likely they are to remember it. Repeating your message helps build your brand and creates connections between your messages and your company. However, high frequency can be costly. It can also lead to consumer boredom and creative fatigue from seeing the same ad too many times. With this in mind, many marketers have adopted multichannel strategies to meet their frequency goals. For instance, the same ad might run on television and online, or advertisers might send direct mail along with television ads. These strategies often involve frequency caps, which limit how many times a person sees the same message. Too much frequency can lead to diminishing returns and lower efficiency.

Striking a Balance between Reach and Frequency

There is no perfect formula for finding the right reach and frequency for any campaign. It takes careful blending and clarity about the specific goals you want to achieve. One simple guide could be to follow a three-phase journey. The first two or three impressions should capture attention and create awareness. The next stage, evaluation, is covered by impressions three to ten, focusing on showing the benefits of the brand and its position. After this, the brand should reinforce positive feelings about itself.

Audience: To achieve the right balance of reach and frequency, it is essential to identify the appropriate audience for the media plan. We need to understand who the audience for the campaign is. A detailed understanding of the target consumer and their media habits is very important.

Audience profiling can be done in several ways, including:

- Demographic
- Geographic
- Psychographic
- Behavioral
- Needs-based
- Transactional

Demographic: This includes factors like age, gender, occupation, income, family status, and education. For example, a high-end laptop maker won't want to target all laptop buyers, but instead will focus on high-end laptop buyers.

Geographic: Geographic segmentation divides your audience by their location. This can be based on continent, country, region, city, or district. For instance, Dabur India's sales may mostly come from North India, while sales in the South could be very low.

Psychographic: This is particularly useful for businesses that offer products or services impacting people with specific beliefs or ideas. Psychographic segmentation groups your audience based on their personality, including interests, attitudes, values, and lifestyle.

Behavioral: Segmentation breaks down your audience based on their past behavior with your brand. It considers factors like previous purchases, buying patterns, usage levels, and product knowledge. Amazon does this effectively by suggesting that people who bought one item also purchased others.

Need-Based: In this segmentation, your audience is organized by similar needs or benefits that a particular group seeks.

Problem-solving needs. Your product or service addresses a specific problem that a group of customers faces. For example, gluten-free products for certain consumers.

Functional needs. This refers to practical needs. Are customers seeking a way to make something easier, improve performance, or become more efficient? For example, a network provider may release an app to help customers manage their data needs.

Emotional needs. This involves a group of people sharing a common emotional desire or frustration. For instance, bike enthusiasts who want to form a club and connect with others who enjoy cycling.

Transactional. When looking at consumer spending patterns, we refer to this as transactional segmentation. It examines how much consumers spend and their spending habits. The model categorizes customers based on the RCM model:

- Recency. How recently has a customer made a purchase from your business?
- Frequency. How often do they buy from you?
- Monetary. How much have they spent?

This is particularly useful for a loyalty program. It helps identify when people buy the most and reveals patterns in sales over time. For example, what is the average revenue per user (ARPU) for a telecom company? How can it increase revenue?

Budget: Marketers should clearly define the total budget for the proposed campaign. This question often comes up from a media perspective and is one of the most important ones. A media budget is simply the money set aside for marketing efforts in both traditional and digital media. This budget will impact how far and how often the campaign reaches its audience. The main goal of the media budget remains focused on how well we are performing to meet our objectives.

Goals: What conversion goals are we setting for the campaign? It is crucial that these goals connect to the purpose, audience, and reach of the media plan.

Measurement: How do we define success? What criteria will we use to assess it?

Thus, planning a media campaign usually involves targeting the audience, selecting channels, timing the messages, determining how many times to reach out, and crafting the message itself. In addition, regularly checking in on the goals set for the campaign keeps the media plan on track. Adjusting the plan based on periodic performance helps achieve the planned objectives.

Activity 3

As a media planner for a new energy drink brand, like Sting or Charged, set to launch, suggest the steps you would take to introduce the brand with specific attention to media.

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Emergence of Digital Ecosystem:

Digital media refers to forms of digitized information that appear on a screen or come through a speaker. This includes text, audio, video, and graphics that are shared online for viewing or listening.

With a population of 1.4 billion people in our country and more than 50% of the population using the internet, we need to understand and explain the digital ecosystem in relation to advertising campaigns and the role of digital media, especially social media, which is an essential part of our lives.

The most important role in a media planner's job is to get reliable estimates for how many people will see their ad campaign. The digital ecosystem is thriving. The numbers are impressive, and the marketing department will aim to translate this into predicted revenue. Therefore, digital media planning will involve creating and executing online ad campaigns. This includes channels like social media, search, display, and mobile. The old, one-way method of media consumption has changed. Now, users actively seek content and explore information spaces. Today's consumers are not just readers or viewers; they are also content creators. There are many ways to buy and sell media in the digital world. A few of these methods are discussed below:

Social media marketing

According to estimates, India has 600 million people who visit social media platforms. Almost 85% of these users access social media via their mobile devices. WhatsApp, Facebook, and Instagram, all owned by Meta, are the top three social media platforms in India. WhatsApp has about 400 million unique users, while Facebook and Instagram have around 270 and 250 million users, respectively.

Social media marketing plays a crucial role in digital marketing. Platforms like WhatsApp, Facebook, Instagram, Twitter, LinkedIn, and even YouTube offer digital marketing managers paid options to reach and interact with potential customers. Digital marketing campaigns often mix organic efforts with sponsored content and paid advertising on key social media channels. This approach helps brands reach a larger audience and boost their visibility.

Search Advertising

Most people use Google to find information online. Consumers often rely on a search engine, like Google, to look up and compare products before deciding what to buy. This creates a great chance to show them ads based on their current search interests for specific products or services. Search advertising places online ads on web pages that display results from search engine queries. These ads are designed to match the key search terms, known as keywords, that users enter into search engines. This ability to target makes search advertising appealing for marketers. Typically, advertisers bid on and purchase relevant ad spots on third-party sites. This could include display ads on blogs, forums, images, text, pop-ups, banners, and videos on sites that target audiences visit. Ads are shown only to users who are actively searching for the keywords you have chosen.

Unlike a banner or pop-up ad that could be accidentally clicked, the search results are based on the customer's query, making them less intrusive and the lead more legitimate. Naturally, this raises the possibility of conversion and clicks. Retargeting the same individuals is another way that this advertising is carried out. Code that adds an anonymous browser cookie is necessary for retargeting in order to track new visitors to your website. You can then show them advertisements for your goods or services while they visit other websites. This helps you target consumers who have already expressed interest in your product with your advertising.

There are five methods to gauge search advertising activity:

1. **CPM**: It is the most common method for pricing ads. The "M" in cost per mille (CPM), also known as cost per thousand, stands for the "mille," which means "thousands" in Latin. It represents the cost of 1,000 web page ad impressions. An advertiser must pay $5.00 for each 1,000 impressions of their ad if the website publisher charges $5.00 CPM.

2. **CTR:** Click-through rates calculate the frequency of clicks on an advertisement as a percentage of the page views of the ad.

3. **CPA:** The price of completing the designated task is known as the cost per action. Sales cycles that are brief and simple to monitor are ideal for CPA systems.

4. **CPC:** Cost per click tracks the cost of interacting with that particular ad. It’s considered a unit directional way of measuring the click.

5. **TM:** Total minutes. Instead of measuring the number of people coming on to a website this measures the total amount of time the viewer is spending on the site.

Programmatic Advertising

Programmatic advertising is a modern method of placing online ads through automated systems. Instead of people manually selecting where ads appear, software does the work by analyzing data and making quick decisions in real time. Each time someone opens a website, the system evaluates who the viewer is and instantly runs an auction among advertisers. The winning ad is then displayed, ensuring that viewers see promotions that match their interests.

Content Marketing

Content marketing involves sharing meaningful and engaging information that genuinely helps an audience. Rather than focusing only on sales, it aims to build trust by offering knowledge, tips, or insights related to what a brand offers. When done regularly and thoughtfully, it helps create stronger relationships with customers, positions the brand as a reliable source, and naturally improves its presence in search results.

Email Marketing

Email marketing is the practice of sending useful or promotional messages directly to people through email. Businesses use it to keep in touch with their customers, share updates, or inform them about new products and offers. It’s a simple way to communicate personally with an audience that already shows interest in what the company does.

Mobile Marketing

Mobile marketing focuses on reaching people through their phones. As most online activity now happens on mobile devices, companies design their ads and websites to fit smaller screens. This type of marketing can include short text messages, app-based promotions, or small banner ads that appear while someone is using their phone. It helps brands stay connected with users wherever they are.

Display ads.

These are the typical ads you see in website banners, at the end of the page or at the side. They can appear on e-commerce sites, social media, news publications, or other web pages online.

In-app ads.

These ads are the ones that pop up while you're using mobile applications. They usually show up on free apps. These ads can be dynamic or static.

4.7 SUMMARY

It would be an understatement to say that planning for advertising campaigns has evolved over the past ten or so years. Technology and media are the main causes of the significant changes in the way we learn, play, work, buy, shop, and interact with one another. The paradigm shifts brought about by the way media is consumed have influenced how marketers approach advertising today. Today's advertisements are impacted by the fact that the internet has become such an essential part of our daily lives. Imagine that only a few decades ago, the only media used for advertising planning and purchasing were TV, print, radio, and out-of-home. Digital marketing did not exist.

Consider it analogous to throwing a massive net into the ocean. Many of the fish you were searching for would be caught, and some you weren't. Advertisers cannot afford to overlook the fact that some fish have turned into many fish in the modern era. Modern brands cannot afford to overlook this media revolution brought about by digital technology. It is obvious that one cannot grow if they do not move toward this new media. Even though traditional media is still used in advertising campaign planning, modern media cannot be disregarded. New paradigms are also emerging in the media of the modern era.

Social listening and online reputation management (ORM) are two examples of such ideas.

ORM:

The process of controlling and preserving a brand's public image is known as online reputation management. It involves not just compiling and promoting favorable internet reviews but also answering unfavorable remarks. The Net Promoter Score is a crucial ORM tool. It is calculated by subtracting the number of brand detractors from the number of people who are very likely to recommend the brand. How likely are you to suggest this company's goods or services to a friend or coworker? is the standard question used to calculate NPS. Creating experiences that generate promoters is always the secret to a high NPS score!

Social Listening

Social listening involves looking at conversations and trends related to your brand. It means identifying and checking what people say about a company, individual, product, or brand online. This includes discussions relevant to your company, competitors, and the wider industry. Imagine how helpful it would be to know how customers feel about your brand or product. What types of content are people sharing about your brand? It reflects the overall sentiment around your brand.

With this in mind, it’s essential for marketers to understand that today’s consumers are influenced by a mix of traditional and digital channels. Even with all the focus on digital marketing tactics, it’s crucial not to ignore traditional media buying channels like TV, radio, print, and outdoor advertising. No other channel offers the same longevity and reach as TV. It still creates emotional connections that other mediums often can't achieve. Don’t dismiss traditional channels just because they aren't 'new.'

4.8 KEY WORDS

Advertising aims to inform, persuade, and remind. In today's world, advertising can be understood as a way of storytelling.

ATL refers to above-the-line advertising. BTL means below-the-line advertising. TTL stands for through-the-line advertising.

CPM is the most common method for pricing ads.

CTR, or click-through rates, measure how often users click an ad as a percentage of the views on the web page where the ad appears.

CPA, or cost per action, indicates the cost of completing a specified activity.

PRACE framework, which stands for Plan, Reach, Act, Convert, and Engage, helps marketers cover the full customer lifecycle funnel.

CPC tracks the cost of clicking on a particular ad.

TM, or total minutes, measures how much time a viewer spends on a website rather than the number of visitors.

ARPU represents the average revenue per user, a term often used in loyalty programs.

ORM stands for online reputation management. This process involves managing and maintaining how the public views a brand.

4.9 SELF- ASSESSMENT QUESTIONS

1. Define advertising and its different forms with suitable examples.
2. Differentiate between advertising and marketing with examples of your choice.
3. List the main objectives of advertising that companies consider and explain why.
4. Discuss the steps involved in planning an advertising campaign.
5. Highlight the framework used to evaluate advertising campaign planning.
6. What is the PRACE framework in advertising? Discuss it.
7. How does search advertising work, and what tools are used to measure it?

4.10 FURTHER READINGS /REFERENCES

Advertising Campaign Planning: Developing an Advertising-Based

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Digital Marketing: Seema Gupta

Hey, Whipple, Squeeze This: The Classic Guide to Creating Great Ads by

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Ogilvy on Advertising by David Ogilvy

Pandemonium: Piyush Pandey on Advertising

4.11 ONLINE RESOURCES

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https://youtu.be/FV-tJ_pITS8?si=Ymj1HaUHfo2mtULD

SUBJECT: ADVERTISING MANAGEMENT AND MEDIA PLANNING	
COURSE CODE: MSM 524-C	**AUTHOR: DR RACHNA JAIN**
LESSON NO.: 5	**VETTER: Dr. NISHA SINGH**
PRODUCTION AND COST ANALYSIS	

STRUCTURE

5.0 LEARNING OBJECTIVES

After reading this unit, you will be able to:

- Know the Concept of Media Production Costs
- Classify Components of Media Production Costs
- Distinguish Types of Costs
- Execute Cost-Benefit Analysis
- Develop and Manage Media Budgets
- Evaluate Factors Affecting Digital Marketing Pricing

5.1 INTRODUCTION

Production and cost analysis is a central element of media planning and management. In the media industry, the production process encompasses the creation of content, packaging it, and communicating it to the viewers. These activities are included in each type of media, whether it is television, print, digital, radio, social, or display hoardings. Comprehending the production procedure and forecasting the estimated cost allows media managers to augment budgets, assure quality, and attain organizational aims.

Production in media refers to the method of creation and distribution of content for viewers. This involves the pre-production stage, which includes planning, writing the script, research, and budgeting. Next is the production stage, which involves graphic design, video shooting, and recording of the advertisement. Then, post post-production stage involves video editing, packaging, and distribution of the content. Examples:

- In TV ads, production involves scriptwriting, shooting, editing video, and distribution.
- In digital media, it covers graphical design, video editing, license authorization, copyright approval, and uploading content to platforms.

Effectual production confirms opportune distribution, reliable quality, and cost-effectiveness.

Cost analysis involves categorizing, measuring, and assessing all expenditures incurred in the production and distribution of media content. In the media segment, costs may fluctuate widely depending on:

- Type of media (digital, television, radio, print)
- Level of operation (International, national, regional, local campaigns)
- Density of content (high-end video production vs simple ad copy)

Cost analysis helps decision-makers to answer the following questions:

- How much will be the cost of creating content?
- Which production stage requires the highest reserves?
- Where can cost-cutting be made without negotiating worth?

5.2 COMPONENTS OF MEDIA PRODUCTION COSTS

1. **Pre-production costs** are incurred before any content creation. It is a phase that starts working before the actual shoot of the content. It requires research, script writing or jingle writing, identification of location for hoardings advertisement, which television program is most popular, and what will be the prime-time ad slots to maximize the visibility of the content. This also needs research on the target market audience or market segmentation, or demographics of the projected audiences. Authorization of licenses, certification, and approval of copyrights are also done at this phase. Hiring of staff, or a media agency, or a partnership collaboration is also needed at this stage. Budgeting of planned expenditure and scheduling of activities are also needed. The pre-production stage must have a clear roadmap that reduces additional costs and delays in the work.

2. **Production costs** are the outlays directly associated with the creation of the content for the media campaign. This phase incorporates recording of music, shooting of the ads, signing agreements for studio rentals, arranging equipment such as lights and camera, designing sets, and acquiring props. This stage covers the salaries of camera operators, editors, graphical designers, sound engineers, and other technical staff. This phase is the principal share of the planned expenses. It also requires monitoring and controlling of cost outflow, so that the assigned project will be completed within the pre-decided

budget.

3. **Post-production costs** rise after the acquisition of raw material. Once the filming or shooting is over, the next task is to do video/ audio editing, add graphics, create visuals depending on the media content, ensure high-quality audio by mixing sound, and create animations or special effects for target audiences. Compression of files, addition of subtitles, modification of the content depending on the media channel, etc., are required at this stage. The major task is to enhance the quality and packaging of the content without adding extra cost. At this phase, careful monitoring of cost is essential.

4. **Distribution costs,** also known as delivery costs. It relates to the availability of the content of the media campaign to its respective target audience. These covers paying television or radio broadcasting slots charges, platform fees, digital channel fees for streaming, collaboration payments for events, social media or websites' placement costs, and newspaper or magazine printing and distribution costs. Bidding or negotiation cost may vary depending on platform, slots, reach, duration of ad, time period, and competitors' demand.

5. **Overheads and administration costs** are the indirect expenditures that support the whole production procedure. Administrative expenditure includes office rent, equipment rental charges, technical staff wages, management staff salaries, utilities, insurance, licensing and copyright fees, authorization contract charges, and contingency for uncertain outlays. These costs are not linked to any particular phase of production directly but are required at each stage. It is an additional expenditure required for running operations and smooth compliance with regulations. Transparency and accountability of overheads ensure optimum utilization of resources and guarantee that the project is completed within the assigned budgets.

Example Project Budget: Producing a 30-Second Digital Advertisement

Cost Component	**Description**	**Estimated Cost (₹)**
Pre-Production Costs	Marketing research, scriptwriters, design developers, place exploration, casting, planning	2,00,000

Cost Component	Description	Estimated Cost (₹)
Production Costs	Cinematography, workspace rental, light & camera apparatus, staff wages, shooting visuals	5,00,000
Post-Production Costs	Video editing, music mixing, animation, colour rectification, and packaging for media channels	1,50,000
Distribution/Delivery Costs	Compensated slots on Instagram and YouTube, server hosting for broadcasting, and website placement of an ad	3,00,000
Overheads & Administration	Management team salaries, office utilities, legal authorizations, exigency funds, and insurance	50,000
Total Project Cost		**₹12,00,000**

5.3 TYPE OF COST IN MEDIA

1. **Fixed costs** are expenditures incurred irrespective of the utilization of workspace or studios for content creation. These are the cost that needs to be paid whether a campaigning project is running or not. In the media industry, monthly rent for an office space or for a studio, video or audio editing software subscriptions, employees' salaries, and lease payment of equipment or utilities. Fixed costs do not vary with the campaigns running in a media agency; they are usually stable in the long term. Forecasting of fixed costs is easy for planned budgeting expenses, but financial obligations need to be met even during low-period media performance periods.

2. **Variable costs** are expenditures which is directly associated with the level of activity or media campaign, or production of the content. The higher the media campaign production, the higher the variable costs and vice versa. For instance, paying partnership fees for the event, printing additional material, freelancers or contractual videographers, internet cost for high-streaming during peak time, bidding for TV ad prime slots, etc. Monitoring and controlling variable costs is a tedious task, as it substantially increases or decreases depending on the content production house.

3. **Direct costs** are those expenditures that are directly, exclusively, and specifically associated with the media campaign production. In the media sector, contracts of celebrities or influencers for a particular product shooting, technicians or engineers used in one particular ad program, sites or hoardings used for a single program campaign, or the rent of location of workspace location or studio location taken for a specific campaign. Identification of direct costs guides managers to evaluate the benefit and cost of each project accurately and effectively.

4. **Indirect costs**, also referred to as overheads or administrative expenses, are not directly associated with a specific campaign or project. These costs are needed for the smooth functioning of the overall operations in the media agency. For instance, studio or office utilities like water and electricity, wages or salaries of administrative staff, stationery and other office supplies, common equipment, subscription or internet charges. For allocation purposes, indirect costs may be distributed proportionately among projects running under the media agency. This helps in attaining accurate and fair budgeting of funds.

5. **Opportunity cost** refers to the cost value that is forgone to the next best alternative when a decision is taken. In the media sector, it means that the projected revenue or viewer engagement is forgone by choosing one alternative over another option. For instance, if a media channel assigns a prime slot to one advertisement agency, it forgoes the opportunity to sell the same slot to another advertising agency that might pay more than the first one. This cost helps planners and managers to make better decisions with limited available resources like videographers, influencers, production staff, etc.

Example: Production of a Weekly Digital Platform Talk Show

A media company is planning a weekly digital talk show featuring experts, celebrities, and influencers. The show runs for sixteen episodes over four months.

- **Fixed Costs:** The company's rental expenses of ₹2,00,000 per month for the studio and ₹1,50,000 per month as salaries to the production house management team. These costs remain the same irrespective of whether the production of the talk show is started or finished. This cost will not fluctuate on the basis of the production of episodes of the show. It remains unchanged whether the episode shooting of one or ten is finished.
- **Variable Costs:** The company's expenses of hiring freelance videographers or scriptwriters are dependent on the campaign production. If the shooting is running, then they are required;

otherwise, not. This kind of cost, which varies with the production campaign, is a variable cost. Any props, specific equipment, additional dance troops, makeup artists, etc., are needed depending on the theme of the episode. The cost of the show will increase when an extra artist or guest is called off.

- **Direct Costs:** The cost specifically associated with a specific episode. If the company hired an anchor for hosting the show or shooting expenses for an outdoor location or a special artist for performance on a specific episode, these are direct costs connected with the particular episode.
- **Indirect Costs:** The company's overhead and administrative expenses, like insurance of staff, salaries of human resource or payroll department employees, studio rent, electricity and water utility bills, marketing campaigns, etc. These costs are not directly connected with the single episode. The cost will be proportionally bifurcated among the total number of episodes.
- **Opportunity Costs:** The company rented the workspace for a talk show, which forgoes the amount paid by another company for the same space. Let us say the other company offered ₹3,00,000 per month as rental fees for space. This is called an opportunity cost or hidden cost of choosing one alternative over another.

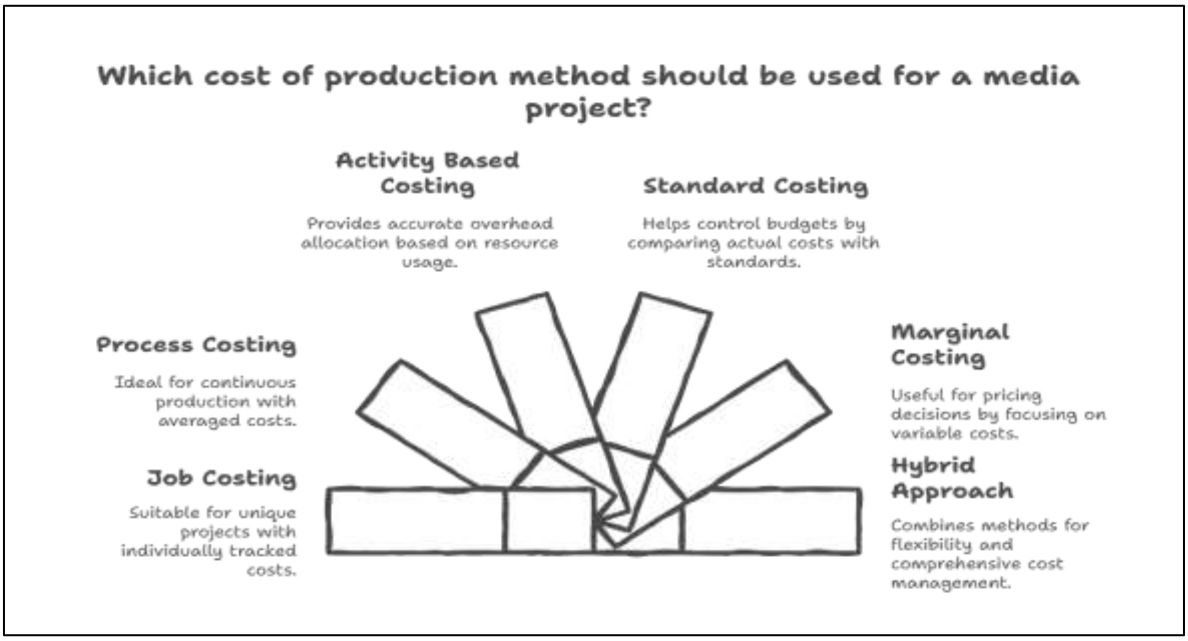
5.4 METHODS OF COST OF PRODUCTION

The computation of the cost of production of media content is a crucial component for planning, fixing prices, and analyzing profit. For each media content, the computation method varies. Depending on the budget client to the duration of the content required, different types of costs are incurred based on their nature of the work. The principal methods of cost calculation are:

1. **Job costing** is used when each media campaign is exclusive. Costs are tracked for each project individually and separately, like a documentary, a business video, or a television commercial. Every expenditure incurred on pre-production, production, and post-production is directly linked to the specific media campaign. In big enterprises and advertising agencies, this method is most common to calculate the calculation of cost of production of each media campaign. For instance, an agency can make a separate cost sheet for shooting a TV commercial, incorporating research, writers, editing team, camera rentals, and channel fees for that single project.

2. **Process costing** is applicable when production of media content is an ongoing, continuous, or repetitive task, making it problematic to identify costs related to an individual project. In this case, costs are collected at each phase of the production process and equally distributed among the number of projects going on in the same time period. For instance, A radio channel producing daily shows records costs for the studio room, editing room, and delivery process. The total cost incurred during production of the shows is divided by the number of shows to arrive at the cost per show.
3. **Activity-based Costing** (ABC) classifies the explicit events that drive costs, such as content writing, shooting, editing, or publicizing, and allocates overhead based on actual reserve procedure. It provides a truer representation of the actual cost of production, especially when administrative expenses are enormous or multiple channels are cast off. *For instance,* A media advertisement company breaks down a project into actions like filming, celebrity outreach, editing, and promotion. Expenditures of licensed software or office utilities are assigned according to the number of reserves or time utilized in each action.
4. **Standard costing** is fixed charges or fees, or rates for materials, labour, and overheads. Actual expenditure is compared with the predetermined standards to find out the differences and the reasons for the same. This type of costing method helps in limiting the budget and achieving the defined goals within the budget limit. For instance, the standard cost per hour of a radio studio is estimated, including electricity, rental charges, and staff wages. If an actual cost differs from a standard cost, the management team needs to find the reason for the deviation and requires immediate corrective action for the future course of work.
5. **Marginal costing** considers only the incremental variable cost. This is an additional cost required for an additional media campaign activity or media content. This method is very helpful in deciding prices or for assessing an additional project decision. For example, A talk show producer estimates one additional cost of producing one additional episode, including anchoring cost, equipment charges, freelancers' pay, editing experts, studio charges, etc. This cost does not include the fixed costs like studio rentals, basic utility charges, etc.

6. **Hybrid or Customized Approaches** means mixing two or more methods of cost of production. For example, an advertising agency may use job costing as well standard costing method. Job costing for calculating the cost of each media campaign. At the same time, it compares the actual expenses with predetermined standards to know the deviations and take necessary corrective actions.



5.5 COST ANALYSIS TECHNIQUES

Cost analysis techniques support media team advertisers and planners in assessing the effectiveness and efficiency of their expenses. These techniques measure the complex budgets and provide an easy metric to measure the cost spent on each unit of activity. The following are the most commonly used techniques:

1. **Cost per Mille (CPM),** also called "cost per thousand impressions," assesses the cost needed to pay for one thousand exposures or views of an ad. It is primarily used in radio, television, digital shows, and print ads. The primary objective of this method is to reach the maximum viewers.

Formula:

$$\text{CPM}= \frac{\text{Cost of Advertisement}}{Impressions/1000}$$

Example: If a digital banner ad costs ₹50,000 and creates 2,00,000 impressions, the CPM is:

$$\text{CPM} = \frac{₹50{,}000}{₹20{,}000\ /1000} = ₹250 \text{ per thousand impressions}$$

2. **Cost Per Click (CPC)** shows the cost advertisers are ready to pay to users per click, specifically on online ads. This is commonly found in social media campaigns or in Google search engines. The primary objective of this method is to create high engagement of the target audience or to boost the website traffic on the campaign, instead of impressions.

Formula:

$$\text{CPC} = \frac{\text{Total Ad Spend}}{Number\ of\ Clicks}$$

Example: A media project spends ₹20,000 and gets 4,000 clicks.

$$\text{CPC} = \frac{₹20{,}000}{₹4{,}000} = ₹5 \text{ per click}$$

3. Cost per Acquisition (CPA) to assess the cost spent on the generation of campaign conversions like sales, downloads, or sign-ups via advertisement. It is crucial when projects are primarily focusing on performance-based sales or lead generation.

$$\text{CPA} = \frac{\text{Total Ad Spend}}{Number\ of\ Conversions}$$

Example: If a digital brand spends ₹1,00,000 and gets 500 purchases,

$$\text{CPA} = \frac{₹1{,}00{,}000}{₹500} = ₹200 \text{ per acquisition}$$

4. **Cost per Lead (CPL)** computes the cost of generating one lead, i.e., somebody filling a form or demanding further information. This method is common in business-to-business (B2B) marketing or projects where lead generation stuffs better than instant income.

$$\text{CPL} = \frac{\text{Total Ad Spend}}{Number\ of\ Leads}$$

Example: A webinar ad costs ₹30,000 and makes 600 sign-ups.

$$\text{CPL} = \frac{₹30{,}000}{₹600} = ₹50 \text{ per lead.}$$

1. **Return on Advertising Spend (ROAS)** assesses the revenue earned for spending every rupee on advertising. It helps in decision-making by analysing the cost and benefit for future actions. It helps in the evaluation of projects based on their profitability. This allows the management team to re-decide whether to allocate future funds for further action, what steps to take to make the campaign cost-effective, or needs to reallocate the funds into other alternative options.

$$\text{ROAS}=\frac{\text{Revenue Generated from Ads}}{Ad\ Spend}$$

Example: A print ad spends of ₹2,00,000, earns ₹10,00,000 in sales.

$$\text{ROAS} = \frac{₹10,00,000}{₹2,00,000} = ₹5 \text{ earned for every } ₹1 \text{ spent}$$

2. **Advertising Cost of Sales (ACoS)** is generally used to assess the cost-benefit in digital and e-commerce platforms. This metric is used to evaluate the cost-effectiveness of advertising by calculating revenue generation from one unit of sales. It computes the percentage of revenue from sales that goes into the advertising campaign. The media management team comprehends the profitability and effectiveness of their advertising expense.

$$\text{ACoS}=\frac{\text{Advertisisng Spend}}{Sales\ Revenue\ Generated\ from\ Ads} * 100$$

Example: An e-commerce retailer spends ₹1,00,000 on a sponsored ad project and earns ₹5,00,000 in direct sales from that ad.

$$\text{ACoS} = \frac{₹1,00,000}{₹5,00,000} * 100 = 20\%$$

This interprets that 20% of revenue from sales was spent on advertising.

5.6 PRODUCTION COST IN PRINT MEDIA

Print media remains the most popular platform, even in the digital era. For the calculation of the cost of production in print media, advertising agencies depend on numerous factors like size of print, type, colour, positioning, and the charges of the agencies. Each of these components is associated directly with enhancing the overall costing and cost-effectiveness of a print advertisement.

1. Type of Print: The setup of print media, like leaflets, magazines, newspapers, outdoor posters, or brochures, etc., affects cost intensely. Magazines usually charge premium rates in comparison to newspapers because of appearance, colour, high-quality audiences, etc. Whereas, newspaper has lower charges due to wider circulation or the use of black-and-white colour. Customizing prints like leaflets, coffee-table booklets, brochures, pamphlets, standalone supplements, or inserts leads to an increase in cost. For instance, a half-page advertisement in a local newspaper will cost less compared to per impression or per click, but it may reach to mass audience in one go.

2. **Size of Advertisement:** The prices of advertisements are primarily based on the size of the ad. It is full page or half page or quarter page, or a small column in centimetres, decides the prices of print ads. A bigger space naturally costs more than a smaller space, as the visibility of the media content is higher in a larger size. Example: A full-page newspaper ad may cost ₹3,50,000, while a 200 cm^2 ad may cost ₹1,00,000 in the same medium of publication.

3. **Placement:** Positioning of ad plays a vital role in the costing of the production of a media campaign. Supreme placement, such as front page, first few pages, or on back page, may cost higher rates compared to ads spread in a double column between pages. For instance, an add page next to the editorial content may cost more than the half-page ad on an inside page. The charges are obviously high due to its visibility and impact on a mass audience.

4. **Colour vs Black -and-White:** Blac-and white ads are less catchy or attractive in comparison to high-quality colour ads. Colour quality also adds a significant amount in costing of the media campaign. Some publications also propose a mid-way, i.e., spot-colour option, which means a mixing of one or two colours. Spot-colour option enhances the visibility or impact on the audience and simultaneously reduces the cost of production. The quality of colour, normal or glossy, also adds to the print advertisement costs. For example, an ad in full page colour may cost ₹1,20,000, while the same ad in black-and-white colour may cost ₹40,000.

5. **Ad Agency Fees:** An advertising agency may be hired by advertisers for the development of concept or content, designing or framing, licensing or copywriting, collaboration or partnership offerings, positioning or placement, and conciliation with publications. They charge commission or management fee, or flat creative prices. In overall budgeting, these costs need to be ascertained to know the true and accurate information on the cost of production. For example: If an ad location costs ₹5,00,000 and 15% commission is the agency's charge, the agency cost will be ₹75,000.

Example: Print Advertisement Cost Structure

Component	**Description**	**Estimated Cost (₹)**
Type of Print	Full-page ad in a premium magazine	2,50,000
Size of Advertisement	Half-page (15 cm x 10 cm)	Included in type cost
Placement	Front page positioning	50,000
Colour	Spot-colour ad	1,00,000
Ad Agency Fees	10% commission	60,000
Total Estimated Cost		**4,60,000**

5.6.1 PRODUCTION COST IN ELECTRONIC ADS

Electronic advertising includes online videos, television commercials, and streaming platform ads. In comparison to print media, electronic media costing is higher and complex due to multimedia, expertise, and technological advancement necessities. The main factors that need to be considered in electronic media are equipment technologies, targeting consumers, placements, and influencers or models used in the ad campaign. Correct analysis of costing leads to an efficient utilization of planned funds and maximizes ROI.

1. Models and Celebrities: The cost of production is significantly dependent on the celebrity or influencer, model, or industry experts endorsed for the media campaign. High-credential or high-profile actors charge higher rates due to his or her higher visibility to the mass audience. The cost of the campaign may vary depending on the popularity, followers, and exclusivity of the model or actor. A small ad campaign may use television celebrities or professional models, or young influencers to maintain consistency with the budget. Thorough research or market analysis of projected audiences is essential to align the cost with the benefit. For example, A TV commercial ad campaign may use models or a television celebrity, which might cost ₹3,00,000–₹5,00,000, while using a film celebrity, which might cost ₹50,00,000.

2. Equipment and Technology: Technical expertise and specialized equipment/ instruments are required for the electronic ad campaign. For the production of an ad, light, sound, camera, editing software, audio recording device, graphic design, animation experts, and other facilities are required. The cost and quality of an ad also depend on the type of equipment used in the project – a high-end or basic version. Variable costs include technical staff fees, equipment rentals, and studio charges that need to be ascertained for planned budgeting. For example, the cost of one-day filing requires licensed software, which might cost ₹50,000, and a camera, lightning, and recording device, which might cost ₹1,50,000.

3. Consumer Targeting: The Cost of production also depends on the level of the target audience. Advertisement tailored for premium or niche viewers requires additional marketing research cost, experts in content writing, or customized production techniques. Testing of ads on varied demographic segments, focused groups, and experts leads to additional costs. For example, making a 30-second advertisement for a prosperous urban demographic may involve high-quality props, a luxury setup, and embattled digital media placement, which increases costs by ₹20,00,000 as compared to a mass-marketing ad.

4. Placement and Broadcasting Costs: Placement/Positing refers to when and where the ad is displayed. High-traffic digital platforms, radio peak hours, and television prime-time slots charge higher rates. Costs may vary depending on the duration of exposure, program, and media channel. Placement in digital media also includes ambassador partnerships, social media ad inventory, and programmatic platform bidding. Effective placement decisions maximize audience visibility and help in maintaining consistency with the budget limits. For example: A 30-second late-night TV ad slot may cost ₹1,50,000, while a prime time slot may cost ₹5,00,000 per airing.

A number of interconnected components affect the total cost of production of electronic ads. Actors and influencers may strengthen brand appeal, but they also raise professional fees. High-quality production is provided by technical advancement and equipment. Placement usually constitutes the most variable expenditure and impacts audience reach. The media management team can correctly plan budgets, develop campaigns, and maximize return on investment by analysing these elements.

5.6.2 PRODUCTION COST IN RADIO ADVERTISING

In India, the most cost-effective medium of communication to the masses is radio. It can reach out to wider areas, the nation as well as local listeners, and is affordable in cost. There are several forms of radio advertising, each has unique cost structures and production specifications. Advertising agencies may more effectually manage their budgets and maximize the usefulness of their campaigns by having a detailed understanding of the production process and related expenditures. The major types of radio advertising campaigns include:

1. Traditional Radio Spots are short 10 to 60-second ads, usually telecast between scheduled breaks in a program. His is the most conventional form of campaign advertising. Production of a radio ad involves sound effects, voice-over recording, content writing, and audio editing. Cost fluctuation depends on the quality of sound devices, voice recorder equipment, duration of the content, time slot, and popularity of the program. Post-production requirements, studio setup quality, and talent charges also incur additional costs. Peak or non-peak hours of radio slots also add to the cost. For example, depending on talent and excellence, a 30-second prime-time commercial on a metropolitan city station might cost somewhere from ₹15,000 to ₹25,000 every airing, while production cost can somewhere from ₹3,000 to ₹10,000.

2. Sponsored Segments brands linked with explicit program sections, such as weather reports, music blocks, or traffic updates. Throughout the episode, the brand name is referenced several times as the sponsor. Production expenditures are low when restricted to a few pre-recorded remarks or jingles. The major expenditure is the payment of sponsorship fees to the radio station. Without creating several distinct advertisements, sponsorships facilitate more audience retention along with regular brand referrals. For example: Sponsoring an evening weather reports section on a metro FM station could cost ₹50,000–₹1,00,000 per day, with small production expenses.

3. Branded Content refers to longer, creative content unified into radio programming. It may include discussions, storytelling, interviews, or debates highlighting the brand delicately within the content. It requires noteworthy investment for production, including professional voice-over, writing, sound effects, post-production editing, and background music. Additional broadcast fees require a higher placement cost. For example, A 5-minute branded interview section produced for a famous radio show may cost ₹1,00,000 for production and ₹2,00,000 for broadcasting over a week.

4. **On-Air Contests and Promotions** are interactive campaigns where auditors contribute in games, challenges, or quizzes to win rewards, often involving the sponsor's brand. For contest preparation and promotion, costs comprise writing the contest, prizes for winners, recording announcements, and moderation fees for pre-recorded or live sections. The production cost is minimal; promotion and rewards costs are the largest expenditure in this type of campaigning. For example: Introducing a month-long "call-in contest" with day-to-day rewards may cost ₹1,50,000–₹2,00,000 covering production and reward money.

5. Live Remote Broadcasts involve dissemination from a place outside the studio, frequently during exhibitions, events, or brand activations, to engage audiences with real-time experiences. In this media campaign, costs are incurred for technical staff, broadcasting equipment, traveling expenses, and sometimes model or influencer appearances. It creates a huge impact on listeners and enhances the credibility as well as visibility of the media campaign. Production and broadcasting costs are usually more expensive than pre-recorded studio ads. For example, a 2-hour live streaming from a shopping mall during the launch of a product may cost ₹3,00,000–₹5,00,000 depending on technical requirements, location, and station fees.

In India, radio advertising provides media agencies with a flexible budget. Traditional radio ad spots are the most cost-effective method to reach the mass listeners, sponsored section builds brand credibility, branded content engages the listeners creatively, live broadcasting builds connectivity with the audiences, and on-air contests engage customers interactively. Understanding the cost of production across these types guides the media team to design campaigns that balance engagement, reach, and budget effectiveness.

5.6.3 PRODUCTION COST FOR DIGITAL ADVERTISEMENTS

Digital advertisement primarily targeting internet users or youth. This medium involves search engine optimization websites, banner ads on e-commerce or other websites, social media platforms like Facebook, Instagram, or YouTube, Google display network, etc. With the help of advanced technology, digital advertisements can create a common ad for placement and target the audience. The cost of production mainly includes graphic designers, content developers, platform specifications, and a management team for campaigning.

1. Social Media Advertising includes platforms like TikTok, YouTube, Instagram, LinkedIn, and Facebook. Production costs for social media ads cover:

- **Content Conception:** stories, animations, graphics design, reels, or short ad videos. Costs depend on the complexity of content creation, duration, and quality. For example, a production of a 30-second Facebook ad reel may cost ₹50,000–₹1,00,000.
- **Creative Strategy and Copywriting:** Creating messages, hashtags, and captions for target audience involvement.
- **Paid Promotion:** Budget may vary depending on interests, consumer behaviours, and their demographics too. The campaign needs to boost the audience by repeated posts, running stories, or sponsored brand content. For example: A two-week media campaign may cost ₹50,000 to reach to target audience.
- **Monitoring & Analytics:** Performance tracking can be assessed by using cost metrics like per click, per impression, return on ad spend, etc. Monitoring of allocated budget and controlling by taking corrective actions at the right time is possible the digital advertising. For example, Dashboard or analytical tools can be subscribed to at a fixed rate ranging from ₹5,000 to ₹15,000 per month.

2. Google Display Advertising: This type of advertising allows video ads or placing banners on millions of apps, YouTube channels, and websites. Production costs include:

- **Banner/Video Creation:** Creating visually attractive and appealing reels, content, or banner ads meeting the specifications of the Google Display Network. For example, A combination of reels, banner, and short video ads may cost ₹70,000 to produce.
- **Ad Copy & CTA:** Writing fascinating call-to-action, convincing descriptions, and captivating headlines slogans for conversion optimization.
- **Targeting & Placement Strategy:** For return on investment, ascertain the cost of apps, reels, short stories, portals, and websites.

- **Platform Costs:** The cost per impression or cost per click is mainly the charges on the Google Display Network.

3. **Banner Ads** include animated graphic design for online apps, mobile apps, portals, or websites. The cost of production involves:

- **Design & Animation:** Graphics Interfaces, colourful, glossy, and vibrant images, interactive banners (HTML5) need to be created by experts. For example, designing content for a graphic animated banner may cost ₹50,000, while designing a static banner ad may cost ₹25,000.
- **Adaptation for Multiple Sizes:** The size of banners differs on various websites. The media team needs to create the same banner ad in multiple sizes, as each website has its own placement sizes and charges accordingly. The designing expert requires additional efforts for the same banner ads.
- **Testing & Optimization:** Guaranteeing banner presentation suitably across campaigns and browsers, with A/B testing for performance.

The production cost of digital ads is mainly dependent on the type of media content, the platform used for reaching target audiences, the complexity of ad creation, and the quality and specifications of the media platform. This also requires additional costs for sponsorships, paid promotions, copywriting approvals, and video or graphic production. Designing banner ads for digital ads requires meeting specifications, such as those needed for the Google Display Network, which necessitates multiple tests before the actual placement of the ad.

FACTORS AFFECTING DIGITAL MARKETING PRICE

The precise marketing and performance-based results are the key components of the media campaigns. The most crucial element to judge is the digital marketing prices. The digital marketing prices are not uniform, and again depend on various factors like the complexity of the campaign, hiring agency expenditure, etc. Comprehending these factors guides the media corporations to establish a cost budget effectively, practically, and realistically.

1. Project Complexity: The pricing of digital marketing advertisements is significantly dependent on the intricacy of a campaign. Campaigns created content or banner ads for a single website or for only the Google Display Network, then it would be simple to design, plan, and utilize resources. When campaigns are created for multiple platforms at the same time, then complexity is high as the specification, size of placement, target audience, graphic animation, reels or videos, technical staff, expertise knowledge, etc. vary depending on the platform. For example, a multiple-platform campaign with videos or banners may cost ₹5,00,000, while a single campaign may cost ₹50,000.

2. Agency Experience: In digital marketing pricing, the reputation and experience of the agency hired for the ad are the most crucial decisions. The goodwill of the advertising agency plays a vital role in deciding its prices. The previous records of successful campaigns, expertise, technical advancements, creation of content, and launches by the agency need to be checked before considering the pricing decision. Smaller agencies may lack strategic insights; they may offer low prices in comparison to the established ones. For example, A newly set-up agency may cost ₹4,00,000 for a two-month media campaign, while a reputed agency may charge ₹4,00,000 for the same campaign.

3. **Industry Specialisation:** Industries like pharmaceuticals, financial technology services, or high-end products require specific necessities. They need to take prior approval from regulatory bodies for the authorization of the sensitive content. Experts' agencies in this sector usually charge higher rates in comparison to other sectors like FMCG products. Their prices are high due to their compliance requirements and regulatory constraints, too. For example, a digital campaign for the healthcare sector needs approval from the NABH authority, obviously charging higher prices in comparison to the consumer durable goods sector.

4. Services Required: E-mail advertising, social media promotion, search engine optimization (SEO), content creation, model collaborations, pay-per-click campaigns, and analytics reporting are all included in the category of digital marketing. The higher the services, the higher will be the cost of production. Combo packages may save the cost, but multiple services incur an additional cost of expert necessities and funds. For example, A media campaign for the creation of content only for social media platforms is cheaper than the content production cost of multiple digital marketing services, including website ads and SEO ads.

5. Project Length: The time interval of the campaign directly impacts costs. Ongoing strategies, monitoring, optimization of resources, and creation of content incur higher costs for long-duration campaigns. Short-duration campaigns require minimal investment; there is no long-term monitoring, maintenance, or control required. For example, a ten-month campaign may cost ₹20,00,000, while a one-month publicity campaign may cost ₹3,00,000.

6. Company Size: The commission charged by the media campaign agencies also considers the size of the company for deciding the digital marketing price. The bigger the size of the company, which has sophisticated the requirements, including documented reports, maintaining account ledgers, and tailoring campaigns according to their demands, which requires paying very high charges. Smaller enterprises may need a basic solution, like marketing their product among youths, and pay low charges. For example, an MNC may be charged ₹15,00,000 for a campaign requiring multi-market targeting, while a small local business may pay ₹1,50,000 for a localized digital campaign.

7. Business Type: The nature of the enterprise is business; whether business (B2B) or business-to-consumer (B2C) affects campaign pricing. B2C campaigns commonly focus on mass audiences within a short span of time. B2B campaigns targeting niche audiences, lead generation, and longer sales perspectives, which adds to the cost. For example, a B2C campaign for a retailer targeting Instagram or Facebook for promotions, while a B2B campaign for industrial machinery targets whitepapers or LinkedIn.

Overall, digital marketing prices vary substantially depending on numerous factors like the complexity of the campaign project, experience and successful launch history of agencies, industry specifications, services availed by the media agency, duration of the campaign, size of the hired company, and nature of enterprise. Careful consideration of these factors helps in estimating the cost of production.

5.7 BENEFITS OF PRODUCTION AND COST ANALYSIS

In media management, production and cost analysis is a technique that helps enterprises to assess, analyze, and comprehend the financial elements of content generation or ad campaigning. Detailed analysis also helps in forecasting the cost of production effectively. This supports the management to gain profitability and do strategic planning thoroughly. The key benefits are discussed below:

1. Strategic Decision Making: With accurate financial information, media managers can analyse the costs and benefits of content production. These decisions help the top management to make decisions regarding where to invest, for which campaign larger funds are required, which project the company needs to pursue, which media platform needs to be opted for, etc. By analysing and comprehending the reserve requirements and cost structures, senior executives maximize the audience reach with optimum utilization of resources and funds.

2. Profitability and Price Optimization: Pricing decisions and profit margins estimation of each campaign or project can be done by using detailed cost structures. Media managers can confirm that the income generation is in harmony with investment expenditure by establishing the best pricing policy, considering expenses of sponsorships, ad placement, positioning, subscriptions, etc.

3. Enhanced Cost Control and Operational Efficiency: Regular monitoring of the cost of production allows the management to identify the wastage of funds, operational inefficiencies, and non-utilization or misutilization of cash flows. Monitoring certifies the optimum utilization of manpower, equipment, studio time, and other resources.

4. Accurate Budgeting and Resource Allocation: Precise budgeting and resource distribution among projects are made possible by thorough cost analysis. By allocating funds according to project preferences, target audience reach, and projected ROI, media managers may ensure campaigns stay within budgetary restraints while achieving their aims.

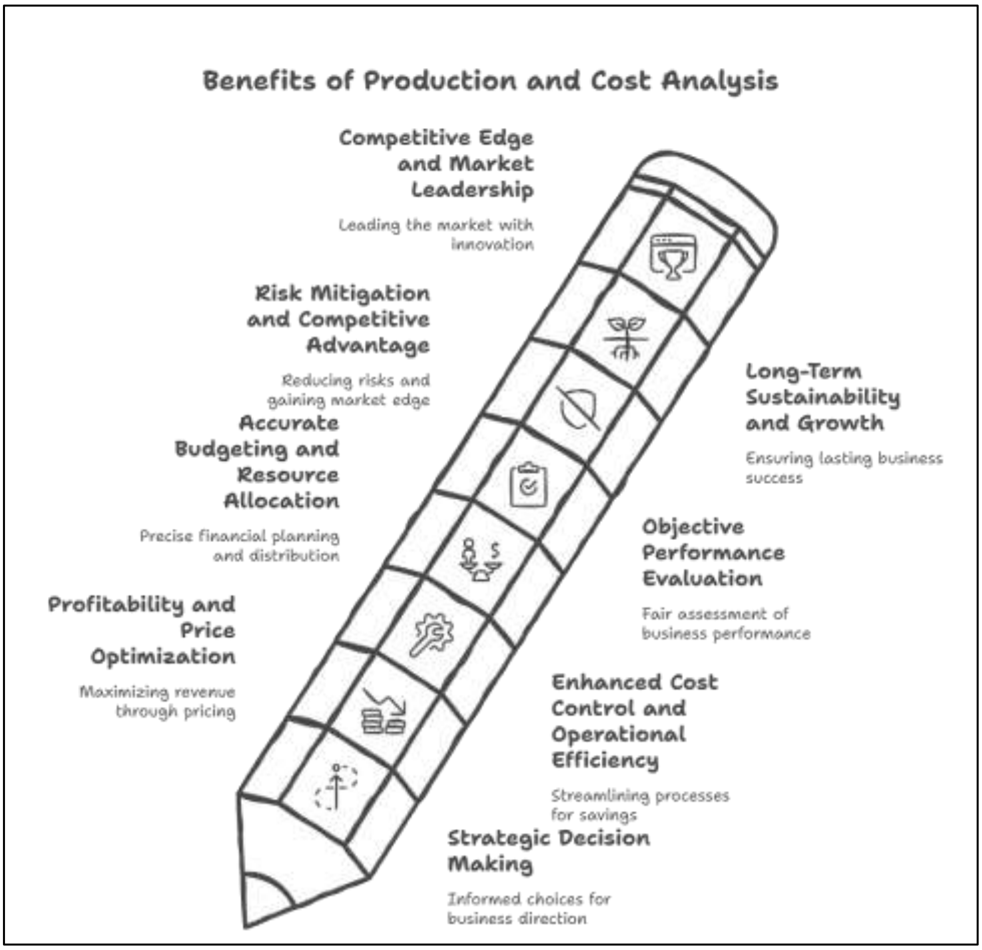
5. Objective Performance Evaluation: For measuring the effectiveness of projects, a comprehensive cost analysis is required. Comparison of actual expenditure against planned funds helps to measure whether purposes were met, which campaigns offered the best return on investment, and where the scope of improvements is desired.

6. Risk Mitigation and Competitive Advantage: Due to cost analysis, monitoring, and corrective measures, related to underspending or overspending are possible. The media managers can anticipate the financial and operational risk, and timely steps can be taken to mitigate the risk. The management can create an emergency fund and bargain for better deals, providing a competitive advantage at bidding or at placement ads.

7. Long-Term Sustainability and Growth: Financial stability ensures the company's long-term business growth and survival. Companies can reinvest profits or surplus funds into competitive opportunities, expansion of ongoing campaigns, research of new market trends or technologies, etc. This helps in controlling costs and maximizing returns with sustainability and growth.

8. Competitive Edge and Market Leadership: Corporations that thoroughly investigate production outlays can provide superior content faster than their rivals. Customized campaigns, innovative pricing, and economical operations strengthen audience commitment, credibility, and market placement.

Overall, production and cost analysis serves as a groundwork for planning strategically, operating effectively, managing financial risk, and achieving long-term profitability in media agencies. It enables media managers to make decisions based on information that optimizes project effectiveness, maximizes return on investment, and justifies sustainable development by providing in-depth insight into both direct and indirect costs.



5.7.1 COST-BENEFIT ANALYSIS PROCESS

Cost-Benefit Analysis (CBA) is a methodical technique used to assess the financial practicability and efficacy of media campaigns. It compares the total expected costs of a project against the anticipated benefits to determine whether the investment is worthwhile. Media managers may maximize returns on investment, distribute resources efficiently, and make informed choices with the use of CBA. Typically, the technique consists of the following crucial steps:

1. Define the Framework for Analysis: The first step is to prepare a well-structured and systematic framework to achieve the formulated objectives of the measurement. Defining the campaign platform, i.e., television ad or radio ad or print media or digital advertisement, or any other, is a foremost step in planning the framework. Time-duration, performance metrics, and investors/ clients also need to be analysed at this step. Precise goals ensure the detailed information of cost and benefit associated with the same, which in turn helps media managers to choose the best alternative. For example, a media agency campaigns to launch a 3-month Facebook video ad to market a new product line. The campaign intends to hike the sales in a short span of time and build brand visibility.

2. Identify and Classify Costs and Benefits: The next step is to categorize and identify all projected benefits and costs incurred in the project. Benefits include the generation of revenue, building brand goodwill, maximizing the reach of the target audience, or new leads. Cost involves model or influencer, placement fees, talent hunt, agency commissions, paid sponsorships, hosting events, collaborations or partnerships, and promotional expenses. Both indirect and direct costs need to be ascertained in detail to know the projected cost of each project. For example, Costs: Radio production ₹1,00,000, talent fees ₹50,000, social media ad spend ₹75,000, agency commission ₹30,000. Benefits: Estimated increase in audience engagement leading to future income generations (monetized at ₹50,000) and sales increase by 10% of the existing ones.

3. Drawing a Timeline for Expected Costs and Revenue: Costs and benefits are tracked over the campaign timeline, so that managers can determine expenses incurred and revenue generated regularly. Better cash flow management, strategic planning, and budgeting can be easily done. For example,

- Month 1: Pre-production & initial ad spend ₹1,50,000

- Month 2: Full-scale operation & professional model endorsement ₹1,00,000
- Month 3: Projected revenue generation ₹3,00,000 and additional audience engagement lead benefits ₹50,000

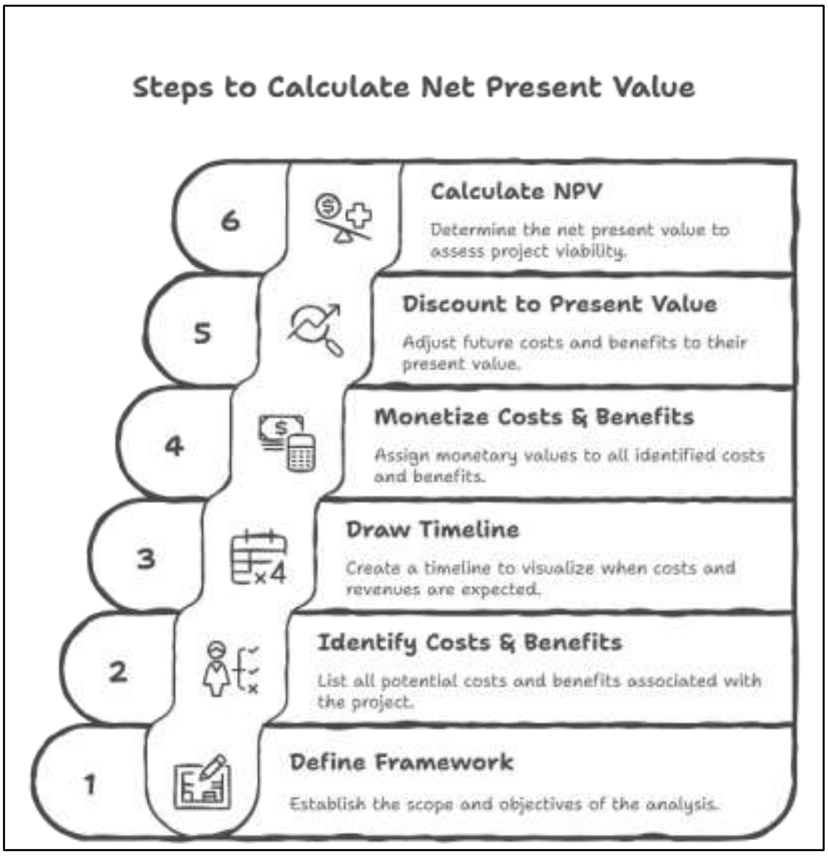
4. **Monetize Costs and Benefits:** To make comparisons easier, monetary values are provided to all identified costs and benefits. This ensures that, if feasible, intangible benefits like audience reach or brand recognition are quantified in financial terms. For example, a digital advertising campaign engagement conversion to 1,000 potential leads is monetized at ₹50 per lead, adding ₹50,000 to the benefits.

5. Discount Costs and Benefits to Obtain Present Value: Discounting is used to determine the present value of expenditures and benefits using a selected discount rate since they happen at different periods. This takes into consideration the time value of money, making it possible to appropriately compare present expenses with potential future income or advantages. For example, if the discount rate is 10%, the income of ₹3,00,000 expected in month 3 may have a present value of ₹2,93,000.

6. Calculate Net Present Value (NPV): The final step is to compute Net Present Value (NPV). NPV is finding the difference between the present values of future expected costs and future benefits associated with those costs. A positive outcome suggests that the media campaign is feasible and profitable, whereas negative outcomes advise the managers to rethink the investment decisions in the evaluated media project. For example:

- Present value of benefits = ₹3,83,000 (sales + monetized engagement)
- Present value of costs = ₹2,70,000
- NPV = ₹3,83,000 − ₹2,70,000 = ₹1,13,000 → Project is viable.

The Cost-Benefit Analysis methodology offers an organized approach to assessing the economic feasibility of media campaigns. Media managers may make informed investment decisions, streamline budgets, and increase the efficiency of campaigns by identifying and monetizing costs and benefits, projecting them across time, and computing net present value (NPV).



5.8 CHECK YOUR PROGRESS

Multiple Choice Questions (MCQs)

1. Which of the following is a fluctuating cost in media production?

   a) Office rent

   b) Salaries/Wages of permanent/technical staff

   c) Service provider fees

   d) Utility expenses

2. CPM in advertising stands for:

   a) Cost per media

   b) Cost per Mille (thousand impressions)

c) Cost per management

d) Cost per marketing

3. Which factor does NOT affect digital marketing pricing?

   a) Complexity of the campaign

   b) Experience of the agency

   c) Publication date of a newspaper

   d) Duration of the project

4. What is the primary objective of cost-benefit analysis in media?

   a) To design creative content

   b) To assess the financial viability of a project

   c) To contract talent

   d) To select media platforms

5. A positive outcome of NPV in cost-benefit analysis signifies:

   a) The project is unprofitable

   b) The project will break even

   c) The project is financially worthwhile

   d) Costs exceed benefits

5.9 SUMMARY

Production and cost analysis is a crucial element, especially for the media industry. Media production starts from planning, designing, creating, and delivering content on multiple platforms such as print, television, radio, digital, social media, or search engine optimization. There are different phases of media production, i.e., pre-production, production, and post-production. Each phase required different types of resources, scheduling, and expense categories.

Varied types of costing are needed in media advertising agencies. There are fixed costs that remain irrespective of the production of the campaign, like office costs, electricity, water bills, permanent staff salaries, building or studio maintenance, etc. There are various costs that are directly associated with the production of the campaign(s), like freelancers' fees, actor or model or talent fees, paid sponsorships, placement or banner charges, bidding charges, etc. There are other types of costs, overhead costs that are not directly associated with a single campaign, but are needed for the overall smooth functioning of projects, like administrative expenses. A detailed understanding of cost structure allows managers to project the total funds at different phases or campaigns and plan the budgets accordingly.

Cost analysis techniques like cost per Mille, cost per click, cost per impression, cost per acquisition, cost per lead, return on advertising spend, and advertising cost of sales help managers in decision-making.

In print media, production cost is dependent on various factors such as the type of print like booklets, leaflets, newspapers, magazines, etc, size of advertisement – half, full, or quarter page; placement of ad at front, back, or inside page, colour is black-and-white or spot or multiple, and agency fees. In electronic ads, production cost is reliant on talent fees, technology & equipment, targeting audience, distribution costs, and placement costs. In radio advertisements, the production cost is dependent on the usage of traditional radio spots, branded content, paid sponsorships, contests and promotional rewards, and live broadcasting. In digital advertising, the production cost involves platform specification costs, social media charges, SEO fees, Google display ads, and banner advertisements.

The thorough analysis of cost and production will render certain benefits to media managers, like strategic decision-making, profitability, and price optimization, increase cost control & operational efficacy, true budgeting, appropriate resource allocation, performance measurement, mitigation of risk, competitive edge, market leadership, long-term growth, and sustainability.

Cost-Benefit Analysis (CBA) is a methodical technique used to assess the financial practicability and efficacy of media campaigns. The techniques use the following steps to access CBA: define the framework of analysis, identify and categorize costs and associated benefits of the campaign, draw a timeframe for projected costs and benefits, monetize costs and benefits, find discounted value, and calculate Net Present Value (NPV). If NPV is positive, then continue with the campaign; otherwise, rethink for future investment.

Overall, production and cost analysis of the media campaign is a mandatory requirement for making cautious decisions.

5.10 KEYWORDS

- **Pre-Production Costs** – Expenses for planning, research, scripting, location scouting, and hiring talent.
- **Production Costs** – Expenses related to actual content creation, including shooting, lighting, and staff wages.
- **Post-Production Costs** – Costs for editing, sound mixing, colour correction, and final packaging.
- **Distribution/Delivery Costs** – Expenses for delivering content to audiences, such as ad placement and hosting fees.
- **Overheads and Administration** – Indirect costs like office operations, legal fees, and project management.
- **Fixed Costs** – Costs that do not change with campaign(s) production.
- **Variable Costs** – Costs that vary with campaign(s) production.
- **Direct Costs** – Costs directly linked to a specific project.
- **Indirect Costs** – Shared costs not attributable to a single project.
- **Opportunity Cost** – Potential benefit lost when choosing one option over another.
- **Cost per Mille (CPM)** – Cost per 1,000 impressions or views in advertising.
- **Cost per Click (CPC)** – Cost incurred each time a user clicks on an online ad.
- **Cost per Acquisition (CPA)** – Cost of acquiring a customer through a campaign.
- **Return on Advertising Spend (ROAS)** – Revenue generated per unit of advertising spend.
- **Advertising Cost of Sales (ACoS)** – Advertising spends as a percentage of revenue generated.
- **Digital Marketing Pricing** – Planning fees, producing, and managing campaigns online.
- **Social Media Advertising** – Paid promotion on platforms like Facebook or Instagram.
- **Google Display Advertising** – Banner or video ads placed across Google partner sites and apps.
- **Banner Ads** – Static or animated ads displayed on websites or apps.
- **Radio Advertising** – Audio ads broadcast on the radio, including spots, contests, and sponsored segments.
- **Cost-Benefit Analysis (CBA)** – Method to compare total costs and benefits of a project.
- **Net Present Value (NPV)** – Present value of benefits minus costs to evaluate project profitability.

5.11 SELF-ASSESSMENT TEST

Short/Long Answer Questions

1. State production cost and explain its components in the media.
2. Distinguish between fixed, variable, direct, and indirect costs with examples.
3. Elucidate the factors affecting digital marketing pricing.
4. What are the benefits of production and cost analysis in media campaigns?
5. Describe the cost-benefit analysis process and its importance in media decision-making.

Case-Based Questions

You are a media planner for a beverage brand. The client wants to run a two-week social media campaign on Facebook and Instagram to market its new product. Your job is to do the estimation of production costs, allocate the funds, and calculate the return on investment. The data is given as follows:

- Total budget: ₹1,00,000
- Content Requirements:
  - 1 short reel (30 seconds each)
  - 2 graphic posts
- Paid Sponsorships:
  - Targeted ads to reach 50,000 viewers
- Agency commission: 10% of total budget

Projected Costs:

- Reel production (per 30-sec): ₹15,000
- Graphic per post: ₹3,000
- Paid Sponsorship: ₹25,000
- Analytics & Monitoring: ₹5,000

a) Calculate Total Production Costs: Include reel, graphics, analytics, and agency fees.
b) Allocate Remaining Budget: Determine how much money is left for paid sponsorship after production costs.
c) Estimate ROI: Assume the campaign generates revenue of ₹1,50,000.

d) Scenario Analysis: If one reel fails to deliver expected engagement, suggest a budget reallocation plan to maximize campaign efficacy.

5.12 ANSWERS TO CHECK YOUR PROGRESS

1. c 2. b 3. c 4. b 5. c

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SUBJECT: ADVERTISING MANAGEMENT AND MEDIA PLANNING	
COURSE CODE: MSM 524-C	AUTHOR: DR RACHNA JAIN
LESSON NO.: 6	VETTER: DR. NISHA SINGH
MONITORING AND CONTROLLING OF BUDGET	

STRUCTURE

6.13 References/Suggested Readings

6.0 LEARNIN OBJECTIVES

After reading this unit, you will be able to:

- Monitoring and controlling a media Budget
- Comprehend the importance of monitoring and controlling in the media
- Analyze the steps for monitoring and controlling a media budget
- Challenges in monitoring media Budget

6.1 INTRODUCTION

A budget is a well-planned, structured, and systematic quantification of estimated incomes and expected expenditures for a certain period in financial terms. It helps individuals, corporations, advertising agencies, or governments to apportion financial resources, regulate spending, and assess the performance against desired goals.

In the field of media and communication, a budget mentions the expected cost of pre-production, production, and post-production of media content via various modes of communication like electronic media, print media, radio, and digital marketing. The budget comprises various expenses like:

- Employees' costs: pay of journalists, anchors, camera staff, editors.
- Equipment and know-how costs: editing software, voice recorders, cameras, and studio rentals.
- Promotional costs: distribution fees, social media elevation, and advertising.
- Authorizing and accrediting costs: procuring footage, images, or music.

A media budget acts as a controller for optimum utilization of allocated resources, ensures that financial expenditure is within the control limits, and assures quality meeting requirements. For example, A news channel formulating a media budget for covering the sports event. This needs to incorporate travelling expenses, broadcasting transmission, on-ground reporting, editing team, crew members, voice over, music rights, distribution, and marketing team.

Sample Media Budget Table – News Feature Production

Category	**Description**	**Estimated Cost (₹)**
Pre-Production		
- Research Team	Background research, script groundwork	15,000
- Location Survey & Approvals	Spot visits, permissions, clearances	8,000
Production		
- Staff Pays	Journalists, camera workers, staff	40,000
- Equipment Charge	Cameras, microphones, Video editor	25,000
- Travel & Lodging	Transport and accommodation for crew	12,000
Post-Production		
- Graphics & Editing	Video editing, animation, and infographics	18,000
- Voice-over & Music Copyrights	Narration footage, soundtrack rights	5,000
Promotional & Marketing	Advertisements, press releases	10,000
Exigency (10%)	For unexpected outlays	13,300
Total Projected Budget		**₹1,46,300**

6.2 ADVERTISING BUDGET

An advertising budget is a well-planned roadmap of the utilization of financial resources required for advertising activities. It is the total amount of expenditure in monetary terms that a corporation, business organization, advertising agency, or government spends for promotions or marketing of an endorsed product over a certain stipulated time period.

Persistence of an Advertising Budget

- **Allocation of Financial Resources**: Confirms that funds are distributed properly among varied advertising communication channels such as television, social media, print, digital, outdoor, etc.
- **Limits Cost:** Warns against overspending and helps in assessing the ROI (return on investment).
- **Plans the strategic decisions:** Allows organizers to match advertising expenditure with campaign aims.
- **Evaluation of Performance:** By comparison of actual spending with the estimated budget, administrators can determine campaign efficiency.

The first step is always the formulation of a media budget. The next step is to ensure that the financial resources are utilized efficiently or not. For this purpose, monitoring and controlling of funds are essential. Without proper monitoring and controlling, the funds are effectively utilized or not, they are overspending or underspending, are the funds mis-utilized or un-utilized, etc. need to be accountable and responsible. In the mass communication discipline, advertising budgets are not confined to a single activity or particular task. They need to be invested in various activities so that the content or the message spreads to the target audience. Comprehending the essential expenditure categories, the management allocates the resources and continuously monitors the allocation and utilization of funds in regular intervals. The major components are:

1. **Direct Platform Spend** means expenses of media channels that directly place the advertisements. For instance, buying banner space and hoarding expenses, ads displayed on websites, ad slots on TV or radio, ads on search engine optimization like Google, ads on social media platforms like Instagram, Facebook, etc. This proportion usually takes a large portion of the funds' budget.
2. **Creative Services** involves the indirect funds for the production of media content/ messages themselves. This stage requires research and script writing expertise, video shooting, location searching, designing, video shooting, editing, music, and animation. It often requires freelancers or hiring agencies to create the content. Usually, this is a time cost, but the investment of the funds ensures the maximum impact on the target audience.
3. **Media buying** is the procedure of negotiating and acquiring ad inventory from various broadcasting channels. It may involve securing prime locations of advertisement hoardings/ banners, television ad spots, newspaper and magazine space, radio slots, etc.

During budget allocation, consider the funds required for in-house teams or outsource agencies. Cautious media buying decisions will substantially reduce the overall cost.

4. **Digital Marketing Activities** mainly focusing on distribution and promotional activities include celebrity or model or influencer collaborations, bulk e-mail sharing, retargeting media campaigns, and programmatic advertising. This kind of expenditure is ongoing and needs to be monitored at regular intervals. The strategies of marketing the campaign are vast and dynamic; adjustment needs to be made in real time to reach the target audience. This requires a dedicated team of marketing experts or media agencies.
5. **Other Promotional Costs:** The funds are required for additional activities like event sponsorship, branded merchandise, public relations campaigns, contest prizes, cross-promotions, etc. These events accompany paid media by enhancing visibility, building goodwill, or creating engagement. These activities also have a significant impact on the target audience.

6.2.1 PURPOSE OF MEDIA BUDGET

The media budget is prepared by the managers or media team with a pre-determined objective:

1. To ensure the optimum utilization of resources. This objective ensures the excessive wastage and efficient utilization of available resources.

2. The budget helps in creating a well-structured roadmap for managers, as well as explaining the plans to the higher authorities, clients, influencers, investing partners, etc.

3. The budget always directs the management team to achieve the strive goals within the financial limit.

4. To measure the performance metric of the media team in monetary terms.

5. Transparency and accountability can be ascertained at the time of deviation from the planned funds.

6.2.2 MONITORING OF BUDGET

Monitoring is the continuing, systematic procedure of detecting and recording all monetary and routine data related to a media campaign drive. It includes scrutiny, at periodic intervals, decides how much money needs to be spent, which media platform needs to be assessed, and measures whether the campaign drive is reaching its projected audience or not.

Key Activities in Monitoring:

1. **Tracking Expenditure:** Keeps an account track of actual expenditure. Always cross-check and compare the estimated expenditure with the actual expenditure on each medium, such as print, digital, television, social media, etc.

2. **Tracking Media Performance:** Evaluate the outcomes such as impressions, reach, TRPs, click-through rates, etc., to check the progress that the campaign is reaching its target audience or not. This also ensures that the objective of communication of media content is fulfilled or not.

3. **Comparing with Planned Budget:** Variance, which is actual expenditure minus budgeted expenditure, needs to be assessed to know the alteration that was actually planned and what is happening in the real scenario.

Example: XYZ media company estimates ₹20,00,000 for print media ads for the first month. Midway, the financial squad noticed through monitoring reports that ₹15,00,000 has already been spent in fifteen days, and the assignment is twice the expected level. This early finding allows the management to decide whether to slow down spending or to increase the budget.

Benefits:

- Prevents overspending at the end of the campaign.
- Monitors and controls the unusual expenditure on time.
- Provides true information for taking the right decision at the right time.

6.2.3 CONTROL OF BUDGET

Control is a phase of corrective action required when actual expenditure deviates from the planned expenditure. Its objective is to limit the monetary expense and reach the target audience in mass.

Key Activities in Control:

3. **Variance Analysis:** Calculate the difference between actual and planned expenditure and identify whether the media channel is over-spending or under-spending.

4. **Budget Reallocation:** Modification of funds from low-performing to high-performing media, or alteration of expenses wherever it is essential.

5. **Adjusting Strategy:** Alter ad frequency, adjust creative materials, or resettle charges with media channels.
6. **Approval and Documentation:** Confirm all variations are permitted and documented for liability and answerability.

Example: Continuing the previous case, if the print media is overspending but bringing customers' attention, the financial team needs to approve the allocation of funds for the print campaign. This also needs to reallocate the funds from other media channels that are not giving the expected response. If social media is under-delivering despite spending a huge amount, then the funds allocated for social media will need to shift to print media.

Benefits:

- The financial limit is cross-verified and maintained at regular intervals.
- Guarantees that funds allocated go to the most effective channels.
- Maintains liability and answerability to customers or management.
- Improves learning for future campaigns.

6.3 IMPORTANCE OF MONITORING AND CONTROL

1. Financial Discipline in media budgeting refers to keeping a stringent limit over how resources are assigned and disbursed so that the campaign does not exceed its planned budget or misutilize funds for undue purposes. This involves setting a clear roadmap for each media platform, defining approval hierarchies, and checking statements and obligations against the plan on a regular basis. Expenditure limit on ad channels, exigency guidelines, and frequent reconciliations help avoid misuse or overspending of reserves. By enforcing these joysticks, managers can confirm that the campaign remains financially sound and funds are used exactly where envisioned.

2. Performance Evaluation means continuous evaluation of whether the actual spending meets its desired outcomes. The financial managers have pre-determined specific key performance indicators (KPIs) such as cost per click (CPC), return on ad spend (RoAS), etc, and install monitoring mechanisms like Urchin Tracking Module (UTM) tags, codes, or pixels. By comparison, the managers can identify which ad channels or media platforms work best, which need to be redesigned, where the expenditure needs to be altered, etc. This evaluation helps in decision-making for shifting the money from low-performing to high-performing activities, which improves the rate of investment.

3. Flexibility is the ability to allocate the budget money to the resources that are performing better in terms of return on investment. This also allows the funds to invest in new opportunities without losing control of other existing activities. The media campaigns must reserve some funds for contingency expenses, dealing with adjustable contracts with suppliers, and establishing reallocation rules. This adjustability maximizes the budgeted constraints, enabling managers to take advantage of high-performing channels and reduce the funds in low-performing events.

4. Transparency and Accountability mean that all stakeholders, such as media agencies, investment teams, customers, and managers, can clearly perceive where the fund is being spent and who is accountable for each result. Standardised reports, shared dashboards, and a recorded audit trail of procurement orders, bills, and delivery reports create an open view of campaign finances. Assigning named budget owners for each line item warrants that any aberration or restructuring is approved and authorized. This precision nurtures trust among partners or collaborators, reduces arguments with suppliers, and keeps the budgeting process trustworthy and defensible.

5. Learning for Future Campaigns involves recording systematic, informed decisions and assessing the data, outcomes, and practices from a project to improve future budgeting decisions. The reports which explain what worked, what failed, why and how, what mistakes were made in the past, how the future managers will rectify them in the next project, etc. Pre- or post-campaign reviews need to be evaluated to understand the lag in actual and planned budgeting. Documents also help in setting future benchmarks, establishing more realistic exigency levels, and improving the accuracy of future budget decisions. This feedback mechanism brings the chance of converting new campaigns into new opportunities with systematic financial projections and media strategy.

6.3.1 TECHNIQUES FOR MONITORING A BUDGET

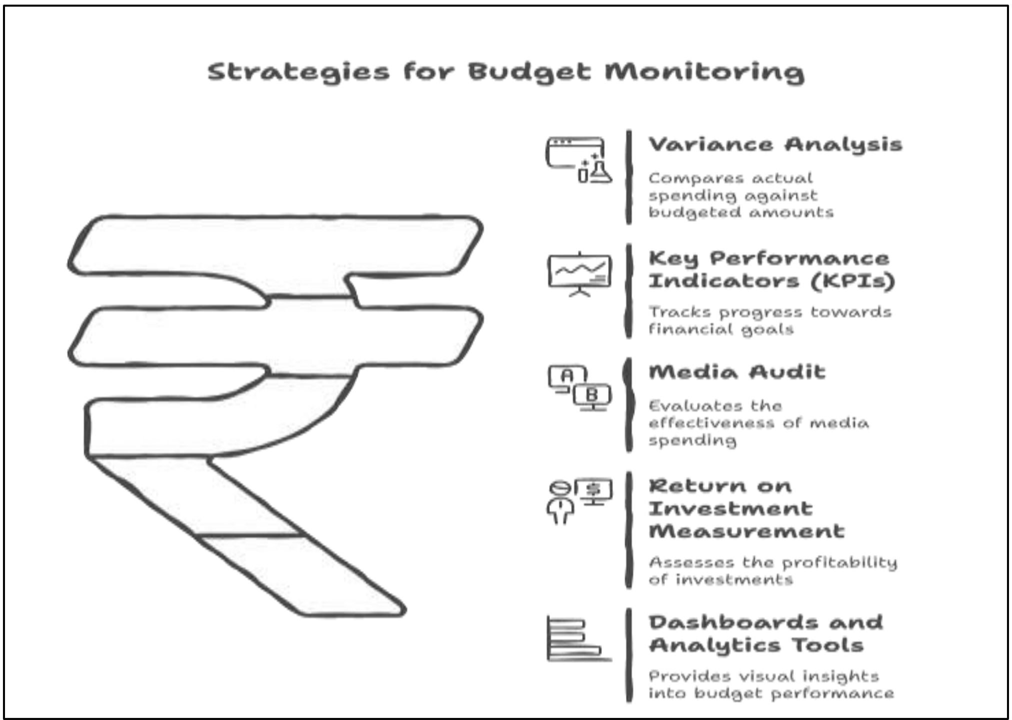
1. Variance Analysis is a fundamental method in media budget monitoring that encompasses comparing the actual expenditure on each campaign activity with the planned expenditure. By computing the difference, known as the variance, the managers can categorize the extent of overspending or under-spending and take remedial measures. For example, if ₹50,00,000 was allocated for television ads but the actual spending reaches ₹55,00,000, the difference of ₹50,000 highlights overspending that requires adjustment of funds in other promotional campaign areas or needs managerial consent before proceeding further.

2. Key Performance Indicators (KPIs) are detailed metrics used to assess the effectiveness of each media network in attaining the campaign’s purposes. These indicators, such as television rating points (TRPs), click-through rates (CTR), reach, or impressions, allow managers to evaluate the effectiveness of advertisements compared to the planned goals. For instance, monitoring whether an Instagram advertisement campaign attains the proposed engagement rate by targeting the projected audience and guiding decisions on reallocating reserves to higher-performing content.

3. Media Audit is the official verification and inspection of bookkeeping records such as ledgers, statements, contracts/ agreements, delivery schedules, and tax invoices linked with the media campaign. This procedure confirms the accountability, responsibility, and utilization of funds accurately and appropriately. The committee ensures that funds are aligned with the pre-defined plans. For instance, in a beauty campaign, the auditors assure that hoardings or banners were exhibited at the prescribed locations and funds utilized in promotional activities have enough evidence to justify the stated expenditure. The committee confirms that accounts are accurately maintained and proper bookkeeping of all documents is confirmed by the media campaign company or agencies.

4. Return on Investment Measurement (ROI) is a technique used to evaluate the effectiveness of the media budget in monetary terms. This technique compares the benefit gained due to the campaign with the cost associated with it. It helps in determining the decision related to the most beneficial media platform in comparison to other media channels. For example, if a media campaign is related to the launch of a new product, then ROI helps in assessing the effectiveness of the campaign and also helps in determining which one is the most beneficial media contribution in terms of outcomes.

5. Dashboards and Analytics Tools are software and digital platforms used to monitor, visualise, and scrutinize outlay and campaign action in real-time. They provide a centralised assessment of budget funds operation, media distribution, and viewers metrics, empowering quicker decision-making and proactive alterations. For example, Google Ads dashboards give live reporting of broadcasting online campaigns, viewers' reaction, Television rating point (TRP), social media predictive analytics, etc., which allow the decision makers to monitor and take corrective actions wherever required.



6.4 CONTROL MECHANISM IN MEDIA BUDGET

The following techniques will be used by the media agency to control financial limits and maintain parity with the planned budget:

1. Budget Reallocation is the restructuring of estimated planned funds from one media campaign or platform to another one where the return on investment is higher and funds are effectively utilized for future projects. This control mechanism warrants that the reserves are utilized efficiently and optimally, which maximizes the campaign' return. For example, if social media platforms like YouTube, Facebook, or Instagram ads are generating more revenue or targeting mass audiences, then funds need to be reallocated from print media platforms like newspapers, magazines, banners, etc. Effective utilization of funds is possible only with continuous monitoring and a control mechanism.

2. Spending Caps are predetermined limits set on monthly, weekly, or daily expenses for definite media channels, predominantly in online campaigns where ad costs can vary in real time. These limits avoid excessive spending, regulate cash flow, and allow the campaign to function within planned monetary terms. For instance, a campaign working on programmatic show advertising might set a daily limit of ₹500,000 to confirm that total expenditure does not surpass the planned budget before measuring the results. It provides financial discipline while permitting media campaigns to respond energetically to engaged viewers.

3. Approval Hierarchies establish a management channel for approving the unexpected expenditures or additional disbursements within a campaign. These hierarchies analyse the situation before denying or approving the additional funds. This helps with the non-utilization or excessive utilization of campaign reserves. This hierarchy chain also establishes the accountability and responsibility of approved funds. For example, if a media campaign requires additional funds for a sudden opportunity to buy an additional prime-time television ad slot, the team needs to obtain approval from senior executives before making the final decision to buy or deny the TV slot. A proper record of authorization and utilization of funds is required for setting accountability.

4. Performance-Based Adjustment involves the allocation or reallocation of funds to media platforms, channels, or creative services that show higher return on investment during the execution of the campaign. The association of budget allocation to performance measurements enhances the efficiency of managers and maximizes returns. For instance, if social media or digital media ads are reaching higher targeted audiences, then funds may be allocated to magnify their reach. This method is outcome-based, oriented, and satisfying the maximum utilizes funds to attain its campaign motto.

5. Contingency Utilization refers to the appropriate utilization of funds in unexpected emergencies or events, or opportunities that were unpredictable at the time of budgeting and planning of reserves. For instance, a campaign needs to reserve approximately 10% of total funds as contingency money in case of a rapid response to competitors or to capture new opportunities. Appropriate utilization of contingency funds needs to be monitored, documented, verified, and aligned with the campaign objectives.

6.5 STEPS IN MONITORING AND CONTROL

1. Establish Benchmarks: In monitoring and control, the first step is to establish targets or yardsticks, which must be clear, precise, and accurate to meet performance standards. It may be expressed in quantitative numbers like cost per click, impressions, return on ad spend, or revenue generated, etc. Benchmarks offer a reference point for measuring success and guide decisions throughout the campaign drive. For instance, a media campaign targets to reach 10 lakh viewers across digital platforms within three weeks, ensuring that all consecutive decisions are taken for monitoring and controlling the measured benchmark.

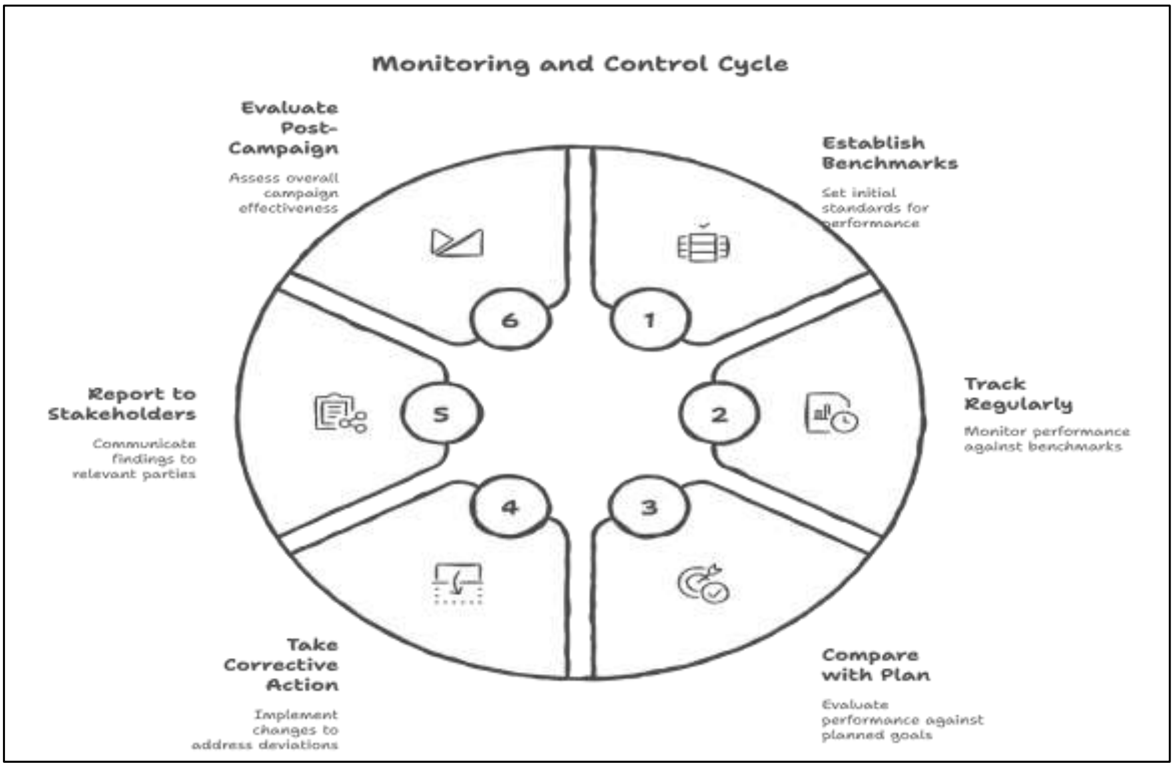
2. Track Regularly: Next step after establishing a benchmark is to monitor the expenses and results on a monthly, weekly, or daily basis, depending on the media campaign scale of distribution and duration of the event. Regular checking involves the preparation of financial statements, detailed reports, analysis of key performance indicators, and review of dashboards and invoices. This ongoing continuous evaluation results in identifying the over-spending or under-spending media campaigns and taking corrective actions without any further delay. For example, weekly performance reviews of an Instagram ad campaign can disclose the trends from viewer ratings, which helps the management team from any bigger issues.

3. Compare with Plan: After setting benchmarks, the next step is to compare actual spending with the estimated ones. This method is known as the variance method, which calculates the difference between actual and estimated funds. It helps in identifying the deviations from the planned roadmap and guides in taking corrective action timely manner. Underspending means positive results may indicate new opportunities to invest the funds in a more profitable campaign. Whereas, overspending means negative results indicate inefficient utilization or prediction of projection of funds. For instance, if a campaign budgeted ₹30 lakh to Facebook ads but the actual expenditure is ₹25 lakh due to lower-than-expected bidding costs, the reserves can be redistributed to high-performing return media channels.

4. Take Corrective Action: When differences are acknowledged, corrective action must be taken promptly to get the campaign back on track. This may comprise of adjustment of the media mix to highlight high-performing podia, resettlement of contracts with merchants for cheaper rates, or stopping underachieving ads to avoid further losses. Corrective action ensures that resources are utilized effectively and efficiently, and the campaign still attains its aims within reasonable funds. For instance, if a Television ad spot is unsuccessful in generating projected TRPs, reserves may be lifted to social media platforms that demonstrate higher audience engagement.

5. Report to Stakeholders: The financial statements need to be verified and documented. Reports need to be shared with all the stakeholders, like shareholders, management, clients, or collaborative agencies, to maintain transparency and answerability. The reports should summarize the planned funds, utilization, reallocation, performance metrics, deviation explanations, and any corrective action taken during the campaign. For example, a weekly dashboard shared with partner agencies or clients might demonstrate the spending structure of the media channel, return on investment attained, and suggestions or decisions for reallocation of funds depending on real-time performance.

6. Evaluate Post-Campaign: The last step is to assess the campaign after completion by executing an inclusive audit that compares the total planned budget with actual spending and performance results. The post-campaign assessment explains the monetary efficiency, media efficiency, and overall return. Comprehensive insights gathered during this stage are priceless for refining the scheduling of forthcoming campaigns. For instance, if a brand campaign discovers that influencer collaborations create strong responsiveness but poor adaptations, it can alter its upcoming media mix and cost predictions, consequently, turning experiences learned into future action.



6.6 MEDIA CAMPAIGN EXAMPLE: PRODUCT LAUNCH

A beverage company plans a 3-month media campaign to introduce its new flavoured drink among youth. The planned budget allocated for the branding campaign is ₹50 lakh, allocated across social media, digital platforms, websites, Google Ads, television, radio, print, and banners.

1. Establish Benchmarks: Before the launch of the brand media campaign, specific targets are established:

- Social media: Attain 10 million impressions and 1 lakh audience engagements on Facebook and Instagram.
- Television: Influence 25 million audiences with an occurrence of 5 spots per week.
- Digital Video: 20 million views on YouTube with at least 30% view completion rate.
- Print Ads: Circulate in top 10 nationwide newspapers with a flow reach of 10 million.
- Outdoor Advertisements: Exhibition in 50 high-traffic sites in metropolitan cities.

These yardsticks provide clear goals to assess success and guide decisions during the campaign.

2. Track Regularly: During the first month, the media team monitors spending and performance:

- For each medium channel, weekly expenditure reports need to be prepared.
- Dashboards of social media monitor engagement, impressions, and ad spend in real time.
- TRP ratings of television need to be collected from authorized rating agencies.
- Print ad publications need to be confirmed
- Outdoor banner advertisement sites need to be physically inspected.

This regular monitoring harmonizes the management media team to swiftly recognize whether each media channel is meeting the standard benchmark.

3. Compare with Plan: At the end of the first month, the variance analysis needs to be done by the management media team, in which they compare actual expenditure against the planned expenditure:

- Social media: Budgeted ₹10 lakh, spent ₹12 lakh (overspend by ₹2 lakh), but engagement is 120,000, which is above the established target.
- TV: Budgeted ₹20 lakh, spent ₹18 lakh (underspent by ₹2 lakh), but TRPs are slightly below target.
- Print Ads: Budgeted ₹8 lakh, Actual expenditure ₹6 lakh (underspend by ₹2 lakh), circulation targets were not fully realized.
- Outdoor Banners: Budgeted ₹5 lakh, spent ₹5 lakh (on budget), sites delivered predictable footfall.
- Digital Video: Budgeted ₹7 lakh, Actual expenditure ₹9 lakh (overspent by ₹2 lakh), but the view completion rate exceeded standards.

This comparison highlights overspending in social media and digital video, underperforming TV and print, and on-target outdoor hoarding ads.

4. Take Corrective Action: Based on the investigation:

- The team redistributes ₹1 lakh from underachieving print ads to enhance social media campaigns further, as engagement is high.
- Digital video content is improved based on viewer drop-off trends to advance completion rates.
- TV ad schedules are resettled to embrace better time slots without any additional cost.
- Low-performing print ads are paused until further evaluation, saving additional funds.

Corrective actions safeguard the maximization of return on investment without surpassing the total planned funds.

5. Report to Stakeholders: A detailed weekly report is prepared and shared with the media manager and stakeholders. It includes:

- Utilization of budgeted funds by media channel
- Comparison of the performance system of measurement against standards
- Detailed explanation of deviation, i.e., Variance analysis

- Suggested remedial actions

This transparency allows stakeholders to comprehend the allocation of reserves and authorize any necessary remedial modifications.

6. Evaluate post-campaign: After the 3-month campaign ends:

- A final audit was conducted, which confirms the total expenditure of ₹49.5 lakh against the ₹50 lakh planned expenditure.
- Social media and digital video provided the highest return on investment and engagement, mitigating supplementary allocation of funds during the mid-campaign.
- TV and print underperformed somewhat, but were subsidized to complete brand responsiveness.
- Lessons cultured are recorded, including best-performing times for digital video, ideal social media ad formats, and realistic Television rating expectations, giving deep insights for forthcoming campaigns.

This example illustrates the practical application of key performance indicators like return on investment, variance analysis, etc. At the same time explains the corrective measures taken for improving the established standards and for maximizing stakeholders' wealth. The media campaign illustration also explains in detail the process of decision-making, starting from planning, execution, monitoring, and controlling.

6.7 CHALLENGES IN MONITORING MEDIA BUDGETS

1. Dynamic Media Costs refers to the variable cost associated with the digital bids or advertising slots during a running campaign. It is difficult to forecast accurately as it depends on the real-time situation during the campaign. For instance, Radio or Television ad charges may fluctuate during the popular programs or peak seasons. The internet platforms often use real-time bidding, where cost per impression or per click may vary hourly. These variations make it difficult to follow the planned budget. Continuous monitoring and controlling guide managers in decision-making making such as reallocation of funds, halting investments in low-performing media channels, etc.

2. Attribution Problems arise when it is difficult to ascertain which particular advertisement campaign or media channel influences the desired outcomes. This problem is common in mainly media mix campaigns where print, electronic, online, social media, radio, etc., are used in a single campaign. For example, a viewer first watches the television ad, then listens to the radio channel, then watches on social media post, and finally purchases via an e-commerce platform. Aligning the credit for buying is difficult to determine, who contributes best in actual buying. It leads to a further problem of the computation of return on investment, precisely, and optimizes budget allocation. To determine more accurately the impact of each media channel, solutions include the use of unique tracking links, multi-touch attribution models, or controlled trials.

3. Time Constraints in media campaigns refer to the limited time available for media team managers for budget assessments, performance analysis, and modifications. Comprehensive financial analysis is not possible in fast-paced campaigns specifically catering to an audience for seasonal promotions or for introducing a new product in the competitive market. For instance, a brand running a one-week anniversary sale may need to make prompt decisions regarding reallocation of funds or media channels for promotions within hours. These constraints demand a focused monitoring mechanism, immediate corrective actions, and agile decisions to assure the smooth running of the campaign in terms of money and objectives.

4. Data Overload occurs when media managers take excessive information from dashboards, digital platforms, multiple channels, and techniques, which in turn leads to complexities in making decisions for further implementation of the project. For instance, online campaigns may provide information on the number of clicks, impressions, target audience demographics, conversions, engagement rates, and sentiment analysis instantaneously. The data is valuable, but the interpretation and implementation of key insights need to be filtered cautiously. Focusing on pertinent KPIs, utilizing dashboards and automated reporting, and educating teams on how to understand metrics in relation to campaign goals are all effective ways to handle data overload and guarantee that choices are clear and actionable.

Media Campaign Example: Launch of a New Smartphone

A topmost smartphone brand launched a national campaign for its newest model, merging social media, television, radio, celebrity marketing, online video, website ads, and outdoor billboards, with a media budget of ₹75 lakh over one month.

Dynamic Media Costs: During the brand campaign, there is a sudden hike in prime slots and cost per click on Facebook ads due to highly competitive bidding. The media team managers forecast these deviations by maintaining a contingency reserve of ₹5 lakh and resetting the contract prices to ensure the smooth functioning of ads without surpassing the planned budget.

Attribution Problems: Since the brand campaign involved multiple channels like television, website ads, influencer marketing, social media platforms, etc., it is difficult to ascertain which channel is the actual sales driver. To resolve this, they implemented multi-touch attribution by tracking UTM links for online campaigns, unique discount codes, and lead forms linked with each influencer post. This helped them to assess the contribution of each channel to actual conversions.

Time Constraints: The brand's one-week promotion time period requires quick decisions to take advantage of initial publicity. Daily performance reviews, dashboards, and performance metrics need to be analysed to take immediate corrective actions so that funds are utilized effectively and campaign objectives are met without exceeding the budget limit. Within hours, the management will be making decisions on the reallocation of funds from low-performing print ads to high-performing social media channels.

Data Overload: Large amounts of data were produced by the campaign, including internet traffic, impressions, clicks, view rates, social interaction analytics, and TRPs. The team utilized a streamlined dashboard for easy interpretation and concentrated on a few critical KPIs, such as cost per acquisition (CPA), engagement rate, and conversion rate, to prevent being overloaded. Without losing sight of the campaign's goals, this strategy enabled them to swiftly make decisions that could be put into action.

Outcome: By proactively making strategic decisions, managing costs, prudently accrediting performance, and analysing the data effectively, leads to the success of the campaign within the defined budget and achieved high sales and ROI.

6.8 CHECK YOUR PROGRESS

Multiple Choice Questions (MCQs)

6. What is the purpose of variance analysis in media budgeting?

   a) Creative efficiency

b) Over- or under-spending

c) Audience breakdown

d) Vendor collection

7. The key purpose of establishing spending caps in online campaigns is:

   a) Rise in advertisement impressions

   b) Avoid overspending

   c) Increase creative engagement

   d) Select celebrities

8. In an integrated campaign, attribution problems are associated with the following challenge:

   a) Tracking real-time expenditure

   b) Defining which media caused anticipated results

   c) Negotiating media rates

   d) Limiting daily ad

9. After completion of the campaign, which step in monitoring and control involves reviewing total spend versus planned funds?

   a) Track Regularly

   b) Take Corrective Action

   c) Evaluate Post-Campaign

   d) Establish Standards

10. Emergency reserves in a media budget are used for:

    a) Regular ad placements

    b) Unforeseen opportunities or contingencies

    c) Fixed television slots

    d) Routine digital campaigns

6.9 SUMMARY

Monitoring refers to the ongoing procedure of tracking expenses, performance metrics, and comparing actual expenses with the budgeted expenses. Control refers to taking corrective actions if there are any deviations from the planned budget. It helps the management to decide whether to continue the media project or to pause it. It confirms that senior executives, there is no over-spending or under-spending of the budgeted expenses.

Monitoring and controlling are an essential part of financial discipline. It helps in identifying the cost-effective media platform, the most profitable project by getting the highest return on investment, provides flexible time to take unforeseen opportunities, and helps managers to reallocate the funds in alternative options. Accountability and transparency build trust among stakeholders like clients, agencies, customers, partners, collaborators, and shareholders. Learning experience helps in making future campaign decisions more accurately and confidently.

Monitoring of media budget is possible by using essential techniques like variance analysis, key performance indicators, auditing of financial statements and ledger accounts, return on investment measurement, and analytical tools or dashboards. Controlling measures also need action immediately after monitoring the results, like reallocation of budget, approval from hierarchies, defining spending limits, alterations based on performance results, and contingency reserves utilization.

The process of monitoring and controlling comprises of following steps: establishing standards, tracking continuously with the planned expenses, rectifying decisions by taking corrective actions, reporting to stakeholders, and measuring the project after completion. The common challenges found in this process are attribution problems, dynamic media cost, data overload, and time constraints. By mastering these techniques and control methods, media managers can forecast budgets effectively and efficiently, which ensures optimum utilization of resources with cost constraints and maximizes the ROI.

6.10 KEYWORDS

- **Budget** – A financial plan outlining expected expenses for a campaign.
- **Media Budget** – Allocation of funds across different media platforms for advertising.
- **Monitoring** – Constant tracking of outlay and media performance against the planned funds.
- **Control** – Corrective actions taken to address deviations and ensure budget compliance.
- **Variance Analysis** – Comparing actual expense with planned budget to detect over- or under-spending.
- **Key Performance Indicators (KPIs)** – Metrics used to quantify the effectiveness of media channels (e.g., reach, impressions, CTR, TRPs).

- **ROI (Return on Investment)** – Measure of financial efficiency of media expenditure.
- **Budget Reallocation** – Shifting funds from underperforming channels to high-performing ones.
- **Spending Caps** – Predefined limits on monthly, weekly, or daily expenses.
- **Performance-Based Adjustment** – Increasing outlay on media delivering high ROI.
- **Contingency Fund** – Reserve fund for unforeseen happenings or opportunities.
- **Benchmarks** – Predefined targets for reach, impressions, engagement, or sales leads.
- **Media Audit** – Periodic verification of financial statements, accounts, contracts, invoices, and ad placements.
- **Dashboards and Analytics Tools** – Digital platforms used for real-time monitoring and reporting.
- **Dynamic Media Costs** – Unstable prices of ad slots or digital bids during a campaign.
- **Attribution Problems** – Exertion in deciding which media caused the desired impact.
- **Data Overload** – Excessive analytical information obscures decision-making without proper clarification.
- **Post-Campaign Evaluation** – Reviewing total budget, performance, and lessons learned after completion of the campaign.
- **Production Cost –** Total spending incurred to create and deliver media campaigns.
- **Cost Analysis** – Methodical assessment of costs to limit expenses and optimize resources.

6.11 SELF-ASSESSMENT TEST

Short/Long Answer Questions

6. Define monitoring and control in the context of media budget management.
7. What are the key performance indicators in the media projects?
8. Describe in detail the techniques used for monitoring a media budget.
9. Discuss the challenges of monitoring and controlling media budgets.
10. How do attribution problems affect budget monitoring and decision-making?
11. Define budget reallocation and give an example relevant to a media campaign.
12. Discuss in detail the steps in monitoring and controlling a media budget, illustrating with an example.

Case-Based Questions

You are working as an intern in the promotion department of a media agency. Your team is running a two-month campaign for the launch of a new product. The following details are related to the planned budget and the actual expenses at the end of the first month.

Media Activity	Planned Budget (₹)	Actual Spend (₹)
Radio Ads	3,00,000	3,20,000
Digital Ads	1,50,000	2,10,000
Print Ads	1,00,000	70,000
Social Media Ads	80,000	80,000
Total	**6,30,000**	**6,80,000**

a) Calculate the Variance for each activity.

b) Identify which areas are overspent or underspent.

c) Suggest at least two corrective actions you would recommend to managers for the next month.

d) Elucidate briefly how these actions could help keep the campaign on track for profitability.

6.12 ANSWERS TO CHECK YOUR PROGRESS

1. b 2. b 3. b 4. c 5. b

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SUBJECT: ADVERTISING MANAGEMENT AND MEDIA PLANNING	
COURSE CODE: MSM 524-C	AUTHOR: MS. NEELAM NANDA PRABHAT
LESSON NO.: 7	VETTER: DR. NISHA SINGH
INTEGRATED MARKETING COMMUNICATION	

STRUCTURE

7.12.1 Theory assignment

7.12.2 Practical Assignment

7.13 References/Suggested Readings

7.0 LEARNING OBJECTIVES

After reading this unit, you will be able to:

- Know Integrated Marketing Communication
- Explain the genesis of Integrated Marketing Communication.
- Know the models of Integrated Marketing Communication
- Understand Creativity, the process involved in Integrated Marketing Communication.
- Know strategies used for Integrated Marketing Communication.

7.1 INTRODUCTION

IMC is the process of managing all sources of information about a product/service to which a customer or prospect is exposed, which behaviorally moves the consumer toward a sale and maintains customer loyalty.

-(Duncan & Caywood 1996)

Integrated Marketing Communications (IMC) is an umbrella term involving all mechanisms such as Advertising, Public Relations, Sales Promotion, Direct Marketing, Digital Marketing, and events. It's a holistic and strategic approach to accumulate all marketing communication tools, channels, and promotional agendas to accelerate the brand's presence in the market and among consumers.

It is a strategic approach to disseminating the brand and company message to targeted customers. It acts as a link between promotional, marketing of the brand to customers. IMC ensures that all forms of communications and messages are carefully linked together. At its heart, IMC aims to deliver a consistent and unified message across all channels, maximizing the impact on the target audience.

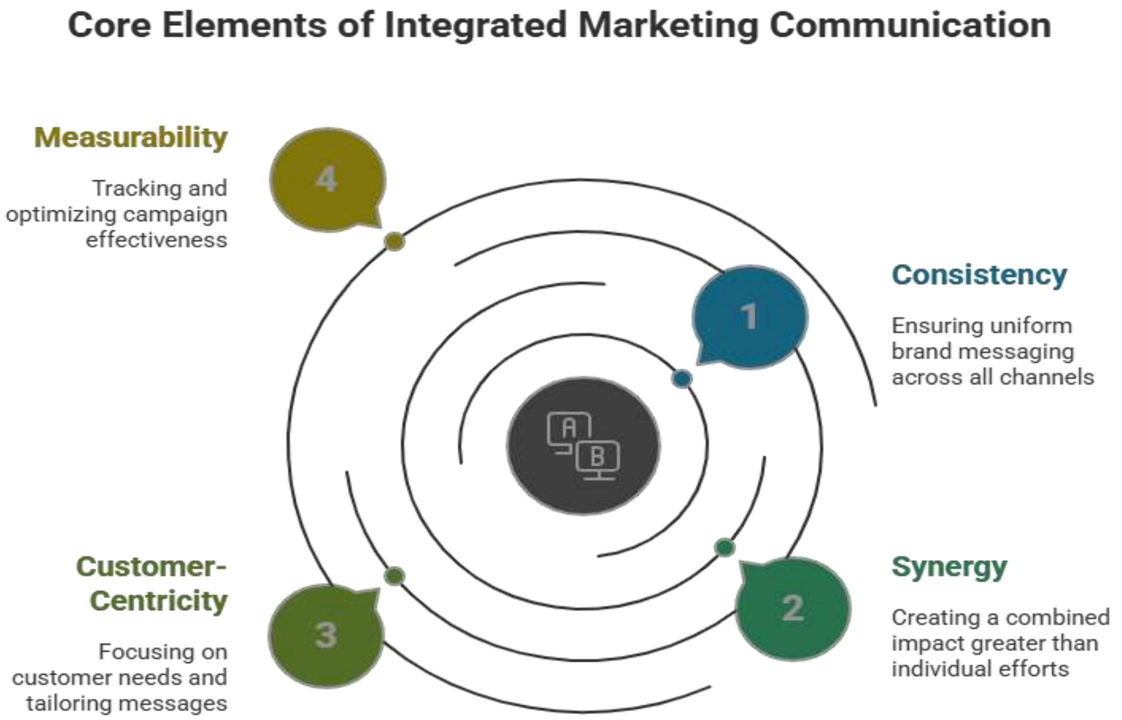
According to The American Association of Advertising Agencies (4As) IMC is "a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, for example, general advertising, direct response, sales promotion, and public relations and combines these disciplines to provide clarity, consistency, and maximum communication impact."

A concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, general advertising, direct response, sales promotion, and public relations, and combines these disciplines to provide clarity, consistency, and maximum communication impact. (Duncan & Caywood 1996)

Schultz and Schultz (1998) define IMC as a business process, which was previously explained as marketing communication tactics and operations. They advocated the new future of consumer-focused organizations in the new marketplace, involving the acquisition, maintenance, growth and migration of customer groups, and their income flows over time. On the other hand Peltier et al. (2003) emphasize digital media as an emerging trend and a new marketing tool. Highlighting its interactive nature, he proposed a new name, “Interactive IMC”.

Nowak and Phelps have proposed three concepts for IMC. First was the “one voice” concept focused on the message and content to be displayed. The integration of clear and consistent image, position, message, and/or theme across all marketing communication disciplines or tools needs to be considered while framing IMC. Secondly, the concept emphasized on “integrated” cohesive marketing communications concept, which focused particularly on advertisements that not only enhance brand identity but also influence brand loyalty. Coordination was explained in the third marketing communications concept; the synchronization among various marketing communications tools, such as advertising, sales promotion, public relations, and events, is important for the smooth dissemination of the message.

Brown (1997) has also comprehended IMC with a few terms as “attitude of mind”, “one spirit”, “one strategy”, “synergy”, “equal status”, “merging disciplines”, “stakeholder emphasis”, and “marketing orientation”. Nevertheless, Beard (1997) proposed two principles of IMC as campaign messages designed to speak with one voice, and campaign messages attempting to scrutinize a measurable, behavioural consumer response.



Scholars have defined some key aspects of IMC, such as:

- **Consistency:** It implies that the message related to the brand must be disseminated on different mass media consistently.
- **Synergy: The marketing and promotion would be effective if all the mass media combined to circulate specific messages. Multiple-channel communication may be more effective than being limited to a single medium.**
- **Customer-Centricity: It is most important to keep your customer in mind before framing or disseminating the content.** Focusing on the customer and their needs, their necessary field of experience would resonate with them.
- **Measurability:** Feedback, tracking, and evaluating the effectiveness of IMC campaigns to enhance performance.

7.2 Importance of IMC

- **Constant Brand Communication:** IMC ensures that the same and single message related to the brand is disseminated on all media channels, which supports and helps brand recognition and marketing.
- **Improved Consumer Participation:** Building strong relationships will help the brand develop a good reputation among its competitors in the market.
- **Efficient Resource Allocation:** Budgeting and r**esource allocation are crucial for IMC.** Synchronizing marketing objectives, reducing effort duplication, and enhancing the outcome of each campaign, IMC makes it possible to allocate resources efficiently.
- **Better R**eturn on Investment (ROI): IMC enhances marketing campaigns' effectiveness and consequently their return on investment and overall cost-efficiency by synergistically aligning marketing channels.
- **Enhanced Brand Loyalty:** IMC's continued promotion and marketing, consistent and well-organized message, nurtures consumer trust and loyalty, which helps the brand to promote advocacy and continuous business.
- **Competitive Advantage:** The brands that use IMC for promotion and awareness stand out from the competition pool. A planned IMC strategy would help the brand to make its own unique identity.

IMC enables us to have constant communication through public relations, social media, advertising, and sales promotions for brand promotion.

7.3 Approaches to Integrated Marketing Communication

For the smooth amalgamation of marketing strategies and tools across different platforms, IMC uses different approaches and methods as follows:

- **Constant Communication:** continues the dissemination of information, helps to create brand identity where the brand stands out among competitors, and brand awareness in the minds of customers.

- **Cross-Channel Integration:** IMC ensures the usage of all media platforms for promotions. A cohesive and coordinated approach to integrating marketing initiatives guarantees optimum use of all media channels. Well-crafted content and perfectly timed management give customers a great brand experience.
- **Focused on consumers' Approach:** Pertinent and tailored **crafted messages** by concentrating **on the consumers'** requirements and preferences may increase audience engagement. A customized message for the particular target group helps to create empathy and relatability.

7.4 Components of the Integrated Marketing Communications (IMC)

- **Advertising:** Advertising is the paid promotion of goods and services through a range of media, including print, radio, television, internet platforms, and outdoor billboards.
- **Public Relations (PR): It deals with image building of the brand among the internal and external public.** Through effective relationship-building and communication strategies, advertisers create a brand's credibility and reputation among the target audience.
- **Direct Marketing:** Email, telemarketing, and SMS, direct marketing is used to target a specific audience. With customized messages, offers, and coupons, marketers can reach out to customers directly.
- **Social Media Marketing:** Digital marketing through social media and online platforms is a new way of promotion. Social media, websites, mobile applications, and search engines are included as online platforms. This technique is used to improve brand awareness, increase leads, and drive traffic online, including pay-per-click (PPC) advertising, social media marketing, content marketing, and search engine optimization (SEO).
- **Events and workshops**: IMC enables customers to have live experiences of the product. Conducting workshops, exhibitions live demonstrations of the product may give an elated experience to the customers.

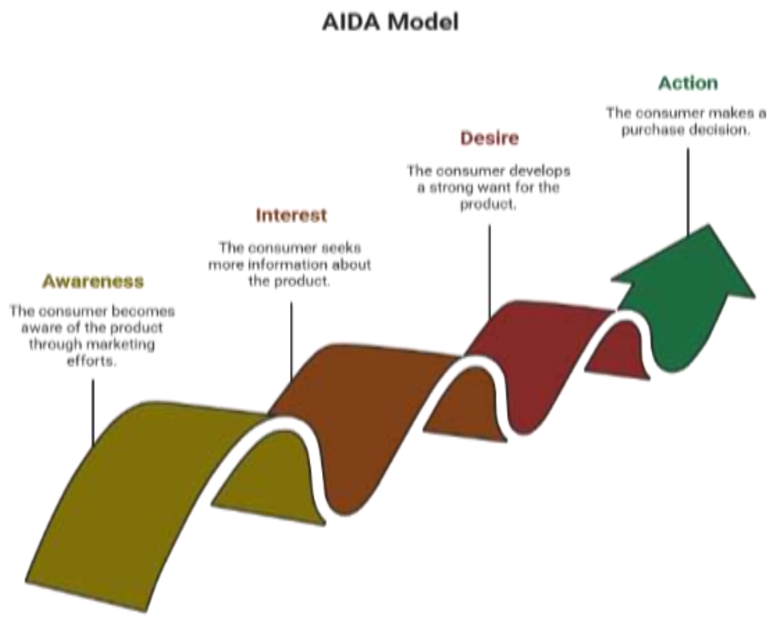
7.5 Benefits of IMC in Branding and Promotion

- **Unified Brand Identity:** A well-drafted IMC makes the brand stand out from the clustered campaigns. There is a cut-through competition among brands. IMC makes the brand/product more recognizable and memorable to consumers and the market as well.
- **Enhanced Engagement:** IMC stimulates deeper, more authentic interactions and stronger, long-term relationships between brands and their audiences.
- **Strategic Alignment:** IMC advocates a strategic framework integration of all media platforms with various marketing tools, which may serve all marketing and promotional objectives of the brand.
- **Adaptability:** IMC also enables adaptation to the new emerging trends, paradigm shift of the market, and customers' behavior. It is crucial to address the transpose for framing effective marketing and promotional strategies.

7.6 Theoretical Models of IMC

Many marketing scholars have communicated, written, and proposed numerous theories and models related to Integrated marketing communication. Customer loyalty**,** changing market trends**,** usage of cross-sectional platforms, communication objectives, content impact on target audience, interactive IMC, and cohesive marketing were a few terms commonly used. A few models are as follows:

7.6.1 AIDA



The **AIDA model** was coined by E. St. Elmo Lewis in 1898. It is stated to be the oldest models in marketing. It highlights the different stages of consumers responding to marketing and promotional communication

- **Stage 1 :- Awareness:-** It is the initial and important stage for a content creator for advertising. In this stage target audience becomes aware of the brand and product. The message of the campaign or advertisement may highlight the launch of a product, or any offer given by the company, or just a reminder of the product. This stage 1 concentrates on capturing the attention of consumers through advertising, public relations, or other promotional activities.
- **Stage 2 :- Interest:** After being aware of the product, the next stage is to create interest in the minds of consumers related to the product. At this stage consumer wants to learn more about the product. The marketing message needs to be framed, highlighting the benefits of the offering.
- **Stage 3:- Desire: When interest is created, the next and third step is to develop** desire for the product or service in the mind of the consumer. The desire can be stated as to satisfy a need or want. Effective and persuasive message drafting of advertisements is important at this stage.
- **Stage 4:- Action:** It is the action-taking and last stage of the model, which states that the message should be framed compelling the customer to take the action and buy the product or service. It is the ultimate goal of any marketing strategy to drag the customer to this stage.

AIDA model is known for its tracking stage in the entire process of marketing. Marketers may benefit from the stages of the model and can make major changes or variations according to the needs and demands of the market.

7.6.2 DAGMAR Model of Advertising

The **DAGMAR (Defining Advertising Goals for Measured Advertising Results) model,** developed by Russell Colley in 1961, is a marketing structured module used to set specific, measurable, achievable, relevant, and time-bound (SMART) objectives for advertising campaigns.

The model is divided into two segments

Segment 1 :- (DAG) Defining Advertising Goals
Segment 2 :- (MAR) for Measured Advertising Results

It provides a structured method for advertising planning and evaluation. The model talks about setting the achievable advertising goals, then evaluating advertising effectiveness after execution of the advertisement and campaign.

The DAGMAR model proposes four stages of consumer awareness and understanding,

- **Awareness:** In the first stage, recognition of the brand and product becomes the priority. The ultimate aim in this stage is to make the consumer aware of the product.
- **Comprehension:** The second stage focuses on communicating the product's features, advantages, and how it would help to satisfy the needs and demands of the consumers.
- **Conviction: This stage involves the consumer's consideration and making up their mind to purchase the product.**
- **Action:** At the last stage, the consumer takes the action and purchases the product or avails the services.

Application of DAGMAR Model

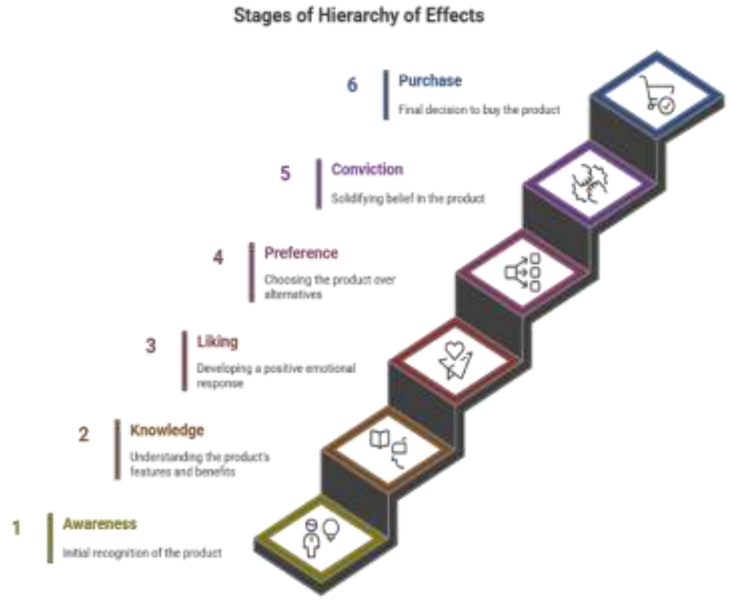
The DAGMAR model can be applied to advertising campaigns through the following steps:

- **Identify the Target Audience:** The content creator of the advertisement must know its target audience. Their demographic profile, likes, dislikes, and their field of experience all need to be researched before framing the message for campaigns.
- **Set Communication Objectives:** The achievable objective outcomes and goals are required to be framed in DAGMAR hierarchy (awareness, comprehension, conviction, and action).
- **Develop Advertising Messages:** The message must be framed keeping c**ommunication objectives and demographics in mind. The advertisement campaign's message must highlight the** product's features, benefits, and value proposition to the target audience.
- **Select Media Channels:** Media planning is the most important for the effective dissemination of the message to the target audience. Selecting an accurate media platform and channel would enhance the message reach. Here, advertisers need to consider media class and the media vehicle.

- **Implement the Advertising Campaign:** The campaign must be executed according to the media plan and budget.
- **Measure Results:** The effectiveness of the message must be evaluated according to communication objectives. Advertising agencies may use metrics such as brand awareness, recall, comprehension, and purchase intent to assess the effectiveness of the campaign.
- **Evaluate and Adjust:** Evaluating the results of the advertising campaign and modifications may enhance the effectiveness of the advertisement. The process may include revising the advertising messages, media channels, or communication goals.

7.6.3 Hierarchy of Effects

The hierarchy of effects theory, given by Robert J. Lavidge and Gary, emphasizes the influence of advertising on customers' decision-making on buying certain products and brands in a series of behavioral stages. It also talks about how consumers' behavior and purchase intention are affected by advertising. The process initiates the transition from being unaware of the product or brand to liking it and finally taking the action to purchase. Models demonstrate three stages as the cognitive stage (awareness, knowledge), the affective stage (liking, preference, conviction); and the behavioral stage (purchase).



Stages of Hierarchy of Effects

Three stages of cognitive stage

Stage 1 Cognitive stage (awareness, knowledge)

- Awareness

It is the initial stage, known as the awareness stage, where the customer gets the knowledge about the product or brand. If a consumer intends to buy a smartphone, the message of the advertisement must be framed to make the target audience aware of the brand or the product.

- Knowledge

After knowing about the brand, the customer would analyze and evaluate whether the product of that brand fulfills his/her needs or not. Customers may compare the product with other brands existing in the market. Here, it's the responsibility of the advertisement to give sufficient information to the customer about the features and related information of the product.

Stage 2 :- Affective stage

- Liking

The third stage is known as liking stage, it's a transition from cognitive to affective behavior. As the brand creates a positive image in the mind of consumers and develops a feeling of liking. For example, the consumer might like the features and design of the smartphone or find the HD camera of a phone very helpful.

- Preference

Now, comes the comparison; the consumers may know a few features of the brand, but at the same time, they might appreciate certain characteristics of other brands. Here, the advertisement copy needs to be written effectively, where the brand must differentiate itself from other products and gain consumer preference over its competitors.

- Conviction

It is the affirmation stage where customer make up their mind to purchase the product. At the conviction stage, consumer satisfy themselves and clear all their doubts and dilemmas about the product.

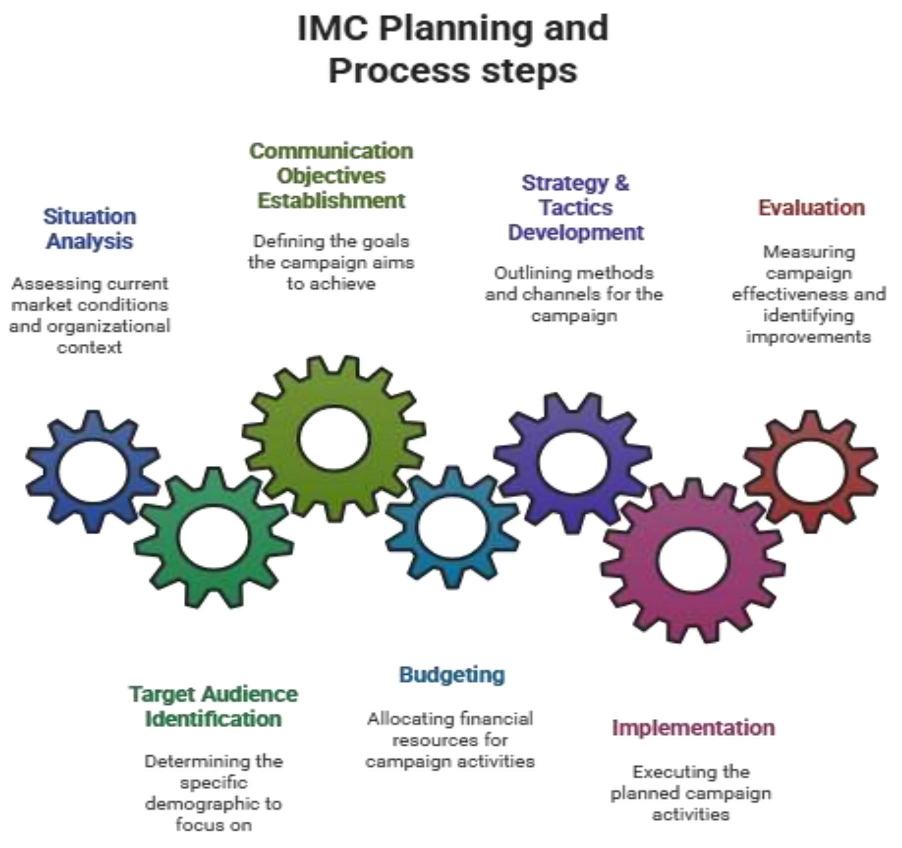
Stage 3 :- Behavioral stage (purchase).

- Purchase

Purchase is the last and final stage of the Hierarchy of Effects, where the consumer takes the action by the consumers to buy the product. e.g., the customer by offering pre-order choices, usage instructions, or a guarantee of post-sales support. A few more instructions and details about the product might help the customer develop faith in the brand, and they might not think twice to purchase any other product from the same brand.

7.7 IMC PLANNING AND ITS PROCESS STEPS

Situation Analysis → Target Audience → Communication Objectives → Budgeting → Strategy & Tactics → Implementation → Evaluation



Step 1 :- Situation Analysis

Conducting a Situation Analysis is an important step in IMC planning process. It comprises analyzing information about the internal and external situations that affect the organization's marketing efforts. Understanding **market Analysis includes (**market size, growth rate, trends, industry trends, and key segments**), Competitive Analysis (market share, product life cycle)**

Tools and Techniques for Situation Analysis:

- **SWOT Analysis:** A structure that focuses on Strengths, Weaknesses, Opportunities, and Threats of an organization.
- **PESTLE Analysis:** A framework for analyzing the Political, Economic, Social, Technological, Legal, and Environmental factors affecting the organization.

If a company is launching a car, it needs to introspect about itself first. Market research can be conducted to know opportunities and threats, the status of brand image, about competitors. It would help the company to make decisions and to adapt the market changes.

Step 2:- Target Audience Identification

It is essential to know your audience before developing Integrated Marketing Communication. Understand audience needs, likes, dislikes, and preferred communication channels.

Key elements for Target Audience Identification:

- **Demographics:** Age, gender, income, education, occupation, and other demographic characteristics.
- **Psychographics:** Values, attitudes, interests, and lifestyles.
- **Geographics:** Location, region, and climate.
- **Behavioural:** Purchase history, usage rate, brand loyalty, and other behavioral characteristics.

A well-researched target audience identification map would help the car company understand its customers better and create personalized, impactful messages.

Step 3:- Communication Objectives

The third step is to frame achievable and measurable communication objectives. The advertising message should be developed according to the SMART criteria: Specific, Measurable, Achievable, Relevant, and Time-bound. Communication objectives need to be aligned with inclusive marketing objectives and business goals.

If the car company needs to frame SMART Objectives, they need to keep the following things in mind.

- **Specific: The communication objective needs to be** clear and specific. The company that wants to launch the car must focus on marketing to make the target audience aware of the car's features and accessories.
- **Measurable:** The car company may establish **measurable goals** to track progress. The company may set sales goals for cars.
- **Achievable:** It is important to understand that setting realistic goals that can be accomplished, realistic objectives should be developed. They must set achievable sales objectives. The car company may set achievable marketing goals.
- **Relevant:** The company may set out the Advertising objectives and goals that need to be feasible and aligned with the overall marketing goals.
- **Time-bound:** It is important to understand that the company must set a marketing goal for a fixed time frame. If the sales are seasonal, then the company may select a time frame for promotion.

Step 4:- Budgeting

Budgeting is an important factor for every marketing and promotion. It is the process of allocating financial resources for communication strategies. The goals of marketing and promotional strategy influence the amount of budget allotment. New products may require larger budgets than established brands. Cutthroat competition may lead to high budget allotment.

Companies must allocate the budget, keeping the following things in mind.

- **Percentage of sales method:** The company may allocate budget based on a fixed percentage of estimated sales.
- **Objective and task method:** If there is any specific objective and task related to promotion, then the budget allotment should be accordingly.
- **Competitive parity method:** Sometimes, the budget allotment is done keeping the competitor's budget or market position in mind.

Step 5:- Strategy and Tactics

- A strategy needs to be developed for disseminating the message across various channels. The development of the strategy focuses on the ways to achieve the communication objectives. It involves creating an effective message that needs to be communicated to the target audience. Appropriate media channel selection through media planning is also involved for the effective dissemination of the message.

Advertising, Public Relations, Sales Promotion, Direct Marketing, Digital Marketing, and Personal Selling are the promotion tactics involved for an effective IMC campaign. The Car company may use advertising, public relations, and digital marketing for the promotion of its new car.

Step 6: -Implementation

- This is the stage for execution of the planned IMC campaign. It required coordination with the media planning team and ensuring that ads are running timely. Continuous **monitoring and tracking of the campaign is eventually important. The frequency of the display of ads and the reach of media also need to be monitored. The car company must keep an eye on the frequency, reach, circulation, and execution of the campaign.**

Step 7:- Evaluation

- The last and most important step is the evaluation of and effectiveness of the IMC plan. This involves measuring the outcomes of the IMC campaigns and comparing them with the communication objectives. It is the analysis of whether we have achieved the desired goal or not. If not, then what are the aspects we need to work on?

Key Metrics for Evaluation:

- **Awareness:** Evaluating the level of awareness of the brand, product, or service within the target audience.
- **Knowledge:** Measuring the level of knowledge of the brand, product, or service among the target audience.
- **Liking:** Analyzing the level of liking of the brand, product, or service within the target audience.
- **Preference:** Analyzing the level of preference for the brand, product, or service among the target audience.
- **Purchase:** Measuring the number of purchases of the brand, product, or service.
- **Return on Investment (ROI):** Measuring the financial profit the company has made after the execution of the campaign.

The evaluation can be done through a survey, by analyzing sales data, tracking website traffic, and engagement on social media.

7.8 The brands used IMC for marketing and promotion

- **#ShareACoke Campaign:** Coca-Cola's 'Share a Coke' campaign focuses on enhancing Consumer Engagement by encouraging consumers to feel a personal connection with Coca-Cola. consumers found their loved ones' names on personalized Coke cans. Coca-Cola invited photos and stories with their personalized cans on the social media platform with the hashtag # ShareACoke. Using emotional appeal and IMC strategy by Coca-Cola gave a memorable experience to the customers and increased the brand value.
- **#VoiceOfHunger campaign:** Swiggy, a leading Indian food delivery platform, used the #VoiceOfHunger campaign to engage the audience on social media. Under the campaign, people were invited to record their food cravings on Instagram "hunger pangs" using imaginative and artistic tones. The interactive format not only resonated with foodies but also projected the playful and relatable side of the swiggy as a brand.
- **Amul:** Amul's marketing and promotional strategies have set the benchmark for other brands also. It is famous for its unique representation of political and social satire in witty cartoons. The Amul Cartoons often project ongoing trending events, political scenarios with a hilarious and significant touch. The legacy of making cartoons has created a sense of familiarity and nostalgia.

7.9 FUTURE OF IMC

Digital advancement has penetrated every sector of commerce. The future of Integrated Marketing Communications (IMC) consists of advanced personalization through AI and data analytics, a seamless cross-channel and omnichannel approach to customer experience, and immersive technologies like AR/VR. At the same time, it may also raise concerns for social responsibility and sustainability. Technology advancement may lead to diverse communication channels, well-crafted personalized messages, and interactive platforms.

Key Trends Shaping the Future of IMC

- **Personalization and AI:**

  Artificial intelligence (AI) will enable brands to create personalized messages to build a strong relationship with customers. It will help to analyze huge consumer data and their experiences for a better understanding of the target audience and to create more effective and targeted campaigns.

- **Omnichannel Marketing:**

  IMC has always advocated cross-platforms to reach the audience. AI would lead to having cross-sectional advanced digital platforms, creating an immaculate and consonant experience for customers across multiple touchpoints.

- **Immersive Technologies:**

  Virtual reality (VR) and augmented reality (AR) will play a vital role, offering immersive and interactive experiences that allow customers to visualize products and engage with brands in new ways.

- **Data-Driven Decisions:**

  For effective marketing, it is important to have data and analytics for making good marketing decisions. It will benefit the companies to create effective, efficient, and engaging campaigns according to customer needs.

- **Sustainability and Social Responsibility:**

Sustainability and Social Responsibility are the terms closely associated with the brand image. Brands promote their corporate social responsibility activities through IMC campaigns. This would enhance the brand's identity and customer loyalty.

7.10 KEYWORDS

Branding, Digital Marketing, Target Audience, Brand loyalty, Cross-Sectional Communication, Future of AI

7.11 SUMMARY

- It is a strategic approach to disseminating the brand and company message to targeted customers. It acts as a link between promotional, marketing of the brand to customers. IMC ensures that all forms of communications and messages are carefully linked together.
- IMC enables **Constant Brand Communication, improved Consumer Participation, Efficient Resource Allocation**, **Better return on investment, Enhanced Brand Loyalty, Competitive Advantages.**
- IMC includes Advertising is the paid promotion of goods and services. **Public Relations deals with image building of the brand among the internal and external public. Direct Marketing like** Email, direct mail, telemarketing, and SMS, direct marketing is used to target a specific audience. Digital marketing through social media/ online platforms and channels is a new way of promotion. Event and workshops: IMC enables customers to have live experiences of the product. Conducting workshops, exhibitions live demonstrations of the product may give an elated experience to the customers.
- Planning and its Process Steps of Integration Marketing and Communication involves Situation Analysis, Target Audience, Communication Objectives, Budgeting, Strategy & Tactics, Implementation and Evaluation.
- During IMC conducting a Situation Analysis is an important step in IMC planning process. It comprises analysing information about the internal and external situations that affect the organization's marketing efforts. Understanding **market Analysis includes (**market size, growth rate, trends, industry trends, and key segments**), Competitive Analysis (market share, product life cycle)**

- It is important to frame achievable and measurable communication objectives. The advertising message should be developed according to the SMART criteria: Specific, Measurable, Achievable, Relevant, and Time-bound. Communication objectives need to be aligned with inclusive marketing objectives and business goals.
- Budgeting is an important factor for every marketing and promotion. It is the process of allocating financial resources for communication strategies. The goals of marketing and promotional strategy influence the amount of budget allotment
- Implementation in IMC required coordination with the media planning team and ensuring that ads are running timely. Continuous **monitoring and tracking of the campaign is eventually important. The frequency of the display of ads and the reach of media also need to be monitored.**
- Evaluation of and effectiveness of the IMC plan involves measuring the outcomes of the IMC campaigns and comparing them with the communication objectives. It is the analysis whether we have achieved the desired goal or not.
  If not, then what are the aspects we need to work on.

7.12 SELF-ASSESSMENT TEST

7.12.1 Theory assignment

Q1. Define **Integrated Marketing Communication (IMC)** and explain its **importance** in today's marketing landscape.

Q2. Identify two challenges companies face while implementing IMC campaigns.

Q3. Describe the IMC Planning Process, highlighting how advertising and PR are integrated.

Q4. Explain its importance in today's marketing environment, considering the rise of digital platforms.

Q5. Elucidate **five key objectives** of implementing an IMC strategy.

Q6. Describe the **seven-step IMC planning process**.

Q7. Analyze the future of IMC in the changing paradigm shift.

7.12.2 Practical Assignment

Assignment 1:- Design a **mini IMC plan** for:

- A **new product launch**, or
- A **college event** like fest or sports day.

Your plan should include:

1. Target Audience
2. Key Message/Slogan
3. Tools/Channels to be used (Advertising, SocialMedia, etc.)
4. Budget Estimation (rough idea)
5. Expected Outcomes

Assignment 2:- Choose **any one brand or campaign** (e.g., Coca-Cola, Nike, Zomato, Swiggy, Apple, etc.) and analyze its **IMC strategy** using the following points:

Your answer must include the background of the brand, Campaign Objective, I**MC Tools Used**, and **Impact/Results**.

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SUBJECT: ADVERTISING: CREATIVITY & CONSUMER BEHAVIOUR	
COURSE CODE: MSM-523- C	AUTHOR: DR. NEHA BHAGAT
LESSON NO.: 8	VETTER: DR. NISHA SINGH
ADVERTISING: CONCEPT OF AUDIENCE MEASUREMENT; OPPORTUNITY TO SEE (OTS), COST PER THOUSAND (CPT), GROSS IMPRESSION, GROSS RATING POINT (GRP)	

STRUCTURE

8.0 LEARNING OBJECTIVES

After reading this unit, you will be able to:

- Understand the concept of audience measurement.

- Define and explain key media metrics.
- Differentiate between various audience measurement terms

8.1 INTRODUCTION

Concept of Audience Measurement

Picture this: you pour millions into an advertising campaign, only to find out later that you have no clue if anyone actually noticed it or remembered it. In today's fast-moving media world, where content bombards us from every direction, brands can no longer rely on guesswork. They need clear, evidence-based insights to understand whether their message is reaching the right people, at the right moment, and through the right channels.

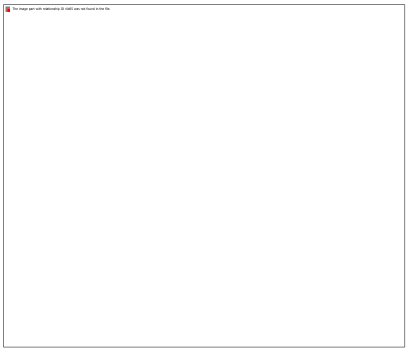
This is where audience measurement comes in a quiet but powerful force in the media and advertising industry. Simply put, audience measurement is the practice of gathering and analyzing data about who is consuming media or advertisements, including their size, traits, and behaviour.

Audience measurement turns broad guesses into clear, actionable numbers, giving advertisers and broadcasters insight not only into how many people see their content, but also who those people are, when they engage, and how that engagement shapes the effectiveness of the message. Without this understanding, media planning is like shooting in the dark making investments riskier, less efficient, and harder to justify.

At its heart, audience measurement answers the most basic questions in media and advertising: Who actually saw or heard the advertisement? And how often did they encounter it?

Who exactly are the people seeing or hearing an advertisement? What are their age, gender, income, location, interests, and lifestyle? And perhaps most importantly did the exposure achieve its intended purpose? Whether the goal was building brand awareness, sparking curiosity about a product, or motivating a purchase, measuring audience engagement is what allows advertisers to link their investment to real results.

Traditionally, audience measurement was closely tied to broadcast media like television and radio. Decades ago, when media choices were limited and viewing habits were more predictable, standardized systems like Nielsen ratings in the U.S. or BARC ratings in India became essential benchmarks. They provided a common language for understanding success: how many people tuned in, what portion of the potential audience they represented, and which demographics were most engaged. This data didn't just guide advertisers; it influenced programming decisions, ad pricing, and overall network strategies.



However, the media landscape has shifted dramatically. With the explosion of digital **platforms**, audience measurement has expanded far beyond the living room TV set or the car radio.

Today, the media landscape has changed dramatically. A single campaign might now span TV commercials, social media posts, YouTube ads, influencer partnerships, website banners, podcast sponsorships, email newsletters, and even digital billboards. Each platform has its own ways of measuring engagement: social media tracks likes, shares, and watch time; websites analyze clicks and scroll behavior; outdoor ads estimate impressions based on foot traffic.

Despite the variety of tools, the goal remains consistent: to quantify and qualify audience engagement so that advertisers and media planners can make informed, strategic decisions. Success isn't just about how many people see a message, it's about reaching the right people, with the right message, at the right time.

The stakes for accuracy are high. Inaccurate or incomplete data can lead to wasted budgets, missed opportunities, and ineffective messaging. Imagine a brand assuming that a certain prime-time TV show is wildly popular among young adults, and investing heavily to advertise during it. If audience measurement reveals that the show's actual viewers are predominantly older adults, the entire campaign could fail to connect with its intended audience. That brand could have instead redirected its budget toward streaming platforms, Instagram ads, or events that better align with its target demographic.

In other words, audience measurement doesn't just tell brands what happened it empowers them to decide what to do next. It acts as a feedback loop, where each campaign provides data that shapes the next one, leading to more precise targeting, more efficient spending, and a stronger return on investment. In an era where consumer attention is fragmented across countless screens and channels, this feedback is no longer a luxury, it's a necessity.

In today's world, where people are constantly switching between screens and platforms, understanding your audience has never been more important. Audience measurement doesn't just show numbers, it reveals who is paying attention, how they engage, and what truly resonates with them. With these insights, brands can make smarter choices, spend budgets wisely, and create messages that actually connect. Skipping this step isn't just risky; it can mean wasted effort and missed opportunities. On the other hand, when brands embrace audience measurement, every campaign becomes a chance to learn and improve, ensuring that messages reach the right people at the right time.

It also allows brands to see patterns over time, helping them anticipate audience behavior rather than just reacting to it. Campaigns become more than temporary pushes; they evolve into meaningful conversations with the audience. This feedback loop makes advertising more efficient, more personal, and more impactful. By truly understanding their audience, brands can build trust, loyalty, and lasting connections that go beyond a single ad or campaign. In essence, audience measurement is not just a tool it's a guide that helps brands turn insights into action and ideas into results.

8.1.1 Opportunity to See (OTS)

Imagine walking through a bustling street every day, past the same coffee shop window with a bright poster of a new drink. You might not feel the urge to buy it the first time you see it, or even the third, but with each pass, that familiar image begins to settle in your mind.

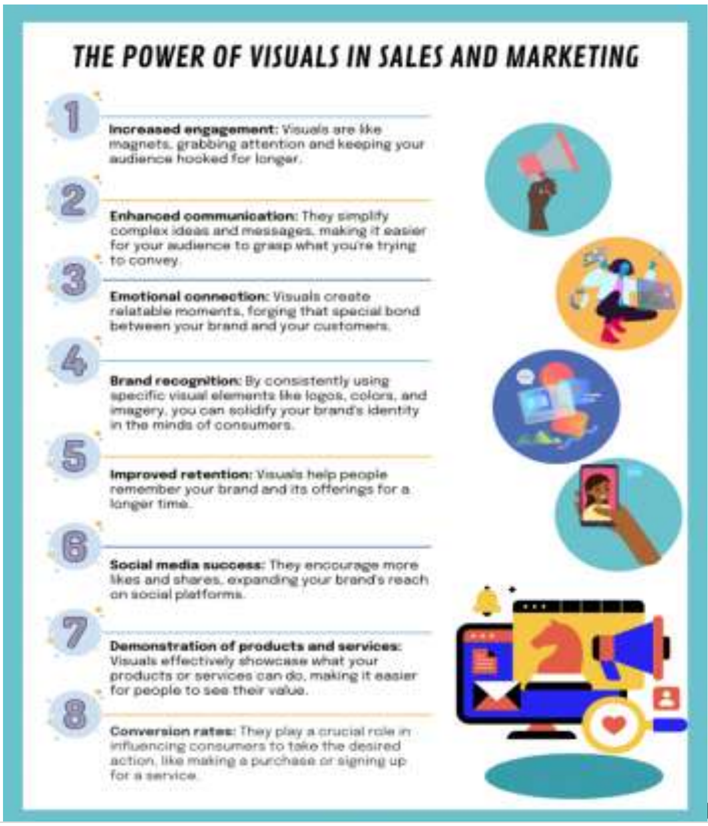
Over time, the repeated sight makes it feel more recognizable, more inviting, and gradually harder to ignore. This repeated chance to notice something even if you don't always pay attention is the essence of **Opportunity to See (OTS)**, one of the most fundamental ideas in audience measurement.

OTS refers to the average number of times an individual within a target audience could potentially be exposed to an advertisement. It's important to remember that this is about *potential exposure*, not guaranteed attention. Just because someone had the opportunity to see an ad doesn't mean they actually noticed it, engaged with it, or remembered it.

Still, this metric is vital because it tells advertisers how frequently their message is being made available to the audience, giving a foundation for understanding reach and repetition.

In real-world use:

- In television, OTS is calculated by how often a commercial airs during programs watched by the target audience.
- In outdoor advertising, it may be based on traffic data and pedestrian flow.
- In digital campaigns, it could be tied to the number of times ads are displayed on users' screens.



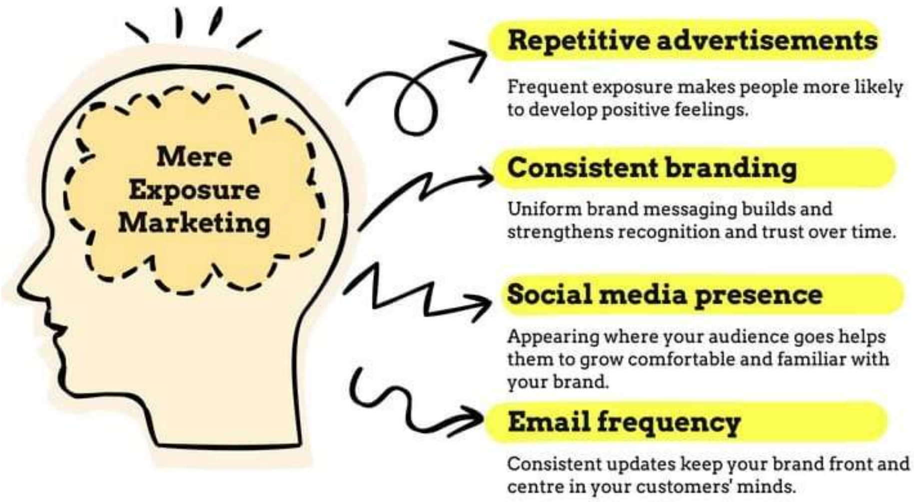
Consider a beverage brand launching a summer campaign in Mumbai using digital billboards near metro stations. Data might reveal that

200,000 commuters pass these billboards each day. If the ad runs continuously for 30 days, the OTS would reflect the sheer scale of potential reach millions of opportunities for commuters to notice the campaign. While not every commuter will pay attention, the metric quantifies the campaign's presence in their daily environment.

Why balance matters:

Case studies show that:

- Too few opportunities may mean the audience never truly absorbs the message.



- Too many ad exposures can lead to ad fatigue, where the audience starts tuning out. For instance, a mobile network operator in South Africa discovered that increasing opportunities-to-see (OTS) from 3 to 8 exposures significantly improved brand recall.

You might not feel the urge to buy it the first time you spot it, or even the third. But with each passing glance, that familiar image quietly settles into your thoughts, often without you even noticing. Over time, it becomes part of the backdrop you've grown used to something your mind begins to welcome. As that sense of comfort grows, so does its pull, until one day it no longer feels like just another object in a shop window, but rather something meant for you, softly inviting your attention.

That's the subtle magic of repeated exposure. It works quietly in the background, shaping how you see things without ever demanding your full focus. Gradually, familiarity turns into a sense of connection, and that connection sparks curiosity. Curiosity makes you stop, look closer, and maybe even take action. Advertisers count on this slow, almost invisible process to make a product feel as though it has always belonged in your life.

Opportunity to See (OTS) may seem like a simple metric at first glance, but its impact on advertising is profound and far-reaching. It reminds us that attention is rarely instantaneous most of the time, awareness grows quietly, layer by layer, through repeated exposure. Each glance, even when only partially registered, builds a subtle familiarity that shapes perception and primes the audience for eventual engagement.

This slow, cumulative effect is the heartbeat of effective campaigns. By measuring OTS, advertisers gain more than just numbers; they gain insight into how often their message touches the audience, how deeply it embeds in their minds, and where the sweet spot lies between underexposure and oversaturation.

Finding that balance is both an art and a science. Too few exposures, and a campaign risks being forgotten; too many, and the audience may grow weary, tuning out entirely.

Thoughtful planning informed by OTS data ensures that brands remain visible without becoming intrusive, creating a sense of gentle familiarity rather than annoyance. It also allows for smarter allocation of resources knowing where to place ads, when to show them, and how often to repeat them can maximize impact without unnecessary expense.

8.1.2 Cost Per Thousand (CPT)

At its core, audience measurement answers fundamental questions: How *many people saw or heard an advertisement? How often were they exposed to it? Who were these individuals in terms of* *demographics, location, or interests? Did the exposure result in the intended impact, such as brand awareness, product interest, or purchase intent?*

In the past, audience measurement was mostly linked to broadcast media like TV and radio, with systems such as Nielsen ratings in the U.S. and BARC ratings in India serving as standard benchmarks.But the media landscape has changed drastically. With the rise of digital platforms, measurement now spans multiple channels: television, radio, print, social media, websites, streaming services, and even outdoor advertising. While the methods vary, the purpose remains the same: to quantify and qualify audience engagement so advertisers can make well-informed decisions.

The importance of accuracy here cannot be overstated. A small error in understanding your audience can lead to huge losses in efficiency and missed opportunities. For example:

- Wrong assumption - believing a TV show attracts young adults when it actually skews older.
- Impact — budget wasted on the wrong demographic.
- Solution — redirect spend to channels that match the intended audience.

Imagine you're planning a party and have to send out invitations. You have a budget, but you want to make sure that every rupee you spend on printing and distributing those invites actually gets them into the hands of the right people, the ones who will show up and enjoy the event. Advertising works in a similar way, and Cost Per Thousand (CPT), also known as Cost Per Mille (CPM), is the tool marketers use to figure this out. Here, "thousand" doesn't refer to money, it means every 1,000 members of your target audience that see your ad.

At its simplest, CPT is calculated by dividing the total cost of an advertising campaign by the number of impressions it generates, measured in thousands. For example, if a newspaper ad costs ₹500,000 and is expected to reach 200,000 readers, the CPT would be ₹2,500 meaning that's what you're paying to reach every 1,000 readers. This single figure helps advertisers quickly compare different media options and see where their money works hardest.

The beauty of CPT is that it works across all platforms from traditional TV, radio, and print to digital display ads, social media campaigns, and YouTube pre-rolls. In digital advertising, platforms like Facebook Ads Manager display CPM as a core metric, allowing marketers to benchmark their performance and decide if an ad is cost-efficient.

Consider a real-world example from the FMCG sector. A skincare brand tested two campaigns: a TV ad aired during a prime-time soap opera and an Instagram Stories ad targeted at women aged 18–35. The TV ad reached 5 million viewers at a CPT of ₹300, while the Instagram ad reached 2 million users at a CPT of ₹150. Even with the smaller reach, Instagram delivered higher engagement and more sales conversions, simply because it reached exactly the right audience with a message tailored to them.

Here’s the catch: a low CPT only holds real value when those impressions are reaching the right audience. Otherwise, you could end up with a “cost-effective” campaign that talks to the wrong people and delivers little to no results.

In simple terms, CPT isn’t about cutting costs, it's about spending wisely. Every 1,000 views should bring you closer to achieving your advertising goals.

Think of it this way: reaching 10,000 uninterested people is far less effective than reaching 1,000 people who genuinely care about your message.

Targeted impressions build stronger connections, which in turn create better chances for engagement and conversion. When cost, audience, and objectives are in harmony, each rupee you spend works harder. This is why successful campaigns balance efficiency with precision, ensuring that low cost never comes at the expense of impact.

In practice, audience measurement gives advertisers:

- Clarity on who is consuming their content.
- Timing insights on when engagement peaks.
- Proof of effectiveness in delivering the intended message.

In conclusion, audience measurement is a critical foundation for successful advertising, providing far more than just numbers or basic metrics. It offers a deep understanding of who is

consuming content, how they engage with it, and the contexts in which they are most receptive. By analyzing audience demographics, behaviors, preferences, and engagement patterns, marketers can craft campaigns that resonate personally, rather than relying on generic, one-size-fits-all approaches. Insights into timing and platform usage allow advertisers to reach audiences at the moments when they are most attentive, maximizing the chances of meaningful interaction.

Beyond individual campaigns, audience measurement informs long-term strategy, helping brands identify emerging trends, anticipate shifts in consumer behavior, and make informed decisions about where to allocate resources for maximum impact. It also provides accountability by demonstrating whether advertising efforts are meeting their objectives and generating measurable results. Ultimately, audience measurement transforms advertising from guesswork into a precise, evidence-based process. By leveraging accurate data, marketers can ensure that every campaign is targeted, efficient, and effective, turning every interaction into an opportunity to build engagement, strengthen brand loyalty, and achieve business goals.

Moreover, understanding the audience at this level fosters empathy; it allows brands to see the world through their customers' eyes, anticipating needs, preferences, and pain points. This deeper connection moves advertising beyond mere promotion; it becomes a dialogue, a way to genuinely relate to people rather than simply sell to them. In a landscape crowded with messages and distractions, audience measurement gives brands the clarity to cut through the noise, create meaningful experiences, and build trust that lasts far beyond a single campaign. It is, therefore, an indispensable tool for any modern advertiser seeking meaningful and lasting impact.

8.1.3 Gross Impressions

Think of Gross Impressions as the total "footprints" your advertisement leaves in the minds of an audience every single time it's seen or heard, no matter how many times by the same person. It's like counting *every handshake at a networking event*, not just the number of people in the room. If one

person shakes your hand three times during the evening, that's still three handshakes in the total count.

In advertising terms, Gross Impressions measure the **total volume of exposure** your message receives across all airings, postings, or plays. It doesn't matter whether the exposure is to the same person multiple times — every instance is counted. This makes it different from metrics like "reach," which count unique viewers only once.

Let's make it concrete. Imagine a TV commercial airing 10 times, each time reaching 100,000 people. By multiplying the number of airings by the number of people reached each time, you get 1,000,000 Gross Impressions. That's a million total viewings of your ad — even if some people were in the audience multiple times.

- **Number of ad airings:** How many times your ad was shown during the campaign.
- **Audience per airing:** The estimated number of viewers or listeners for each showing.
- **Gross Impressions calculation:** Multiply the two to understand the total exposure.

This metric becomes especially powerful in **large-scale campaigns** where **sheer visibility** is the goal. For example, consider a nationwide product launch or a political campaign.

During the Indian general elections, political parties often aim to flood every possible channel — TV, radio, newspapers, YouTube, Facebook — with their message. If their combined media plan results in 500 million impressions, that number reflects the **total saturation** of their communication across the country's media landscape.

A concrete case study comes from the launch of **Coca-Cola's "Share a Coke" campaign in India**. The campaign featured personalized bottles with popular names, combined with TV commercials, outdoor hoardings, social media posts, and YouTube videos.

Over a three-month period, the campaign generated **over 300 million Gross Impressions** across TV, digital, and outdoor platforms.

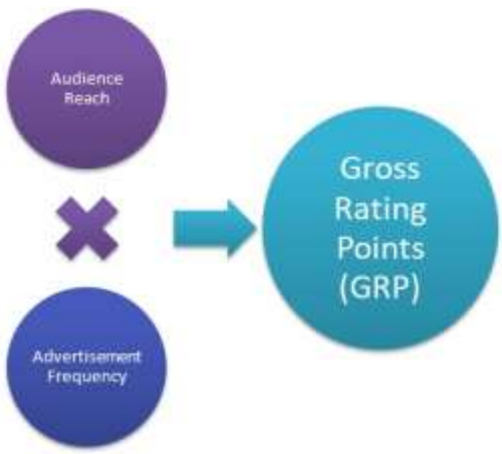
Key learnings from this example:

- **Scale matters:** Gross Impressions provide a sense of how widely your campaign has been seen.
- **Message repetition:** The large number of impressions ensured repeated exposure, increasing brand recall.
- **Strategic planning:** High Gross Impressions need to be analyzed alongside reach and frequency to avoid ad fatigue.

The beauty of Gross Impressions lies in its simplicity: it tells you how many "times" your ad message got out into the world. But it doesn't tell you how many *different* people saw it or whether the audience found it engaging. Watching an ad 20 times might increase recall, but it could also lead to viewer fatigue or irritation if the frequency feels excessive.

This is why smart marketers never look at Gross Impressions in isolation. They compare it alongside **reach** (unique audience size) and **frequency** (average number of times each person saw the ad). The sweet spot balances visibility with engagement, ensuring the message is noticed without becoming annoying.

Gross Impressions can be thought of as the total number of times your message has appeared in front of your audience; it's the raw, unfiltered count of every single exposure. Imagine it as knocking on doors across a neighborhood: each knock represents a chance for someone to notice your message. However, just knocking doesn't guarantee that anyone will open the door or pay attention. The effectiveness of these impressions depends on how thoughtfully you design and execute the rest of your campaign from the timing and placement of your ads to the creativity and relevance of your content. In other words, Gross Impressions measure your reach, but



true impact comes from connecting with the audience in a way that turns these exposures into engagement, interest, or action.

Each impression is an opportunity to reinforce your brand in the minds of your audience. Repetition builds familiarity, which can eventually lead to trust and recognition. But if your messaging isn't aligned with audience needs or preferences, even high numbers of impressions may go unnoticed. That's why strategic planning, audience segmentation, and creative messaging are essential alongside raw exposure metrics. In essence, Gross Impressions tell you "how often your message was seen," but the art of advertising lies in ensuring those impressions truly resonate.

While Gross Impressions give a clear picture of how many times your message appears, they are just the starting point. True advertising success comes when those impressions translate into meaningful engagement when the audience not only sees your message but remembers it, relates to it, and acts on it. It's the combination of frequency, relevance, and creativity that transforms simple exposure into impact. Moreover, impressions help brands understand the rhythm of audience attention how often people encounter a message before it begins to resonate. They also provide insight into which channels and placements are most effective, allowing marketers to focus resources where they matter most. When paired with thoughtful content and strategic targeting, Gross Impressions become more than just numbers; they become a guide for shaping memorable, persuasive campaigns that leave a lasting impression in the minds of the audience.

In addition, analyzing Gross Impressions over time allows brands to identify patterns in audience behavior, revealing which messages capture attention and which are overlooked. They also help measure the efficiency of campaigns, showing where repetition is working and where it might risk causing fatigue. By combining this data with audience demographics and engagement metrics, marketers can create highly personalized campaigns that speak directly to the needs and interests of their target audience. This approach transforms raw exposure into meaningful connections, turning every impression into an opportunity to build trust, loyalty, and long-term brand value.

8.1.4 Gross Rating Points (GRP)

Imagine you're trying to throw a party and want to make sure not only that enough guests show up, but also that they experience the highlights multiple times like hearing your favorite song repeatedly or tasting the signature dish several times.

Advertising works in a similar way: it's not just about reaching people once, but ensuring your message lands enough times to make an impression. This is where **Gross Rating Points (GRP)** come in a metric that combines reach and frequency into a single, powerful measure of campaign impact.

GRP is one of the most widely used metrics in advertising, particularly in television and radio campaigns, because it provides a **single, combined measure of reach and frequency**. Think of GRP as a way to gauge the "weight" of a campaign in the market — not just how many people saw it, but also how often they saw it. It's like measuring both the **size of your audience** at a concert and the **number of times each person claps** to understand the overall impact of the performance.

GRP is calculated using a simple formula:

GRP = Reach (%) × Average Frequency

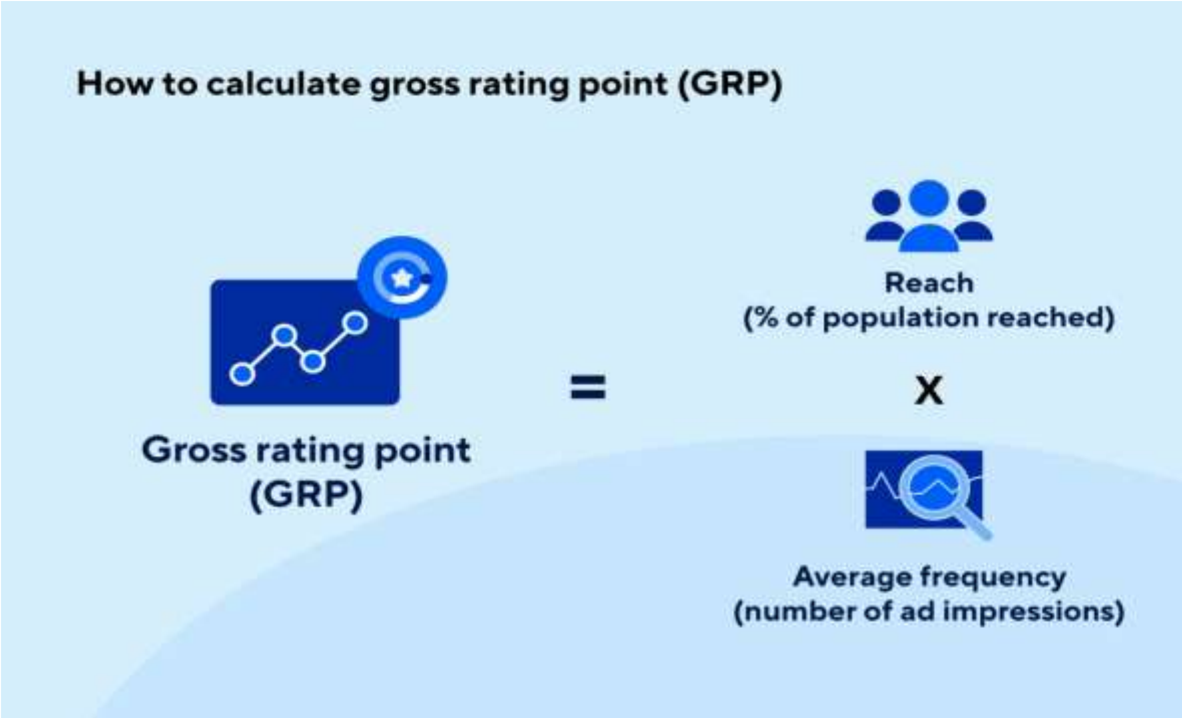
For example, if a campaign reaches 50% of the target audience and each person sees the ad an average

of 4 times, the GRP would be 200. It’s important to remember that GRP does not count the number of people; rather, it expresses the **combined intensity and coverage** of a campaign. A higher GRP indicates more substantial exposure, which can be crucial for brand recall and awareness.

- **Reach (%)**: The proportion of the target audience exposed to the ad at least once.
- **Average Frequency**: The average number of times those exposed individuals saw the ad.
- **GRP**: The “weight” of the campaign, combining both reach and repetition into a single metric.

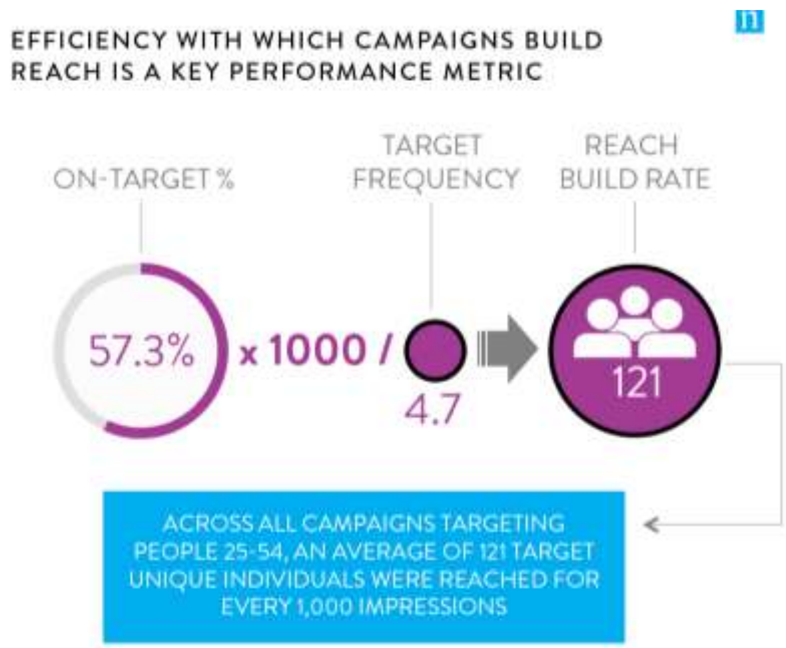
GRP is particularly valuable for planning and comparing campaigns. For instance, a beverage company might run two seasonal campaigns: one during summer with a GRP of 300 and another in winter with a GRP of 150. The summer campaign, with its higher GRP, indicates a more intense presence and greater likelihood of audience recall. Media planners can use this information to **allocate budgets effectively**, select optimal time slots, and decide how frequently ads should air to maximize impact.

Case studies reinforce the usefulness — but also the limits — of GRPs. For example, a telecom provider in Europe found that campaigns with GRPs above 400 consistently boosted brand awareness and recall. Consumers were more familiar with the brand and its messaging, showing that high GRP can effectively build visibility. However, the same campaigns did not always translate into proportional sales increases. This highlights an important insight: while GRPs measure **exposure weight**, actual consumer behavior depends on additional factors such as **creative quality, message relevance, pricing, and competition**.



In the complex landscape of modern advertising, Gross Rating Points (GRPs) are far more than just a number—they act as a strategic compass for marketers navigating the crowded media environment. While many might assume that a high GRP automatically translates into increased sales, its true value lies in providing a nuanced understanding of how a campaign's message is delivered to the audience. Essentially, GRPs quantify the weight of exposure, combining both reach—the percentage of the target audience that sees the advertisement at least once—and frequency—the average number of times those individuals encounter the ad. This combination allows advertisers to gauge not only the breadth of coverage but also the depth of engagement, ensuring that campaigns are neither too sparse to be noticed nor excessively repetitive to cause audience fatigue.

The practical significance of GRPs lies in their ability to guide strategic decision-making. For instance, a brand planning a national campaign can use GRPs to compare different media channels and time slots, evaluating which combination maximizes exposure without overburdening viewers. By understanding how intensely their message is being delivered, advertisers can optimize scheduling, adjust budgets, and tailor content placement to align with audience behavior and preferences. This ensures that key messages are reinforced enough times to be memorable, but not to the point where they provoke disinterest or irritation. In this sense, GRPs act like a compass, pointing marketers toward the optimal balance between coverage and repetition, rather than promising immediate sales outcomes.



High GRPs are particularly valuable in building brand recall. Frequent, well-timed exposures strengthen memory retention, making it more likely that consumers remember the brand when making purchasing decisions.

However, GRPs alone cannot guarantee effectiveness. The creative quality of the advertisement, its relevance to the target audience, timing of delivery, and competitive dynamics all play crucial roles in determining how exposure translates into action. An ad with exceptional reach but poor creative execution may fail to resonate, while a highly relevant ad strategically placed to achieve optimal frequency can create lasting impressions even with moderate GRPs.

From a planning perspective, GRPs also serve as a benchmarking tool. They enable advertisers to evaluate campaigns across different platforms, media types, and periods, facilitating informed decisions about resource allocation.

For example, comparing GRPs across television, digital, and print campaigns can highlight which channels are most effective at delivering desired exposure levels, guiding marketers toward more efficient investment. Additionally, monitoring GRPs helps prevent both underexposure, which can result in missed opportunities for awareness, and overexposure, which can lead to audience fatigue or negative sentiment.

Ultimately, GRPs offer a macro-level perspective of campaign performance. They do not merely count the number of viewers but measure the intensity and frequency of exposure, providing a comprehensive view of market presence and media weight.

By translating complex audience interactions into a single, interpretable metric, GRPs empower advertisers to plan strategically, optimize campaigns, and enhance brand visibility, ensuring that their messaging reaches the right people at the right frequency to leave a meaningful impression.

8.3 CHECK YOUR PROGRESS

Note: 1) Use the space below for your answers.

2) Compare your answers with those given at the end of this lesson

1. Audience measurement helps advertisers understand how effectively their message reaches the target audience.(True/False)

2. Cost Per Thousand (CPT) measures the cost incurred to reach one individual in the target audience. (True/False)

3. Gross Impressions measure the total number of ___________ delivered by a media schedule.

4. The higher the **GRP**, the higher the total ___________ of the campaign.

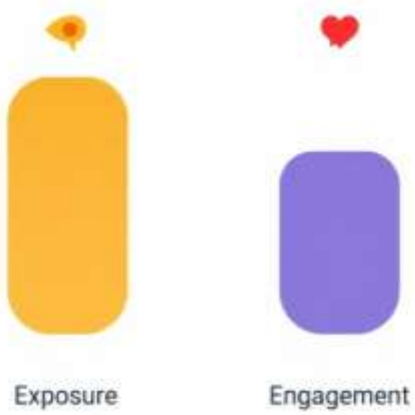
8.4 SUMMARY

In today's fast-paced advertising world, consumers are constantly bombarded with messages from television screens to social media feeds, mobile apps, podcasts, billboards, and streaming platforms. Capturing attention has become an intricate challenge, and holding it even more so. Unlike earlier eras of advertising, when a handful of channels and mass audiences allowed brands to rely on broad, generic strategies, modern marketing requires precision, strategy, and a deep understanding of people. Audience measurement has evolved from a simple tool into a critical lens through which brands can truly understand how far their message reaches, how it resonates, and the impact it leaves.

At its heart, audience measurement is a delicate blend of science and art. On the scientific side, metrics like Opportunity to See (OTS), Cost Per Thousand (CPT), Gross Impressions, and Gross Rating Points (GRP) provide a clear, data-driven foundation. They quantify how many people see a message, how often they see it, and what it costs to reach them. For example, a high Gross Impression count shows that a brand's message is "knocking" on many doors repeatedly, increasing the chances of being noticed. OTS reflects the likelihood of a message being seen, CPT measures cost-efficiency, and GRP gives an overall picture of a campaign's reach and intensity. These metrics allow marketers to plan, evaluate, and optimize campaigns with confidence.

But numbers alone can't tell the full story. The true power of audience measurement lies in its artful interpretation. Understanding human behavior, psychology, and cultural context helps marketers move beyond raw data to meaningful insights. Two campaigns with identical GRP scores, for example, can have wildly different outcomes depending on the creativity of the messaging, its relevance to the audience, and the platforms it appears on. One might spark engagement and loyalty, while the other disappears in the noise of competing campaigns.

Humanizing metrics means seeing things from your audience's perspective. It's about going beyond "How many people saw this?" to ask, "How did it make them feel?" Did the message spark curiosity, conversation, or action? Did it resonate with their lifestyles, values, and beliefs? This empathetic approach turns audience measurement from a purely technical exercise into a powerful tool for building real, meaningful connections.



The interplay of science and art is most visible when looking at exposure versus engagement. High exposure — measured through OTS or Gross Impressions — is valuable, but it's only the beginning. Real communication happens when exposure becomes engagement: when a message provokes thought, stirs emotion, or motivates action.

Similarly, a low-cost campaign may look efficient on paper, but if it reaches the wrong audience, it produces little real-world value.

Creativity and storytelling are essential partners to metrics. A compelling narrative can turn a simple exposure into a memorable experience. Campaigns that tell relatable stories, touch on cultural moments, or spark emotion often outperform those relying solely on numbers. Metrics, then, are not a replacement for creativity — they're a way to refine it, optimize it, and measure its impact.

Modern audience measurement also highlights the importance of context and personalization. Digital platforms allow advertisers to tailor content to specific demographics, behaviors, and preferences. Algorithms can forecast which messages will connect with which audiences, while metrics offer real-time feedback. Combining data with creativity allows brands to run highly targeted campaigns that feel personal and relevant, turning simple impressions into meaningful experiences.

Another challenge today is the fragmentation of media consumption. Audiences no longer follow predictable routines or stick to a few channels. Streaming platforms, social media, podcasts, apps, and user-generated content have scattered attention across countless touchpoints. Audience measurement helps brands navigate this complexity, showing where their messages are most likely to be seen, how they're received, and which channels yield the best engagement.

Long-term impact is equally crucial. Short-term metrics like clicks, views, or impressions provide instant feedback, but building a brand is a cumulative process. Repetition, consistency, and strategic sequencing of messages drive recall, trust, and loyalty over time. Audience measurement tracks these patterns, helping brands understand how campaigns evolve, how perceptions shift, and how relationships with audiences deepen.

Ethics and transparency are becoming increasingly important in this data-driven world. As brands collect more information about their audiences, responsible use of data, consent, and privacy protections are vital. Ethical audience measurement ensures personalized experiences without compromising trust. In the long run, this approach strengthens credibility, builds respect, and fosters lasting relationships.

Ultimately, audience measurement is much more than a set of numbers. It's a bridge between data and human understanding, strategy and creativity, reach and resonance. Metrics like OTS, CPT, Gross Impressions, and GRP provide the foundation — the raw materials of visibility and efficiency. But it's the art of interpreting these numbers, understanding people, and crafting messages that genuinely connect that turns advertising into meaningful communication.

The best campaigns balance science and art. They don't chase numbers blindly, but use them to guide messages that engage, inspire, and influence. Millions of impressions matter only if they reach the right audience with the right message. Low-cost exposure matters only if it drives real impact. Brands that master this balance can confidently navigate the competitive media landscape, turning every impression into an opportunity to connect and leave a lasting mark.

In an age of fragmented attention, diverse media channels, and discerning audiences, the ability to measure, interpret, and act on audience insights is what separates those who simply advertise from those who truly communicate. Audience measurement is not just a tool for efficiency; it is a compass guiding brands toward resonance, relevance, and genuine human connection.

8.5 KEYWORDS

1. Audience Measurement
2. Media Metrics
3. Advertising Effectiveness
4. Media Planning

5. Media Buying
6. Total Impressions
7. Cumulative Exposure
8. Multiple Viewings
9. Audience Contacts

8.6 SELF-ASSESSMENT TEST

1. How does audience measurement help advertisers make better media choices?
2. Why is it important to differentiate between reach and frequency?
3. In your opinion, which metric (OTS, CPT, GRP, Gross Impression) is most useful for digital media campaigns and why?
4. How could audience measurement be applied to non-traditional platforms like YouTube or Instagram?

8.7 ANSWERS TO CHECK YOUR PROGRESS

1. True

2. False

3. exposures

4. exposure or impact

8.8 REFERENCES/SUGGESTED READINGS

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SUBJECT: ADVERTISING: CREATIVITY & CONSUMER BEHAVIOUR	
COURSE CODE: MSM-523- C	**AUTHOR:** DR. NEHA BHAGAT
LESSON NO.: 9	**VETTER: DR. NISHA SINGH**
MEDIA MEASUREMENT TOOLS SYNDICATE STUDIES- NRS AND IRS, MEDIA SELECTION, MEDIA TARIFF, MEDIA BUYING, REACH, FREQUENCY, CONTINUITY)	

STRUCTURE

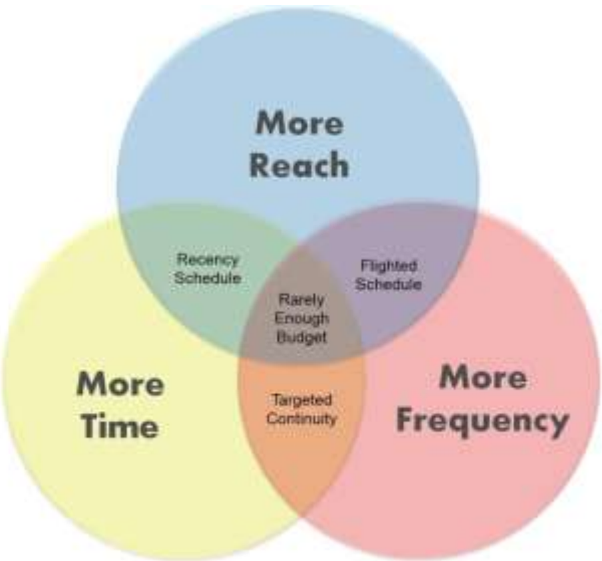
9.0 Learning Objectives

- Understand the relevance of syndicated studies like NRS & IRS.
- Gain insight into strategic media selection and media buying.
- Learn how to interpret media tariffs and manage advertising budgets.
- Understand media metrics: Reach, Frequency, and Continuity
- References

9.1 Introduction

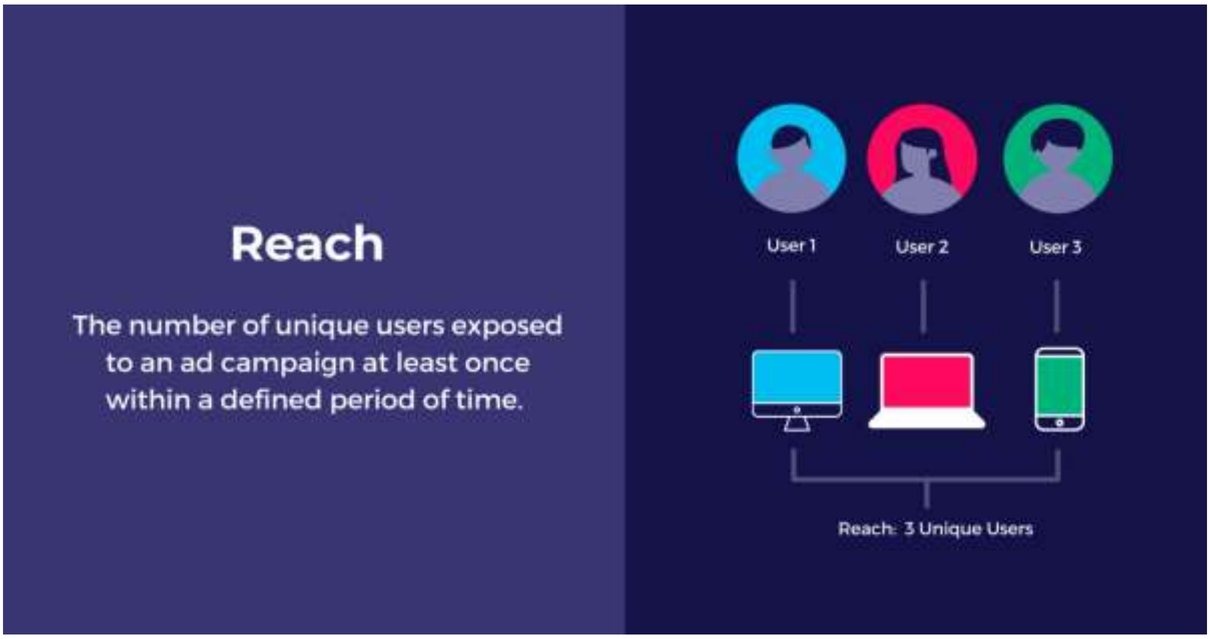
In today's crowded media landscape, delivering an advertisement without measurement tools is like throwing a message into a vast ocean and hoping the right fish will find it. Without proper tracking, it is impossible to know whether your efforts are making waves or simply sinking unnoticed. Imagine spending millions on a prime-time television ad, only to discover later that the majority of viewers were never your intended audience. Or picture launching a campaign in a leading newspaper, only to realize that the readership was concentrated in regions where your product isn't even sold. These are not just hypothetical mistakes they happen all the time when measurement is ignored.

Advertising is no longer about just sending out a message; it is about ensuring that the message reaches the right audience, at the right time, through the right medium, and at the right cost. This is where media measurement tools step in. They act as the compass that directs advertising strategies, preventing businesses from wandering aimlessly in the jungle of modern media. These tools are the backbone of media planning and evaluation, turning creative campaigns into accountable investments.



To understand the role of measurement, let us take a simple everyday example. Imagine you are preparing for an exam. Would you study without tracking your syllabus, past performance, or understanding which chapters carry more weight? Probably not. In the same way, businesses cannot afford to design advertising campaigns without knowing who they are targeting, how often those people will encounter the message, and what it will cost to reach them. Measurement gives clarity.

In the business world, clarity equals survival. Companies spend millions, sometimes billions, on advertising. Without reliable measurement, this money becomes an uncertain gamble. Measurement tools allow advertisers to calculate returns on investment, make informed decisions, and justify their budgets to stakeholders. They also give confidence because in marketing, confidence comes from data.



In the past, advertising was relatively simple. A brand could place an ad in a popular newspaper, sponsor a radio program, or buy time on a prime-time TV show, and be fairly certain of reaching a large audience. The choices were limited, and audiences were more predictable. But today, the scenario has changed dramatically.

Audiences are scattered across countless platforms: from traditional print and television to YouTube, Instagram, podcasts, OTT platforms, and niche community blogs. A teenager in Delhi may not consume the same media as a retired professional in Mumbai. A homemaker in a small town might be more influenced by local newspapers than Instagram reels. This diversity creates both opportunity and complexity.

Without measurement tools, advertisers would be blind to these differences. Tools allow them to understand *who is watching what, when, and how*. They transform the overwhelming variety of choices into actionable insights.

Consider a brand that manufactures fitness equipment. The company decides to invest heavily in a newspaper campaign, hoping to attract young health-conscious audiences. But later it realizes that most of the readership of that newspaper belongs to an older demographic that prefers morning walks over gym workouts. The campaign, despite being creative, fails to generate results.

This is what happens when media is bought without measurement. Brands risk wasting resources, missing the target audience, and losing competitive advantage. Media measurement tools prevent such costly mistakes. They allow planners to identify where the audience is, how they consume media, and which platforms are worth the investment.

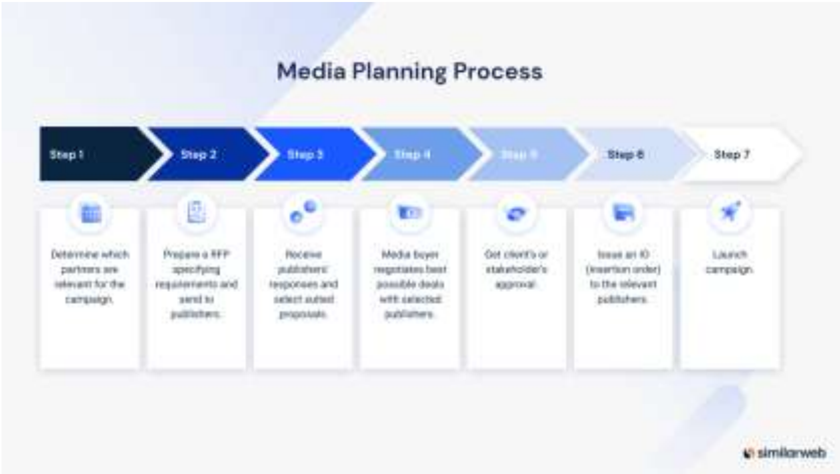
9.2 Media Measurement Tools

At the simplest level, media measurement tools are systems, surveys, and methods designed to answer four critical questions:

1. **Who is the audience?**
2. **Where can they be reached?**
3. **How often should they be reached?**
4. **What is the cost of reaching them?**

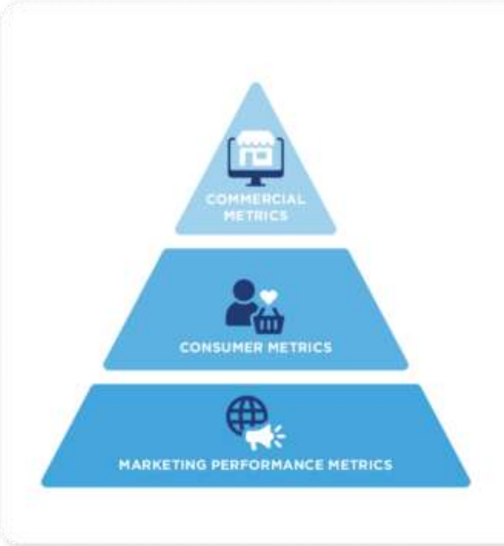
These tools don't just provide numbers; they provide *insight*. They are the link between creativity and accountability.

Before going deeper, it is important to sketch out the key tools that shape media measurement. Syndicated studies such as the National Readership Survey (NRS) and Indian Readership Survey (IRS) provide large-scale insights into readership, demographics, and lifestyle choices, helping advertisers understand who their audiences are. Media selection then focuses on choosing the right platform whether television, print, digital, or outdoor—based on this data. Media tariffs add another layer, offering clarity on the costs of advertising across different mediums and ensuring budgets are used wisely. After selection, media buying takes over, where advertisers negotiate and secure space or airtime, relying on measurement to optimize deals. Together, these tools transform advertising from guesswork into a planned and accountable process, ensuring campaigns are both impactful and efficient.



Think about Coca-Cola’s global campaigns. It’s not enough for them to design a catchy jingle; they also need to know whether their message is reaching teenagers in India, families in Brazil, or office-goers in the U.S. They need to calculate not just how many people are exposed to their ads, but also how often and at what cost. Without tools like syndicated studies, reach, frequency, and continuity, even a brand as strong as Coca-Cola would be guessing in the dark.

In essence, measurement tools are the foundation of responsible advertising. They bring together creativity, business strategy, and data-driven insights into one framework.In essence, media measurement tools are not just technical instruments; they are the foundation of modern advertising strategy. They transform abstract ideas and creative brilliance into measurable impact, ensuring that campaigns are not left to chance but are guided by insight, precision, and accountability. Whether it is large-scale readership studies like NRS and IRS that map audience behavior, or core planning elements such as media selection, tariffs, and buying, every component contributes to creating campaigns that are both efficient and effective. Concepts like reach, frequency, and continuity further ensure that communication is not only delivered but sustained in ways that build recall and trust. Together, these tools act as the unseen architecture of advertising, turning uncertainty into clarity and guesswork into strategy. As we move ahead in this chapter, each of these tools will be explored in depth, revealing how they function individually and collectively to shape the ever-evolving media landscape.



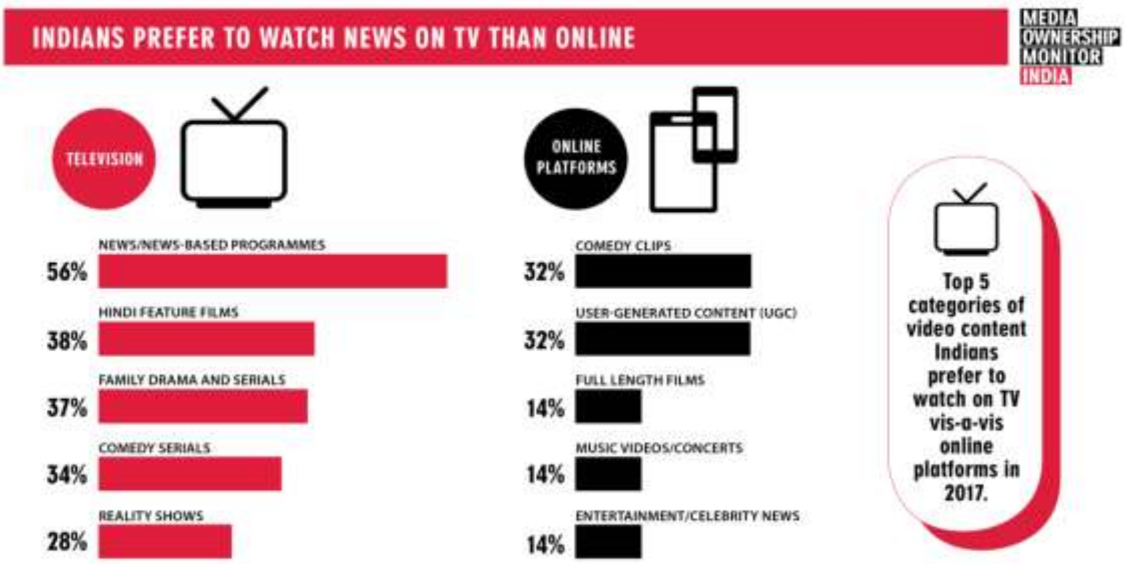
9.2.1 Syndicated Studies – NRS and IRS

Imagine trying to plan a journey across a country without a map, GPS, or even road signs. You might eventually get somewhere, but the path would be uncertain, costly, and full of wasted effort. In the world of advertising and media planning, this "map" is provided by syndicated studies. These studies act as structured guides, helping advertisers, media planners, and researchers navigate the complex terrain of audiences, readership, and consumer behavior. Instead of every brand running its own costly surveys, syndicated studies deliver standardized, large-scale data that multiple stakeholders can rely on.

Among the most important syndicated studies in India are the National Readership Survey (NRS) and the Indian Readership Survey (IRS). Both have played defining roles in shaping how businesses understand their audiences and, in turn, how they plan their advertising strategies. While they share the same fundamental goal measuring readership and audience patterns they differ in their scope, methodologies, and influence over time.

What Are Syndicated Studies?

At their core, syndicated studies are large-scale research efforts carried out by independent organizations, where the results are then "syndicated," or shared, with multiple subscribers. This makes them cost-effective, as the burden of funding such an extensive project does not fall on one company alone.



For advertisers, syndicated studies are like an **X-ray of the consumer landscape**. They go beyond just surface numbers like circulation figures. They capture patterns of who is reading, what they are reading, how often they engage, what languages they prefer, and even what kinds of products or brands they might be inclined to buy.

This data provides businesses with answers to crucial questions:

- Which newspapers or magazines reach my target demographic?
- What kind of readers engage with English-language dailies compared to regional publications?
- Are urban readers more likely to consume lifestyle content, while rural readers focus more on local news?

- Which states or regions should I prioritize if I want my ad to have maximum reach?

These insights enable advertisers to spend their money wisely. Rather than "shooting in the dark," as random advertising is often called, syndicated studies help brands plan campaigns that are strategic, backed by evidence, and truly effective.

9.2.2National Readership Survey (NRS)

The **National Readership Survey (NRS)** was one of India's pioneering readership measurement systems. Launched in the 1970s, at a time when India's media industry was far less fragmented than it is today, NRS provided the first serious attempt to create a nationwide picture of readership patterns.

What Made NRS Important?

NRS focused primarily on newspapers and magazines. It did not merely stop at "how many copies were sold," but asked deeper questions like:

- **Who were the readers?** Their age, gender, education, income, and occupation.
- **Where did they live?** Rural or urban areas, large metros or small towns.
- **What else did they do?** Lifestyle preferences, media consumption habits, and purchasing power.

This multidimensional data allowed advertisers to **match the message with the market**. For example:

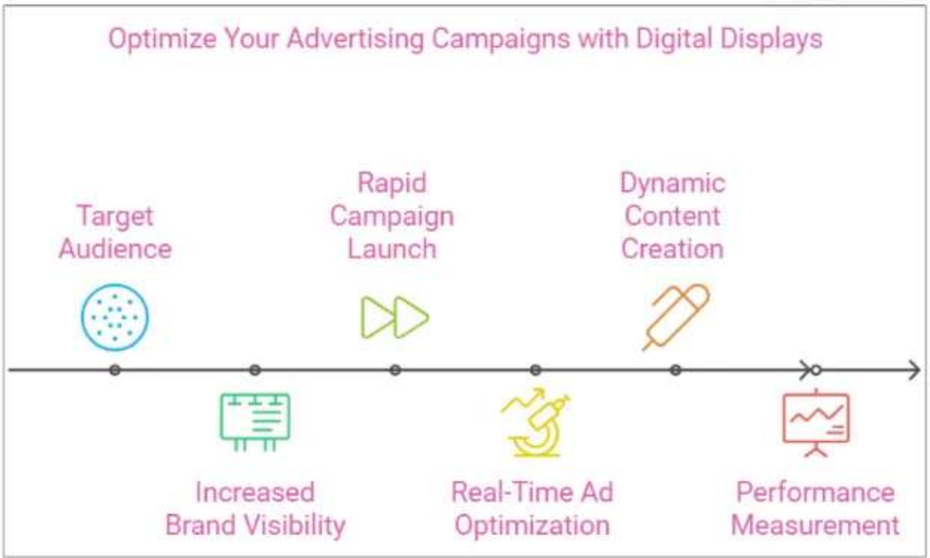
- If NRS showed that *The Times of India* was most popular among young urban professionals, then advertisers promoting modern lifestyle products, smartphones, fashion, or premium services could focus there.

- Conversely, if *Dainik Jagran* had strong readership in Tier-2 and Tier-3 towns, consumer goods companies selling affordable FMCG products could prioritize advertising there.

Example: Segmentation Through NRS

Think of a company selling two products: a high-end laptop and a budget mobile phone. NRS data could tell them that affluent, urban English newspaper readers are more likely to consider the laptop, while Hindi or regional newspaper readers in smaller towns may be the stronger audience for the mobile phone. With this data, one company could run **two different campaigns: one** sleek and aspirational for city professionals, and another practical and value-driven for small-town families.

This precision is what made NRS so valuable it turned broad assumptions into **actionable strategies**.



9.2.3 **Indian Readership Survey (IRS)**

While NRS laid the foundation, the **Indian Readership Survey (IRS)** eventually grew to become the most comprehensive and widely accepted readership study in India. Conducted by the **Media Research Users Council (MRUC)**, IRS is often described as **the largest continuous readership study in the world**.

Why IRS Stands Out

Unlike NRS, the IRS went a step further. It not only asked "what people read" but also looked into:

- **Media habits** – How much time people spent on print, television, radio, and now digital.
- **Product ownership** – Whether households owned two-wheelers, washing machines, or smartphones.
- **Consumer trends** – What kinds of brands people were buying, and how their preferences were shifting.

This broader canvas meant that the IRS was not just useful for publishers or advertisers it was a **360-degree tool for understanding the Indian consumer**.

For instance, IRS data might show that *The Hindu* had deep penetration among educated middle-class households in South India, while *Amar Ujala* was a dominant force in northern states. An FMCG company could then design region-specific campaigns: promoting packaged masalas in the north through *Amar Ujala*, and organic, premium brands in the south through *The Hindu*.

TOP HINDI MAGAZINES

Publication	Language	Periodicity	Readership*
Pratiyogita Darpan	Hindi	Monthly	1,492
Saras Salil	Hindi	Fortnightly	1,160
India Today	Hindi	Weekly	1,151
SamanyaGyan Darpan	Hindi	Monthly	1,132
Grih Shobha	Hindi	Fortnightly	979
Jagran Josh Plus	Hindi	Weekly	781
Cricket Samrat	Hindi	Monthly	652
Meri Saheli	Hindi	Monthly	589
Grehlakshmi	Hindi	Monthly	521
Sarita	Hindi	Fortnightly	476

The scale of the IRS has been staggering. At its peak, it covered over 300,000 respondents across India, making it one of the most statistically reliable audience studies.

This enormous dataset gave advertisers the confidence to base multi-crore decisions on its findings. This vast and representative dataset gave advertisers confidence that the numbers they were looking at weren't outliers, but a genuine reflection of India's diverse population.

For many brands, decisions involving crores of rupees in advertising budgets were made on the back of these insights. Instead of gambling on where their audience "might" be, companies had a statistical map that guided them toward smarter, more impactful campaigns.

In essence, the IRS wasn't just a survey it was a bridge between India's varied readership patterns and the strategies of businesses hoping to connect with them. It allowed brands to respect the cultural and regional nuances of the country, while giving them the confidence that every rupee spent on advertising was backed by data rather than blind guesswork.

9.3 Case Example: Hindustan Times and IRS

One of the most telling examples of syndicated studies in action is the case of Hindustan Times (HT).In the early 2000s, Hindustan Times aimed to strengthen its foothold in Delhi NCR, facing tough competition from The Times of IndiaInstead of guessing what might attract readers, HT turned to IRS data.

What Did the IRS Reveal?

- Younger readers in Delhi preferred shorter, more engaging formats rather than long, traditional articles.
- Lifestyle, entertainment, and celebrity content had growing popularity among urban youth.

The Strategic Response

HT acted on these insights by launching HT City, a daily lifestyle and entertainment pull-out. This supplement catered exactly to the preferences IRS highlighted: quick reads, celebrity interviews, fashion trends, and youth-centric events. The result? HT City became a cultural staple for Delhi's younger audience, boosting both readership and advertising revenues. Advertisers in fashion, entertainment, and lifestyle brands flocked to the supplement, confident that it reached the exact demographic they were targeting.

This case demonstrates how syndicated research can transform not just advertising strategies, but even editorial directions.

Hindustan Times' Winning Move: Turning IRS Insights into HT City

The Hindustan Times example shows how powerful syndicated studies like the IRS can be when used thoughtfully. They don't just guide advertisers on where to spend their budgets; they can reshape entire content strategies, helping media brands stay relevant to their audiences. By listening to what the data revealed about its readers, HT not only outpaced its competition but also created a lasting cultural touchpoint in Delhi. In the bigger picture, this proves that syndicated research is more than numbers on a page; it's a tool that, when applied well, can bridge the gap between what audiences want and what media and brands deliver.

9.4 Media Selection

Once you understand your audience, the next step is choosing the right media platforms, a process known as media selection. Think of it like setting the stage for a play: no matter how powerful the performance, it loses its magic if it's staged in an empty theatre. The same holds true for advertising: an impactful message will only create value when placed in the right medium, at the right time, before the right audience.

Media selection is not random; it is guided by several interconnected factors. The first is the fit with the target audience. For instance, a brand selling luxury watches would achieve better resonance by appearing in high-end business magazines or lifestyle portals rather than in a regional daily that caters to a very different readership. The second factor is the reach of the medium. In India, television continues to hold unmatched scale, particularly during mega-events like IPL or popular reality shows, making it a natural choice for advertisers who want to speak to millions at once.

Another aspect is the nature of the product itself. A product that is heavily visual like jewellery, fashion, or cosmetics often thrives on platforms such as Instagram, glossy lifestyle magazines, or even influencer collaborations, where aesthetics play a central role. In contrast, products aimed at rural or grassroots markets, say, fertilizers or agricultural tools might perform more effectively when communicated through local radio or community newspapers, since those are the channels trusted and accessible to farmers.

Of course, budgets also shape media decisions. For brands with limited funds, print advertising in smaller markets or digital models such as cost-per-click can provide flexibility and measurable returns, while television might be reserved for big launches or national campaigns that demand mass reach.

Case Example: Amul's Multi-Platform Advertising Strategy

Take the case of Amul. Known for its witty and timely advertising, Amul doesn't rely on just one medium. Its iconic billboard campaigns in high-traffic urban areas capture immediate attention with

humor and relatability. Simultaneously, the brand uses television to strengthen its presence in family spaces like prime-time shows, while also engaging younger audiences on social media with meme-style content and quick responses to trending topics. This careful balancing of traditional and digital platforms has helped Amul remain a household name across generations.

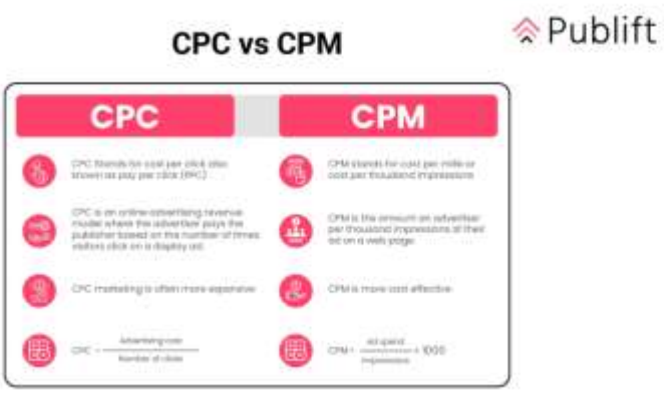
At its core, media selection is all about creating the right mix to reach the audience effectively. The goal is not just to be visible everywhere but to be visible where it matters most to ensure that each rupee spent translates into meaningful impact.

9.5 **Media Tariff**

Advertising is not only about creativity or reaching the right audience—it is also a matter of cost. Behind every campaign lies the question: *how much does it take to place this message in front of people?* This is where the idea of **media tariff** comes in. Simply put, media tariff refers to the pricing structure of different advertising platforms. Just as a concert ticket in the front row costs far more than one in the balcony, ad placements vary widely in price depending on the platform, timing, and visibility.

Take television as an example. A 30-second commercial aired during the Indian Premier League (IPL) at prime time can run into crores, thanks to the massive nationwide viewership it commands. Yet, the same ad slot on a regional news channel may cost only a small fraction of that. For advertisers, the choice is not just about visibility but also about balancing the reach they want with the money they're willing to spend.

Each medium comes with its own tariff system. In print, circulation numbers, the size of the ad, whether it's in color or black-and-white, and even its placement on the page all affect the cost. An ad on the front page of *The Times of India* will, of course, be much more expensive than a small classified tucked inside.Television pricing is influenced by factors like time slots, program popularity (measured by TRPs), and the duration of the commercial. Digital platforms, meanwhile, use models such as cost-per-click (CPC), cost-per-impression (CPM), or cost-per-engagement, allowing advertisers to pay only when users interact with their content. Outdoor advertising hoardings, billboards, transit ads relies heavily on location and visibility. A towering billboard in Times Square is a global statement, while a modest hoarding in a small town costs significantly less but may be far more relevant for local businesses.



Example: A clear example of smart tariff planning can be seen in Patanjali's advertising strategy during its rapid growth phase. Instead of pouring money into expensive national campaigns, the brand focused on regional newspapers and local television channels. This not only kept costs under control but also ensured that its messaging directly reached the semi-urban and rural

audiences most likely to buy its products. By aligning its spending with its audience's media habits, Patanjali stretched its budget further while still achieving a deep impact.

In essence, understanding media tariffs helps brands avoid wasteful spending. It allows them to decide whether to make a big splash in front of millions at once, or to spread their message more strategically and economically across smaller but more relevant channels. For advertisers, this balancing act between ambition and affordability is at the heart of effective media planning.

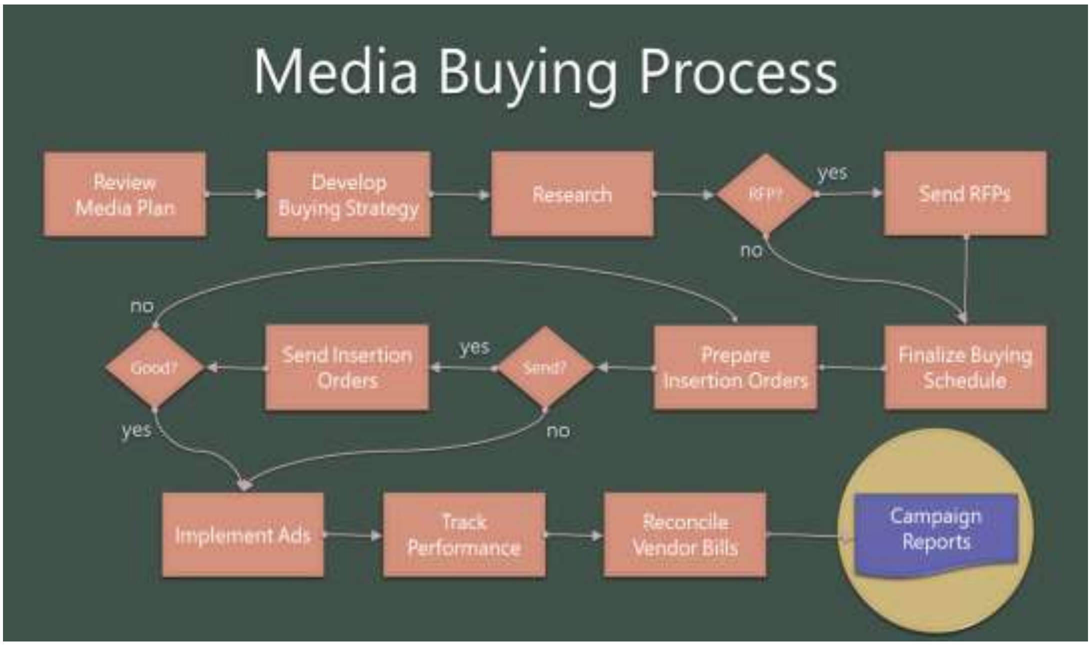
When Patanjali was expanding aggressively, it chose regional newspapers and TV channels over expensive national ones. The logic was simple media tariffs in smaller towns were affordable, and the brand's rural-focused products found better resonance there.

9.6 **Media Buying**

Once advertisers decide where to place their message, the next critical step is **media buying**: the process of negotiating and purchasing advertising space or airtime.

This stage is about far more than simply reserving a slot; it's about making sure the investment works as hard as possible. A useful way to think of it is like booking a wedding venue. Choosing the location is only the first step.

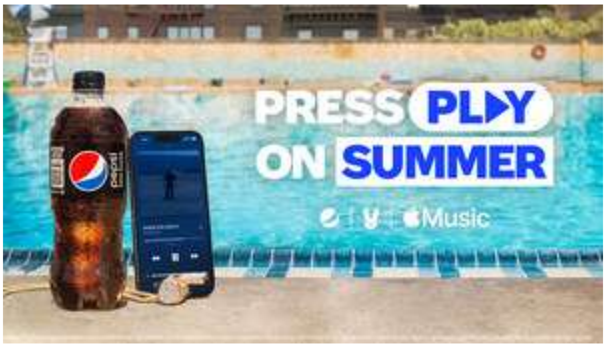
You also need to negotiate the price, decide the timings, and plan how long the event will last. Similarly, in media buying, advertisers and agencies work to secure the most strategic placements, favorable costs, and additional benefits that amplify campaign impact.



Successful media buying ensures that a brand's message reaches the right audience at the right moment, without overspending. It's about achieving maximum visibility at minimum cost, securing premium placements such as the front page of a newspaper or a prime-time television slot, and often negotiating added value like bonus ads, extended digital presence, or cross-platform packages.

The goal is to stretch the same budget further while delivering greater reach and resonance.

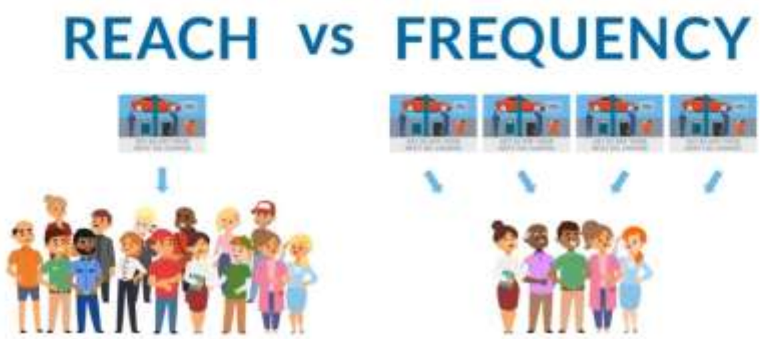
A **clear example** of this can be seen in Pepsi's summer campaign. Instead of buying only standard television ad slots, the brand's media team struck a package deal with a leading TV network. This arrangement not only gave Pepsi visibility during commercial breaks but also integrated the brand directly into the cricket commentary through product placement. By bundling these opportunities together, Pepsi transformed a single advertising spend into a multi-layered presence. The result was stronger brand recall, deeper engagement with cricket-loving audiences, and far greater value from the same budget.



In this way, media buying highlights the importance of smart negotiation and strategic planning. When done well, it doesn't just save money it elevates a campaign, ensuring that every rupee spent generates maximum impact.

9.7 Reach

Reach is the total number of unique people who see or hear an advertisement at least once. It helps advertisers answer a key question: *how many different individuals were actually exposed to the message?* Unlike frequency, which tracks how often the same person encounters an ad, reach is all about the size and breadth of the audience.



For instance, if a print ad in *The Times of India* reaches five million readers, the reach remains five million no matter how many times those readers see the ad. This distinction is critical for brands, as a large reach ensures that the message spreads widely and touches new potential customers, rather than just reinforcing itself with the same audience.

A great example of reach in action is Cadbury's "Kuch Meetha Ho Jaaye" campaign. The brand's goal was to connect with families across India, creating a shared, culturally relevant experience.

To achieve this, Cadbury adopted a multi-channel approach: television ads aired during popular family serials, print advertisements appeared in regional newspapers to capture local audiences, and digital campaigns targeted younger consumers online.

By combining these channels strategically, Cadbury ensured that its message reached millions of unique individuals spanning different regions, age groups, and lifestyles. The campaign demonstrates how focusing on reach allows brands to expand awareness and connect with a wide audience, laying the foundation for stronger engagement and long-term brand recall.

In conclusion, maximizing reach goes beyond simply counting numbers; it's about connecting with the right audience in meaningful ways. A well-planned high-reach campaign not only introduces a brand to new potential customers but also builds awareness and creates engagement opportunities. By strategically using a mix of mass-reach channels like television and print alongside targeted digital efforts, brands can achieve widespread visibility without overwhelming any single audience segment. The Cadbury campaign exemplifies this approach, showing how thoughtful planning and multi-channel execution make reach a powerful tool for campaigns that are both extensive and relevant.

9.8 Frequency

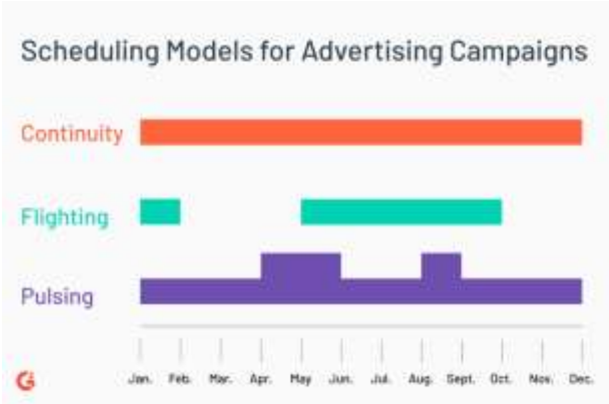
Frequency measures how often the same individual sees or hears the same advertisement. It plays a vital role in ensuring that a message is remembered and prompts action. While reaching a large audience is important, repeated exposure helps embed the brand in the consumer's mind, influencing perception, trust, and purchase intent. However, frequency needs careful calibration too few exposures can leave the message unnoticed, whereas too many can cause irritation, reducing engagement and creating ad fatigue.

Nike's "What the Football" campaign during the 2024 Women's World Cup smartly used frequency to build excitement and keep audiences engaged. By showcasing top soccer players in a story-driven series of ads, Nike ensured consistent visibility across both digital platforms and television. This approach kept the campaign top-of-mind for viewers, fostering a deeper emotional connection with the brand and its message of empowerment and inclusivity.

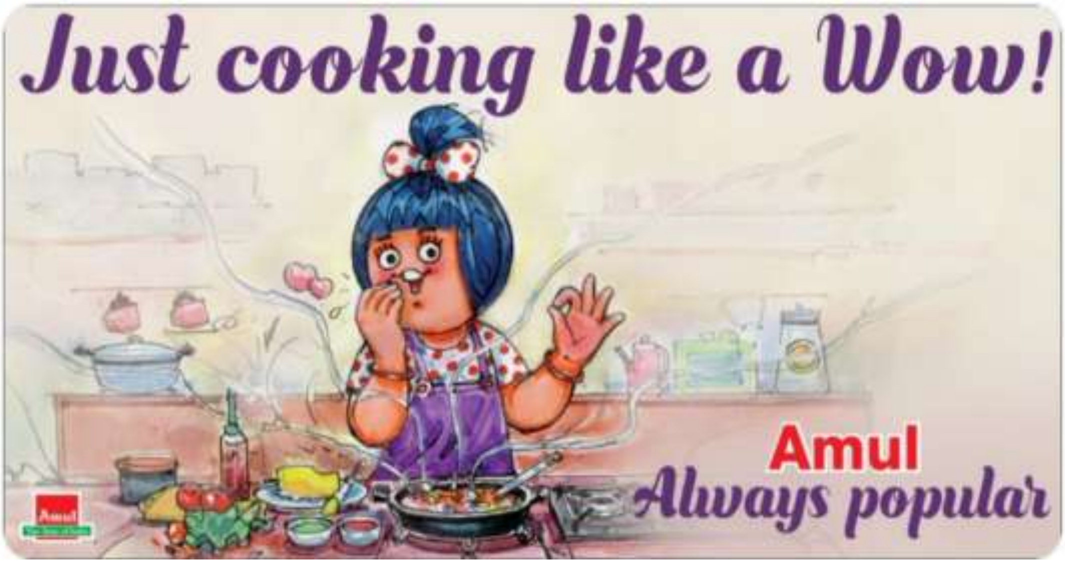
Amazon Prime Video's promotion of a popular web series provides another example of managing frequency effectively. Ads were placed strategically across digital platforms, OTT apps, and television during peak viewing hours. By maintaining consistent but well-timed exposure, the campaign built anticipation, drove subscriptions, and kept viewers engaged without causing annoyance. These cases underline that frequency is more than just repetition it's about delivering the right message multiple times in a way that reinforces the brand, strengthens recall, and maintains a positive audience experience.

Continuity

Continuity in advertising is all about how ads are spread over time whether they run steadily, appear in short bursts, or are limited to certain seasons. The approach a brand chooses depends on the product and what it wants to achieve. A continuous strategy keeps a brand constantly visible, which works well for everyday essentials like toothpaste, soap, or snacks. Flighting, on the other hand, focuses on specific periods like advertising air conditioners in summer or woolens in winter when demand peaks.



A great example of continuity in action is Amul. Rather than running occasional campaigns, the brand stays in the public eye with weekly topical ads across billboards, social media, and print. Each ad creatively ties into current events or trending topics, making the content feel fresh, relevant, and engaging.This steady approach ensures that Amul remains part of everyday conversations, building familiarity and recall week after week without overwhelming the audience. Ultimately, continuity is more than just timing ads—it's about creating a lasting bond with the audience. B



y picking the right strategy and maintaining consistent communication, brands can boost recall, foster loyalty, and stay culturally relevant. Amul's approach shows how thoughtful, sustained advertising can turn a brand into a familiar and trusted presence in people's minds over time.

9.9 Summary

In today's highly competitive and cluttered media landscape, advertising success isn't a matter of luck, it's a matter of being informed. Media measurement tools play a crucial role in ensuring that every campaign is guided by insight rather than guesswork. Syndicated studies like NRS and IRS act as trusted roadmaps, helping advertisers understand who their audiences really are, what they read, where they live, and how they consume content. Without that knowledge, even the most creative message can end up speaking to the wrong people.

Once the audience is clearly understood, media selection ensures the message reaches the right people in the right places. By considering media costs and using smart media buying strategies, brands can make their budgets go further, securing high-impact placements and better deals. Advertising isn't just about spending money it's about spending it wisely to get the most value and impact.

At the heart of this process lie three powerful concepts: reach, frequency, and continuity. Reach helps a brand cast the net wide and connect with as many unique people as possible. Frequency makes sure those people receive the message often enough to actually remember it. Continuity ensures that the message stays present over time rather than getting forgotten after a single burst of visibility.

Together, these tools help brands build meaningful and long-lasting relationships with their audience. They turn campaigns into conversations, impressions into recall, and investments into measurable results. In short, media measurement tools bring structure, accountability, and human understanding to advertising ensuring that brands don't just communicate messages, but actually connect with people in ways that matter.

9.10 Keywords

Reach, Frequency, IRS, NRS, ABC,CPM, CPC, Media Tariff

9.11 Self Assessment

1. What are the key differences between NRS and IRS syndicated studies, and how do these impact media planning decisions?
2. Explain how media tariff structures such as CPM, CPC, and CPT influence media buying strategies and budgeting.
3. Describe how reach, frequency, and continuity work together in media planning to optimize advertising effectiveness.
4. What are the advantages and disadvantages of different advertising scheduling strategies: continuous, flighting, and pulsing?

5. How can media planners evaluate the effectiveness of their campaigns, and what tools or metrics are most commonly used in this process**?**

Suggestive Reading and Reference

- **Foundations of Advertising Theory & Practice by S.A. Chunawalla**
- **Advertising Management by Rajeev Batra**
- **Aadhunik Mapan avam Moolyankan (Modern Measurement and Evaluation) By Pro S P Gupta**
- **Confessions of an Advertising Man by David Ogilvy**

SUBJECT: ADVERTISING: MANAGEMENT & MEDIA PLANNING	
COURSE CODE: MSM-524- C	AUTHOR: MS. NEETU AGARWAL
LESSON NO.: 10	VETTER: DR. NISHA SINGH
Role of Computers in Media Planning & Media Innovations	

STRUCTURE

10.0 LEARNING OBJECTIVES

After reading this unit, you will be able to:

- **Understand how computers transformed media planning from manual to digital systems.**
- **Learn key digital tools used in media planning such as AI, big data, automation, and analytics.**
- **Explain how computers help in audience targeting, campaign execution, and performance measurement.**
- **Recognize innovations like social media algorithms, AR/VR, and automated content creation.**
- **Identify ethical issues related to data privacy, misinformation, and digital divide.**
- **Understand the importance of balancing technology with human creativity and strategic thinking.**

10.1 INTRODUCTION

The past few decades have witnessed an unprecedented upheaval in the media ecosystem, driven primarily by rapid advances in computer technology. Computers have become the backbone of modern media planning, execution, content creation, and distribution, fundamentally transforming strategies in journalism, advertising, entertainment, and beyond. From simple digital typesetting and audience research databases in the 1970s and 1980s to today's cloud-powered, AI-augmented, cross-platform environments, the role of computing power has been central to creating efficient, responsive, and innovative media systems. This chapter provides an in-depth examination of the evolving role of computers in media planning, detailing the conceptual frameworks, operational mechanisms, and socio-economic implications of media innovations enabled by computing.

In the last half-century, the media landscape has experienced a transformational evolution, largely propelled by the relentless march of computer technology. What began as basic applications for typesetting, database management, and audience surveys in the 1970s and 1980s has rapidly expanded into multifaceted, intelligent media ecosystems thriving on real-time connectivity, data analytics, and cross-platform integration. The arrival of the IBM personal computer in 1981 and the widespread adoption of Microsoft Windows in 1985 made computers accessible for both businesses and individuals, revolutionizing everything from newsroom workflows to marketing strategies. By the 1990s, the advent of the internet and the creation of the World Wide Web ushered in the Information Age, enabling instantaneous global communication and creating new avenues for the dissemination, consumption, and monetization of content.

As computing became ubiquitous, media planning underwent fundamental shifts. Early systems enabled planners to process complex datasets, simulate scenarios, and optimize campaigns across radio, print, and broadcast television. The turn of the millennium accelerated these trends, integrating cloud computing, digital storage, and internet-based research tools. These platforms have evolved far beyond linear scheduling and basic demographic segmentation, now allowing dynamic, algorithm-driven media buying, targeted messaging, and responsive campaign management that adapts to audience feedback in real time.

Moreover, the rise of social media in the 2000s—exemplified by platforms such as Facebook, Twitter, and YouTube—demonstrated the computer's transformative power over content creation and distribution. Blogs, microblogs, and photo-sharing networks have not only democratized publishing but also generated mountains of user data, which media planners and advertisers now harness to refine their strategies with extraordinary precision. Digital transformation has enabled multi-way communication, shifting audiences from passive recipients to active participants and co-creators in the media experience. This participative nature has reshaped contemporary media structures, blurring the lines between producers, distributors, and consumers.

Computers facilitate real-time engagement and interactivity, which are core drivers of today's media innovations. Advanced data mining and machine learning techniques analyze massive volumes of behavioral data, enabling hyper-personalization. Automated content recommendation engines, adaptive advertising platforms, and predictive analytics have fundamentally changed how audiences are targeted, retained, and measured. Journalists, advertisers, and content creators now leverage artificial intelligence not only to optimize message delivery but also to generate entire stories, graphics, and multimedia reports that resonate with specific audience segments. Simultaneously, digital media convergence—where print, video, audio, and interactive content coexist within unified digital hubs—demands sophisticated computer systems capable of orchestrating seamless integration. Cloud-enabled cross-platform publishing, augmented reality (AR), and virtual reality (VR) experiences have become mainstays, pushing the boundaries of what media can be, feel, and achieve.

However, this unprecedented power brings complex challenges. The exponential growth of computer-mediated media has raised pressing questions about privacy, ethics, misinformation, algorithmic bias, and the digital divide. Regulation struggles to keep pace with technological innovation, making responsible media planning a necessity for both organizations and societies. In this context, computers not only enable but also mediate the delicate balance between creative freedom, commercial imperatives, social responsibility, and user protection.

Through this chapter, readers will gain a comprehensive understanding of how computers have evolved from basic tools supporting traditional media to intelligent, networked systems that define modern media planning and innovation. We will trace the journey from manual calculation and physical production to algorithmic campaign management and AI-driven storytelling, highlighting both the benefits and the risks inherent in a hyperconnected, data-centric media world. In doing so, we will explore the conceptual frameworks, technological underpinnings, and socio-economic impacts of computer-enabled media, providing a critical foundation for future study and strategic practice in the domain of media planning and innovation.

This ongoing digital revolution is not merely a technical or operational phenomenon—it is a profound cultural and economic shift that touches the very fabric of how societies communicate, inform, entertain, and govern. It is both a product and a catalyst of globalization, diversity, and the accelerating pace of change. Thus, analyzing the role of computers in media planning is essential to appreciate not only current practices but also to anticipate the innovations and challenges that will shape the future of global media.The transformation of the media industry over the past several decades can scarcely be overstated. Beginning with early computer applications for newsroom typesetting, scheduling, and rudimentary audience surveys, the integration of computers has repeatedly redefined what is possible in both the production and planning of media. With the launch of the IBM personal computer in 1981 and the consumerization of Microsoft Windows in 1985, computers transitioned from specialized business tools to ubiquitous household fixtures, fundamentally altering the operational backbone of journalism, entertainment, advertising, and public relations. By the dawn of the Internet in the 1990s, the global media landscape had entered the “Information Age,” marked by the instantaneous transmission, storage, and access of data across continents.

This technological revolution spurred a cascade of innovations: audience research moved online, print publications became digital, radio and television migrated to streaming formats, and even the foundational ARPANET evolved into the sprawling World Wide Web. Suddenly, every media organization, from local newsrooms to international broadcasting giants, had access to unprecedented reach and data. Platforms such as Nielsen and Comscore empowered media planners with analytics unthinkable even a decade earlier, and AI-driven insights shifted strategies from blanket mass messaging to precision microtargeting. Campaigns could now be modeled, tracked, and refined in real-time as feedback from millions of networked devices illuminated every nuance of audience behavior.

As the millennium turned, cloud computing, mobile devices, and big data analytics propelled media planning into a new era. Content production, curation, and distribution converged across platforms, with boundaries blurring between print, broadcast, and digital ecosystems. Social media emerged as a powerhouse driver of innovation—Facebook in 2004, YouTube in 2005, and Twitter in 2006 provided channels not only for distribution but for direct, participative audience engagement and co-creation. These platforms generated vast amounts of user data, transforming media planning from guesswork to evidence-based, algorithmic decision-making.

The role of computers in media planning now encompasses the entire value chain. AI, machine learning, and advanced predictive analytics allow planners to forecast consumption trends, test creative concepts, and optimize campaign timing and placement with unprecedented accuracy. Integrations between media buying platforms, analytics dashboards, and audience management systems streamline workflows, minimize waste, and unleash creative and operational agility. Media professionals use automated content recommendation engines, dynamic scheduling, and even natural language generation (robo-journalism) to create, distribute, and measure impact within seconds.

Yet this revolution is not without challenges. As computers provide ever greater precision, speed, and personalization, they also raise ethical questions about privacy, data protection, algorithmic bias, and the dangers of misinformation. The digital divide persists, as not all communities have equal access to the benefits of digital media. The ramifications of computer-powered media extend deep into society, influencing politics, culture, and public opinion, and demanding careful stewardship by planners, organizations, and governments alike.

This chapter will chart the course from early manual processes to the current landscape, where computer-driven creativity, analytics, and automation determine media strategies at a global scale. It will examine the socio-economic forces at play, reveal the conceptual frameworks underpinning modern planning, and anticipate the future directions of media innovation. Ultimately, the story of media planning is inseparable from the development and deployment of computer technology—a story of continuous adaptation, extraordinary ambition, and transformative impact on how the world communicates.

10.2 EVOLUTION OF MEDIA PLANNING:FROM MANUAL TO DIGITAL

Media planning, defined as the process of selecting optimal media platforms for a client’s brand or product message, has undergone substantial transformation with the advent of computing. Before the integration of computers, media planners relied on broad-reach traditional platforms (print, radio, network television), using limited data from audience surveys, circulation reports, and generic rating estimates. This process was slow, largely manual, and yielded a one-size-fits-all approach with little room for real-time optimization or segment-level targeting.

The digitization of media planning brought standardized databases, automated planning tools, and algorithmic modeling to the process. As highlighted by Armstrong (1993), and expanded in the works of contemporary researchers, computers allow planners to define, access, and utilize massive stores of demographic and behavioral data, supporting finely tuned media strategies tailored to ever-smaller and more precisely defined audience niches. The use of optimization algorithms and predictive analytics further allows planners to balance cost, reach, and frequency dynamically—redefining the very goals and achievable outcomes of advertising campaigns.

The transition from manual to digital media planning marks a profound shift in how campaigns are conceived, executed, and measured. Traditionally, planners struggled with limited access to reliable, timely audience data, resulting in campaigns that often relied on generic reach and frequency estimations, with little capacity for mid-campaign adjustments. The introduction of computers enabled the storage and analysis of vast quantities of demographic and psychographic data, allowing planners to move beyond mass marketing toward microtargeting and more personalized outreach. Advanced software systems automated what were once laborious processes, such as scheduling, budget allocation, and media buying, dramatically increasing both speed and accuracy. The ability to run multiple campaign simulations empowered planners to visualize potential outcomes and adapt strategies accordingly. Campaign effectiveness could now be measured and optimized in near real time, using digital metrics such as impressions, clicks, conversions, and engagement rates. As digital channels proliferated—first with websites, then with social media, streaming, and mobile apps—computers made it possible to orchestrate integrated, omnichannel campaigns that reached consumers at multiple touchpoints throughout their day. These changes not only enhanced the efficiency of media planning but also enabled more creative and impactful storytelling across platforms. The evolution is ongoing, with innovations such as artificial intelligence and programmatic advertising further elevating the strategic sophistication and responsiveness of media planning in the digital age.

10.3 THE ROLE OF COMPUTERS IN MODERN MEDIA PLANNING

In the digital age, computers have fundamentally reshaped media planning by replacing slow, manual processes with automated, data-rich workflows that enable unprecedented speed, precision, and strategic agility. Modern media planning platforms now serve as integrated hubs, collecting and synthesizing goals, audience insights, cost structures, and real-time campaign feedback.

Software Integration & Cross-Channel Coordination:

Media agencies no longer depend on disconnected spreadsheets or human memory to coordinate campaigns;

instead, platforms like Mediaocean, Simulmedia, and Google Marketing Platform aggregate data from digital, broadcast, social, and out-of-home channels, allowing planners to design, schedule, and execute campaigns across multiple platforms with granular control. These systems can instantly generate plans that factor in different audience segments, time slots, cost-per-impression (CPM), and creative assets, all managed from a single dashboard.

Real-Time Bidding (RTB) & Automation:

Automated buying systems, often powered by real-time bidding algorithms, have transformed the media buy into a dynamic, auction-based process. Computers can evaluate millions of possible ad placements across digital and linear platforms every second, taking into account pricing, audience targeting criteria, and likely performance outcomes. This rapid decision-making not only eliminates manual negotiation and insertion orders but also minimizes wasted ad spend, as AI adjusts bids and placements to meet campaign objectives in real time.

Algorithmic Optimization:

Media planning software leverages sophisticated algorithms to dynamically allocate budget across channels, schedule ads optimally for various audience groups, and maximize reach and effectiveness. Audiences are segmented not just by demographics, but by behavioral and psychographic attributes, shopping history, content consumption habits, and digital footprints. As performance data flows in, computers refine these segments further, increasing campaign relevance and resonance.

Flexible Campaign Management:

Analytics dashboards embedded within planning platforms provide continuous visibility over campaign progress. Planners can run multiple A/B tests simultaneously, compare creative performance, adjust channel allocations, and fine-tune targeting, all based on live data. The result is a feedback loop that empowers planners to shift dollars, change creative assets, and recalibrate strategies instantly as markets shift or audience responses change.

Examples and Case Studies:

Major brands and agencies now operate in environments where a campaign designed in the morning can be launched and iterated upon by the afternoon. For instance, dynamic pricing and seasonal adjustments can be built into the campaign algorithm itself, so that a retail brand's weekend sale is promoted only during high-traffic periods to likely buyers. Cross-platform optimization ensures that messaging is consistent and impactful whether it's delivered via TV ad, Instagram post, YouTube video, or programmatic display ad.

Human Judgment & Technology Synergy:

Though computers carry out the data processing and optimization, media planners and strategists are essential for interpreting insights, calibrating algorithms against brand vision, and ensuring that creativity and storytelling are not lost in the pursuit of efficiency. The planner's role becomes one of orchestrating machine intelligence, not competing with it.

10.4 ANALYTICS AND DECISION SUPPORT

The explosion of digital channels and consumer touchpoints has made analytics a pillar of modern media planning. Computers facilitate the collection, processing, and interpretation of billions of data points, enabling planners to make decisions based on rigorous, evidence-based insights rather than intuition or tradition.

Big Data Analysis:

Computers decrypt massive data streams—web traffic, ad impressions, engagement rates, purchase behaviors, sentiment analysis—often in real time. Machine learning models then sort and analyze this data, identifying subtle trends and uncovering actionable insights. Planners use these outputs to design campaigns that are audience-centric and outcome-focused.

Predictive Modeling & ROI Tracking:

Modern media planning leverages predictive analytics to forecast campaign outcomes, identify likely conversions, and allocate resources with maximum efficiency. For example, a planner can run simulations to predict how changing headline text, creative design, or channel mix will impact engagement, awareness, and ROI. Artificial intelligence also facilitates "lift" analysis, isolating the incremental impact of a particular media buy, which is crucial for multi-channel attribution.

A/B Testing & Multivariate Experiments:

Computers make it possible to test dozens or even hundreds of variations of ads—headlines, images, calls to action—across different audience groups and platforms. Real-time feedback enables planners to automatically shift budgets toward top performers, discard underperforming creatives, and continuously iterate for improvement.

Iterative Decision Support:

Decision support systems (DSS) simulate "what-if" scenarios, projecting likely audience responses and market share impacts under varied budget, platform, and creative strategies. These iterative feedback loops enable planners to maintain agility in dynamic markets, responding to new trends or competitive challenges almost instantly.

Visualization & Reporting:

Integrated dashboards present campaign key performance indicators (KPIs) in visually engaging formats, helping teams to quickly understand progress, challenges, and opportunities. Automated reporting reduces both labor and error, giving stakeholders up-to-date assessments of impact and ROI.

10.5 AUTOMATION, INTEGRATION AND WORKFLOW EFFICIENCY

The scale and complexity of modern media campaigns—spanning dozens of platforms, creative assets, and audience segments—demand automation and integration at every step.

Centralized Databases & Research Integration:

Audience measurement platforms like Nielsen and Comscore feed live data into media planning tools, streamlining the traditionally labor-intensive process of demographic analysis. This integration allows planners to create campaign plans using up-to-the-minute audience statistics.

Workflow & Project Management:

Cloud-based campaign management platforms now coordinate the entire value chain—from strategy brief to creative production, deployment, performance analysis, and budgeting—across geographically distributed teams. Automated notifications, reminders, and approval flows keep projects on track and minimize bottlenecks.

Programmatic Advertising Systems:

Buy-side platforms (DSPs) and sell-side platforms (SSPs) facilitate seamless, automated media buying and selling, using AI-powered algorithms to negotiate prices, optimize placements, and ensure brand safety. These systems reduce human error and maximize both cost-efficiency and reach.

Routine Task Automation:

Tasks such as trafficking ads, validating placements, and compiling performance reports are increasingly automated, freeing up planners and creative teams to focus on strategy, messaging, and innovation rather than rote administrative work.

10.6 INNOVATIONS DRIVEN BY COMPUTING IN MEDIA

Content Creation & Personalization:

Natural language generation (NLG) and AI-driven design tools, now common in major newsrooms and agencies, produce articles, reports, and visual assets based on data inputs and audience preferences. Content personalization algorithms tailor news feeds, recommendations, and advertising to individual user interests, maximizing engagement and retention.

Immersive Journalism and Interactive Storytelling:

Augmented reality (AR), virtual reality (VR), and mixed reality (MR) technologies allow media creators to immerse audiences in rich narrative environments, transforming storytelling from passive consumption to active experience. Data collected from user interactions feeds back into content customization and campaign strategy.

Programmatic Data in Advertising:

Real-time programmatic ad exchanges utilize computers to auction and place millions of ads per second, tailoring campaign parameters to maximize conversion, awareness, or other key metrics. These exchanges analyze user profiles, device attributes, and location data to deliver targeted messaging.

Social Media Dynamism:

Social platforms deploy AI-driven algorithms to maximize engagement, curate trending content, and support viral propagation. Machine learning models in these platforms can moderate harmful content, detect spam, and recommend new connections, all in real time.

Entrepreneurial Media & New Business Models:

Platforms like Substack, Patreon, TikTok, and YouTube provide creators with algorithmically driven tools to manage audiences, monetize content, and iterate product development. Subscription models, microtransactions, and personalized offers are all driven by computational analytics and dynamic segmentation.

Ethics, Regulation, & Digital Divide:

Computers mediate critical ethical questions in media, such as privacy, algorithmic bias, misinformation, and surveillance. Automated content verification and blockchain authentication are deployed to fight fake news and ensure source integrity. Legal frameworks like GDPR and CCPA establish global standards but require ongoing technological updating to match new threats and opportunities.

10.7 ETHICS, REGULATION AND DIGITAL DIVIDE

With great computing power comes complex ethical, regulatory, and social challenges. Media algorithms, if unchecked, can amplify biases, create echo chambers, and spread misinformation faster than manual moderation can respond. Privacy concerns are heightened by the use of personal data in targeting, personalization, and behavioral modeling; consent frameworks must keep pace with evolving data practices.

Regulation must adapt. Laws such as GDPR and CCPA set global standards for data management, algorithmic transparency, and user rights, requiring ongoing compliance updates and technical integration. Automated verification, fact-checking, and blockchain authentication are rising as solutions to fake news and digital manipulation, but scale and complexity demand continuing innovation.

Media planning professionals must address the digital divide: not all populations have equal access to devices, bandwidth, or digital literacy. Ethical planning means not only maximizing ROI but also considering the societal impact, inclusivity, and cultural authenticity of campaigns.

The confluence of computational innovation with human creativity, judgment, and responsibility will define the next era of media planning. Only by balancing automation and insight with ethics and equity can the industry prosper—and serve audiences faithfully—in a constantly evolving digital media landscape.

10.8 CHALLENGES AND FUTURE DIRECTIONS

As computational power continues to expand, opportunities for further innovation become nearly limitless. AI advancements in media—particularly generative AI for content, deep learning for audience modeling, and blockchain for content authentication—promise to further disrupt established practices. However, these technologies bring challenges: increased potential for deepfakes and misinformation, job restructuring, and the need for new digital skills. Media organizations that prioritize ethical frameworks, robust analytics, and audience trust will be best positioned to thrive in this fast-evolving landscape.

As the media industry surges ahead with the integration of AI and advanced computing technologies, the scope for innovation becomes increasingly vast. Artificial intelligence is not only automating workflows and generating content but also enabling highly personalized audience experiences and interactive storytelling that would have been unimaginable even a decade ago. Hyper-personalized recommendations, real-time translation, and immersive virtual environments are now shaping viewer engagement across streaming platforms, gaming ecosystems, and live broadcasts.

However, these same breakthroughs present formidable challenges. Synthetic media, such as deepfakes and AI-generated voiceovers, threaten to blur the line between reality and fabrication, raising urgent concerns around misinformation, consent, and content authenticity. The automation of routine editorial, production, and support roles leads to workforce restructuring, requiring continuous upskilling and the development of new digital competencies. There is also a growing risk of algorithmic bias: when AI systems are trained on nonrepresentative or prejudiced datasets, they can perpetuate and even amplify societal biases in both news coverage and entertainment casting.

Data privacy and security are critical issues, as AI-driven personalization engines rely on the harvesting and analysis of vast amounts of sensitive user data. The mishandling of such information, or breaches resulting from increasingly complex digital infrastructures, can undermine public trust and trigger regulatory backlash. Furthermore, the rapid pace of technological change challenges regulatory bodies to keep pace, leading to gray zones in oversight and accountability.

Ethical leadership, transparent AI governance, and the establishment of industry-wide best practices are more important than ever to preserve credibility and foster positive innovation. As media organizations deploy advanced analytics and content algorithms, they must also invest in independent auditing and explainable AI to address questions of accountability and inclusivity. The ability to detect and counteract misinformation requires a blend of automated detection tools and editorial judgment, underscoring the evolving partnership between human expertise and machine intelligence.

Looking ahead, the acceleration of 5G connectivity, the rise of Web3 technologies, and advances in mixed reality will redefine distribution, monetization, and audience participation. Dynamic, co-authored narratives—where viewers influence outcomes through real-time feedback—will become commonplace, blurring the boundaries between content creator and consumer. Organizations that embrace these changes, emphasizing digital literacy and ethical stewardship, will be poised not only to thrive commercially but also to shape a more informed and resilient society in the next era of digital media.

10.9 SUMMARY

- Computers have transformed the media landscape, shifting from manual planning to highly automated, digital, data-driven systems.
- Early media workflows relied on traditional tools; modern systems use AI, cloud computing, and real-time analytics for precision and efficiency.
- Emergence of the internet and PC revolution in the 1980s–90s accelerated digital media, enabling global communication and audience reach.
- Computers enable real-time data collection, campaign optimization, audience segmentation, and dynamic advertising decisions.

- Media planning tools integrate multiple platforms—TV, digital, mobile, social media—to coordinate unified campaigns.
- Real-time bidding, AI-driven programmatic buying, and automation reduce human errors and improve cost efficiency.
- Big data analytics, predictive modeling, A/B testing, and dashboards support informed decision-making and accurate ROI evaluation.
- Digital media encourages interactive engagement, where audiences actively participate in content creation and feedback loops.
- AI enables automated content production, personalized recommendations, immersive storytelling (AR/VR), and robo-journalism.
- Social media platforms have revolutionized media distribution, audience targeting, and influencer-powered marketing.
- Ethical concerns include privacy, misinformation, algorithmic bias, transparency, and digital divide issues.
- Governments and regulators enforce data-protection laws (e.g., GDPR, CCPA), demanding ethical technology use in media.
- Future media planning will depend on AI, blockchain, Web3, immersive technologies, and ethical governance strategies.
- Human creativity remains crucial — computers assist but do not replace strategic thinking and ethical judgement.

1.10 KEYWORDS

- Media Planning
- Digital Media
- Automation
- Artificial Intelligence (AI)

- Big Data Analytics
- Programmatic Advertising
- Real-Time Bidding (RTB)
- Audience Segmentation
- Data-Driven Decision Making
- Social Media Algorithms
- Content Personalization
- Cloud Computing
- AR/VR (Augmented & Virtual Reality)
- Ethical Issues & Privacy
- Digital Divide

10.11 SELF-ASSESSMENT TEST

1. Explain how programmatic advertising uses computers to improve media buying efficiency and targeting.
2. What are the key benefits and challenges of incorporating AI and machine learning in advertising campaign management?
3. Describe at least three media innovations enabled by computing technologies and how they impact consumer engagement.
4. How do real-time monitoring and reporting tools assist advertisers in optimizing campaign performance?
5. Discuss the ethical and privacy considerations advertisers must keep in mind when using data-driven media planning technologies.

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SUBJECT: ADVERTISING RESEARCH	
COURSE CODE: MSM 524-C	**AUTHOR: DR. GULSHAN GUPTA**
LESSON NO.: 11	**VETTER: DR. NISHA SINGH**
ADVERTISING RESEARCH	

STRUCTURE

11.0 LEARNING OBJECTIVES

After reading this unit, you will be able to:

- Know Basics of Advertising Research.
- Describe the importance of advertising research
- Use various techniques of advertising research
- Understand the role of integrated marketing communication
- Conduct the advertising research

11.1 INTRODUCTION

Research is a scientific process to find new facts, gain depth insights and solve problems with systematic method. Advertising research helps in collecting and analyzing data to make better advertisements and plan long lasting campaigns. Through advertising research we optimize the expected expenses and understand the behaviour pattern of consumers to create resonant ad that could increase brand image and sale as well. Prominent research agencies like Indian Market Research Bureau (IMRB) generate data which is useful for advertisers in conducting surveys and audience measurement.

11.1.1 WHAT IS ADVERTISING RESEARCH

Advertising is a form of communication through different media with a purpose of selling (informing about) products, goods, services and ideas to the mass audience.

According to John E. Kennedy, advertising functions as personalized and persuasive selling, but delivered through mass media instead of one-to-one and face-to-face interaction. Albert Lasker believes in persuasive advertising as “salesmanship in print” referred as “reason why” means to convince consumers to purchase goods, services or ideas from the seller or advertiser.

Advertising is usually a paid and controlled communication to sell a product, idea or a service to mass audience through various mass media channels i.e., print (newspaper, magazines), broadcast media (television & radio), outdoor media (posters, billboards etc.) and digital platforms (social media, websites, online broadcast and direct mail services). In the era of 21st century, digital platforms are now dominating the media. According to a data in 2023, digital advertisements have more than 65% of global ads budget. Advertisements can influence the trends, help in connecting businesses to consumers in marketplace, and making the public aware on several social-global issues. Advertising also a tool of funding for media houses to operate and produce media content.

11.1.2 MARKETING COMMUNICATION AND RESEARCH FOR ADVERTISING

Advertising is just one type of marketing communications. Marketing communications are the various efforts and tools used to communicate with customers and prospects, including solicitation letters, newspaper ads, event sponsorship, publicity, telemarketing and many more. (2) Marketing is one of the important aspects of advertising. Marketing is an organizational function, a set of processes in which the value is created, communicated and delivered to customers, and for handling customer relationships in ways that benefit the organization and its shareholders. Marketing communications are various efforts and tools used to communicate with customers. They are very important for maintaining the relationship with the customers. (3) What connects advertising and marketing are 4Ps of marketing mix: Products, Pricing, Places and Promotion. The final goal of marketing is to earn a profit for the firm by consummating the exchange of products or services with those customers who need or want them. Moreover, the role of advertising is to promote - to inform, persuade, and remind groups of customers, or markets, about the need-satisfying value of the company’s goods and services.

11.1.3 UNDERSTANDING BUSINESS PARTNERS IN ADVERTISING

It is crucial to know the partners in the advertising agencies so that the researcher could identify the potential responders. Advertising business has a group of four agencies i.e. advertisers, agencies, suppliers and the media. Advertisers sponsor the products. Advertising agencies make promotional plans. Suppliers assist advertisers and agencies to prepare advertising materials, i.e. photography, illustration, printing, and production. And, media helps on promotion of the products or services. In terms of the media strategy, advertisers need to be aware of where do their consumers usually go to check the information. Is it television, or internet or newspaper? Then, they need to decide where they will publish the ads. Product concept is important because consumers want to know the qualities of their brands, so they can develop (potentially) a brand loyalty. These integrated partners of advertising ensure the business to run with mutual cooperation and reinforce profitable relationships with employees, customers, the general public and other stakeholders.

11.1.4 NEED AND IMPORTANCE OF ADVERTISING RESEARCH

To improve the efficiency in advertising research it is a need to learn the skill of collecting, and analyzing the data systematically. Data collected from the advertising research helps the advertisers to know the need and expectations of the target consumers and the present competitors in the market. Market research is the key characteristic of advertising research. It is used to understand the target audience. By identifying the preferences, market research helps in converting the heterogeneous market to small homogenous markets. Consumers can be grouped in segments by identifying their purchase behavior. There can be involved two different steps: 1) identifying groups of people and, 2) merging them with substantial markets segments.

According to the American Marketing Association’s (AMA) “Marketing research is the function which links the consumer, customer, and public to the marketer through information – information used to identify and define marketing opportunities and problems; generate, refine and evaluate marketing actions; monitor marketing performance; and improve our understanding of marketing as a process.”

The communication plays important role in advertising because it is a tool by which advertising gets to be communicated by. According to the Shannon and Weaver’s model, the model consists of related parts, which are Information source, Transmitter, Channel, Receiver, and Destination. An information source produces a message. The transmitter encodes the message into signals. The channel is the medium, which encodes a message and sends to a receiver. A receiver decodes the message from the signal, and a destination is where the message arrives. Except these parts of the model, sometimes the feedback is also included.

If we get the answer of what influences the target audience, a compelled advertisement can be created by advertisers to make strong appeal direct to the consumers. Understanding the potential consumer is very fundamental but critical part of advertising research. It ensures that the brand image would be resonated with the consumers.

By identifying the potential customer, next step is to analyze their behaviour. This helps to use available resources more efficiently and provide insights for making informed decisions to develop creative ads and aligned messages in consumer's interest.

If the market research is strongly done, the advertisements and campaigns can perform much better. Market research informs about the emerging trends to be competitive and influence advertising strategies in determining working elements of an advertisement. Creative ads based on consistent research build durable brand image.

11.2 ADVERTISING RESEARCH

Advertising research is a systematic process of gathering and analysis of information to help develop and evaluate advertising strategies, ads, and entire campaigns and helps to make advertising decisions.

11.2.1 CREATION, PRODUCTION AND PLANNING OF ADS

Creativity is one of the most valuable steps in advertising to conceptualize product and decide suitable elements of aligned message to connect with the potential consumers. Advertisers must be creative in terms of composing appealing ads to attract consumers. Significant insights obtained from the research, guides to generate creative ideas and concepts.

Designing and developing advertisements to achieve the set objectives and motivate the target audience to take desired action, is a creative part of advertisement. Creatively designed clear, concise and memorable message disseminated through the right media is the part of planned action in advertising research.

Testing the ad among the small audience before final launching will help in refining the message. As a pre-testing tool, advertisers need to know about the target audience for a specific brand. The major objective is to develop a true profile of the brand's target audience. Hence, in pre-testing, it is essential to study that usually what companies tend to do. Pretesting is the testing the effectiveness of an advertisement for gaps or flaws in message content before recommending it to clients often conducted through focus groups. After pre-testing, advertisers do post-testing. Post-testing is the testing of the effectiveness of the advertisement after it has been run.

11.2.2 PRODUCTION OF THE ADVERTISEMENT

Production refers to the process of final creation of the advertisement. This contains minimum three phases.

1. **Pre-Production:** Developing script, storyboards, selection of sight, role play characters, preparation of accessories, production team etc. are the tasks involved in planning process that is also called pre-production phase.
2. **Production:** this phase includes process of creating the advertisement- i.e. audio-video recording, footage capturing, direction, use of different tools and equipments, editing, sound mixing, small level testing and producing the advertisement in final shape.
3. **Post-Production:** This phase has the process of refining the final version after collecting the feedback from small level testing. This may include re-editing, incorporating suggested changes, special graphics and effects, audio-video synchronization etc. After this step, we may consider that the advertisement is ready to serve to the client for final approval for releasing.

11.2.3 PLANNING OF THE ADVERTISEMENT

Advertising strategy comprises understanding the current situation of industry, analyzing the market, budget planning and planning of promotion through different media alternatives. For a successful and sustainable ad campaign, overall marketing strategy is critical to understand. The advertiser must understand the demand of the objective for which the ad has been produced. Such as improving the brand image or increasing the footfall, rising the sale or attracting the traffic over the brand's website.

To achieve different objectives, different pattern of media platforms such as radio, television, print, online and social media etc. have to be adopted. This involves the budget which works on the basis of investment on the resources and the expected return on the investment.

To ensure the expected return, in the planning process, the advertiser also must be aware about the competitive selling price and competitors who are already there in the market. Cost control is the only key to receive expected return on the investment.

There are five basic steps in the research process:

1. Situation analysis and problem definition
2. Informal research
3. Construction of research objectives
4. Formal research
5. Interpretation and reporting of findings

11.2.4 DEFINE ADVERTISING RESEARCH OBJECTIVES

It is imperative to describe objectives with clarity to achieve a SMART- specific, measurable, achievable, relevant and time-bound roadmap. Objectives are deciding factors in channelizing research as they help in detect the perfect methodology, narrating the scope, guard from deviation of the topic, and ensures the alignment of the study to achieve meaningful outcomes.

To set advertising research objectives it is crucial to follow some steps:

a. Identify the goal of the business: What does the client want from the advertisement?
b. Identify the target audience: For whom the advertisement is?
c. Define the research problem
d. Study the market situation
e. What kind of creative Ad to be produce and
f. Which media platform would be appropriate for dissemination?

11.3 MULTIPLE RESEARCH METHODOLOGIES: QUALITATIVE, QUANTITATIVE AND MIXED RESEARCH IN ADVERTISING

There are multiple research methods namely, qualitative, quantitative and mixed research can be applied in context of advertising. Need of the study and guiding objectives decide which method would be appropriate for the best desired outcomes.

In advertising research, with the help of qualitative methods, consumer perceptions, purchase power, influencing force and their inclination towards particular ad can be identified. Qualitative methods of advertising research involve open-ended questions, in-depth expert interviews, focus group discussions, thematic analysis, ethnographic observation techniques, and case studies. Lets discuss these methods in brief.

Whereas, quantitative methods help to extract valid results of survey data, examine hypothesis using collected large statistical data. Quantitative methods of advertising research involve structured techniques like surveys, numerical analysis through tests, questionnaires, existing data from secondary sources, structured metrics, digital tracking and online marketing etc. This helps in analyzing market trends, consumer's purchasing behaviour, and planning of advertising strategy.

According to some inputs, using mixed method (mix of quantitative and qualitative method) is more comprehensive and holistic approach to gather valuable data for advertising research. Researcher can explore wide context of audience's behaviour by qualitative examination at initial level and later testing them quantitively or the other way round. Although, mixed method provides a complete understanding of the research, however it is totally conditioned with the objectives and researchers' perspective that which research method would be suitable for their study.

11.4 PROCESS OF ADVERTISING RESEARCH

The advertising research has the process of following steps with a specific set of activities.

1. **Identification of Research Objectives:** Specific objectives set the direction of the research. It may involve the analysis of the situation, company review, brand value etc.
2. **Preparing Research Plan:** Once we have or set objectives and we have identified the problem to study, next step is to design the advertising research plan. This showcases, what type of date is required to collect from the research, what type of questionnaires to be prepared, and what are the appropriate tools to be used to collect the data in the field.
3. **Data Collection Process:** Field is the temple and target responders are the God for the advertising researchers. This research can be conducted in physical as well as in online mode but the data credibility must not be compromised. This phase includes pre-testing and post-testing of the data. If the orientation of the researcher has done in advance, s/he is having correct tools like questionnaires, feedback form, comparative chart of the market, and other relevant tool that is required to collect the data, then the reliability and validity of the data is assured.

4. **Data Analysis and Interpretation:** The process of inspection, transformation, organization and meaningful presentation is data analysis. It helps in identifying the trends, patterns and themes. Describing the significant meanings and conclusions is the interpretation of the data.

11.5 AD TESTING

This involves usually two phases 1) Ad Pre-Testing, and 2) Ad Post-Testing. Feedback is the message that recognizes or responds to an initial message. This can be done at both of the phases. If the message gets to be misunderstood in any phase, the advertisement could send a wrong message, and thus, the whole advertising plan could be failed or fall into problems. In this view, it is important for advertisers or advertising companies to have a sense of what message they will be sending to the public and how interactive media can help advertisers in today's world in disseminating the right message to right audience using right media platform. Interactive media, such as internet and interactive television permits consumers to give feedback on the same channel used by the original sender.

11.5.1 PRE-TESTING TECHNIQUES OF ADVERTISING RESEARCH

Before the launch of an advertisement, pre-testing is a qualitative or quantitative or mixed method test to evaluate the effectiveness of it. To gather feedback from target audience we conduct this test through various methods or techniques like focus group, questionnaire, surveys, eye-tracking, neuro-marketing. The objective of the pre-test is to identify the strength and weaknesses in the message, design and overall impact of the ad and minimize the risk of the launch. According to *Asia Research* advertising pre-testing research is fast growing practice in India and becoming popular among automobile, retail, financial and telecom industries. Pre-testing is being preferred to make careful creative choices and analyses the market mindfully. Ad Pre-testing is also known as Copy Testing. Following are some ad pre-testing methods.

11.5.1.1 PRE-TESTING QUALITATIVE METHODS

1. **Open-ended Questionnaire:** This method involves the respondents to answer a set of questions in detail in very spontaneous time. These questions usually starts with 'why, how and what' so that the richer insights and feelings of the respondents could be recorded.
2. **Focus Group:** In this method, the researcher/moderator discusses with a small groups of target audience about their opinions on a particular advertisement. Focus group method records the reactions and attitude

of the participants on the questions related to ad design, message, and its overall impact. It provides the guideline for further improvement in the advertisement. In this method, subjective, in-depth data can be gathered which may not be numerical but informative. Instead of focusing on an individual, interaction and observation of a group is main objective of this method.

3. **In-depth Expert Interview:** This qualitative tool is used for one-on-one session with the experts of the respective field. It is also called depth interview that reveals the valuable concerns which could not get collected from the field interviews and focus group discussions. These interviews are conducted with the experts of the field or one-on-one interview to collect detailed and in-depth inputs on the topic. Through this method, the researcher becomes able to record individual's opinion and experiences related to the advertisement.
4. **Direct Questioning:** This involves open-ended questions to gather detailed and descriptive information about a subject. There may be one single question to inquire some important aspect of the ad and there may be a set of questionnaire to understand the overall emotions and cognitive effects of the audience.

11.5.1.2 PRE-TESTING QUANTITATIVE METHODS

1. **Surveys:** With the help of survey method, data in form of feedback can be collected from large audience using structured close-ended questionnaires.
2. **Online Testing:** Pre-testing the audience opinion through online web-based surveys or other interactive tools like voting etc. This method is reliable and provides measurable real time inputs.
3. **A/B Testing:** In this ad pre-testing method, the advertising researcher compares two versions of the same ad by showing each ad to different audience to determine which version is more effective. It provides real time responses to analyze, optimize and improve the overall impact of the ad.

11.5.2 POST-TESTING TECHNIQUES OF ADVERTISING RESEARCH

This is also known as ad's tracking that measures the actual performance of the advertisement after launch. It provides the inputs about the achievement of the objectives of an ad campaign and how well the ad resonated with the audience. Post-testing measures the brand recall capacity of the audience and their purchase intent. It also keeps eye on social media trends, measures the receptivity of the ad, monitors sales and expenses account and helps in optimizing further planning to ensure expected return on future investment. Following are the ad post-testing methods:

11.5.2.1 POST-TESTING QUALITATIVE METHODS

1. **Thematic Analysis:** With the help of this method, the researcher analyzes the content and identifies the pattern on which the advertisement has been set. Dividing the pattern into themes and underlying the meanings and relationships with different themes uses in the advertisement.
2. **Narrative Analysis:** This method identifies the series of narrations used in advertisement and analyses the connection of words choices, slang, emotions etc. on the audience which put a large impact to convert them in potential consumers.
3. **Case Studies:** It is a holistic method of investigation to collect multifaceted data of the respective research topic. In case of advertisement research, it involves detailed examination of the real feedbacks received from the consumers/respondents. The data can be collected through different methods such as observations, feedback forms, data collected from secondary sources like agencies and other qualitative methods.
4. **Ethnographic Observation:** Observing the audience in their natural environment is ethnography method. It is used to observe the subconscious behaviour of the audience how they decide, select and opt for any product which they have seen in advertisement.

11.5.2.2 POST-TESTING QUANTITATIVE METHODS

1. **Brand Awareness and Recall:** This method is all about the brand's image in audience mind. It shows how well consumers recall and remember a brand following an ad campaign. Brand recall is a spontaneous activity where a responder/audience immediately remembers the brands name, logo or slogan. In aided recall, a prompt is given to the respondent to think of the brand advertisement. In unaided recall, respondent has to recall the brand or advertisement's name, logo or slogan without any prompt. This can be measured through making different marketing efforts such as surveys etc.
2. **Recognition Test:** This test identify that which advertisements have been read by the respondents in which newspaper. This is also called readership or viewership test. Daniel Starch in 1930's has developed this test to know that which ad is noticed by the customers. In this test respondents are shown an ad in the magazines or newspapers of their choice which they claim to have read, and they are asked to recognized the as they have noticed in the same newspaper or magazine.
3. **Persuasion Test:** This test helps in shifting the paradigm of the audience and changing the preference of potential customers. In this test, before seeing the advertisement, the respondents are asked to answer a set of questionnaire about the product and manufacturer. After that the advertisement get exposed to them and again the respondents undergo to a second test that shows the change in their preference and attitude towards the product.

4. **Triple Association Test:** This test assesses the ability that how much the consumer knows and learnt about the product from the advertisement. By giving prompt, the consumer is asked to identify the brand. If the consumer identifies the brand name and its association with the company, it considers that the advertisement has fulfilled its objectives and successfully delivered its messages. This method can be applied to all T.V., radio, and print advertisements.
5. **Purchase Behaviour Test:** Increase in sales, is considered as the effective dissemination of advertisement. It is a comprehensive test that analyzes how the target audience is converting into active consumers. This test understands the purchase decisions of the consumers in five stages which includes:
   - **a.** Need of the product to consumer (Problem Recognition),
   - **b.** How consumer address the problem (Searching the Information),
   - **c.** Consumer evaluates the product with available alternatives (Alternative Evaluation),
   - **d.** Decide to purchase the product of their choice (Purchase Decision), and
   - **e.** After using the product and service consumer provides feedback (Post Purchase Satisfaction Test). This method also involves certain tools like surveys, focus group discussions, feedback forms etc.

11.6 Key Elements of Advertising Research

There are some key factors which are important to understand in advertising research. During the advertising research process, the researcher or advertising agency confronts with the critical points those need improvements and continuous surveillance to get better results. These points are being discussed below in detail.

Know your Audience in Advertising Research: To make suitable choices of media it is vital to know your audience. Selecting appropriate media channels is a critical and decisive factor because it directly affects the reach of the advertisement to the target audience and to turn them into potential consumers. A wrong selection of media may not give desired outcomes and result in wastage of resources. Reaching the right people is main focus of any advertising research. So the advertiser must know about the audience’s media preferences where they will meet. Different channels serves with different objectives. Each channel has its own strengths as well as weaknesses. The choice of media also depends on the availability of budget. Keeping the budget in mind, the suitable choice of channel can be made, for example, television may be more expensive than the online and digital platforms like social media etc. The right message resonate the right audience, and has the capacity to convert the ad into sales.

Monitoring and Optimizing Campaign Result: Regular monitoring of the campaign helps in identifying both high as well as low performing elements in the ads. With the help of monitored data, the ad agency or the researcher can pinpoint that which media platform, keywords or ad design are accomplishing the desired results and which are not. Based on audience feedback and engagement in the data, ad material can be refined with optimized inputs received from the post-tests data. To collect the feedback from the ongoing campaigns, tests like A/B test can be implied. This helps in ensuring the reach to the right audience and collecting insightful data from successful customers. More financial support (budget) also can be given to the channels and ads those are performing positively well and in lieu of this best return can be expected on the additional investment. Although after monitoring the campaign result, the changes could be made but still the optimization is a continuous and ongoing process. New data from customers' feedback should always be gathered to ensure constant improvements and understanding evolving trends in the market, as real time monitoring always help in adopting quick changes in market, consumer's behaviour and industry development.

Repetitive Advertising and Consumer Preference: Effective frequency of an ad to boost brand awareness helps to keep the customer associated with the brand or product. But repetitive advertising may have negative effect on consumer's preferences. Although, repetition can increase the brand familiarity with the audience but excessiveness may lead to negative branding and ad fatigue. It may reduce the consumer's preference to purchase the product. To escape from the negative impression of repetitive advertisement, marketers must ensure that the content of the ad is relevant to the consumers and media too. They also should strategically manage the frequency and avoid overexposure of the advertisement to the audience.

Three Keys to Introduce the Brand: Focus, Fit and Time:

Focus: To effectively introduce a brand in the market, advertisers focus should be on the deep understanding of the target market, potential consumers, uniqueness of the brand, competitive price/value of the product, and highlighting the specifications of the product. The unique selling proposition (USP) of the brand makes a space in customer's mind that remains there forever. Audience always remember the highlights of the product or brand those are different from the competitors. For example, Tesla always focuses on sustainable and renewable energy usage in their cars to make them electric, innovative, and environmental friendly. This helps in popularizing the brand among the new generations.

Fit: It means how well the brand aligned with the target market and consumers. Does the product reach to the right people in right time through right channel? If the brand does not fulfill the need and set fit according to the intended customers choice it may fail. When the brand ensures the valuable relevancy to the customers' need, then the brand value naturally builds. Visual elements in the advertisements also help in communicating the clear message to the consumers. For example, although celebrity endorsements increase the brand sale, but if the users of sport shoes resonate with the lifestyle of a certain sportsman then there is no need to advertise it by other celebrities.

Time: Timing of the introducing product matters a lot in advertising. Strategic launch of the product can maximize the impact. The right time of releasing the ad is when the market is receptive. Regular presence in the market and offering solutions to customers on time when they need is the key of successful marketing. For example, in India, people buy gold jewelry always on certain occasions such as wedding seasons; Akshay Tritiya etc. then, jewelry industry should launch their new products on these times.

Duration of Advertising Matters: It is very optimal to serve the meaningful advertisement message in less time. In the fast moving digital scenario, ad timing should not be more than 15 to 30 Seconds. A 15 to 20 seconds ad is a quick call to action and focuses on delivering clear-cut message. It is a cost-effective way of advertising and immediately engages the audience to catch their attention. These kinds of short advertisements are best for instagram reels, youtube shorts and stories.

Advertisements with timing of 30 seconds and more contain longer conversations, dialogues, storytelling, presentation of emotions and deeper emotional connections. These ads are made for the audio-visual platforms where audience can be engaged for longer duration.

Both, the short and long time advertisements are equally important while delivering through right platforms to right audience.

11.7 CASE HISTORY: MCDONALD'S AD STRATEGY

McDonald's is one of the worlds' largest and leading fast food industries established in 1940 in California and first franchise was signed in 1952. Followings are the notable plans adopted by

McDonald's to remain the leader in this field.

- **Control on Quality and Good Service:** To remain the best among the competitors, McDonald's served the best quality of their product and didn't compromise with their friendly services.
- **Research and Investment:** McDonald's always paid attention for research and innovations in their products. They invested time, money and knowledge to grow rapidly, effectively and strategically. They understood the market at their early stage and shifted to fast food from the traditional form of table service food business. Timely invested in introducing new menu like burgers with milkshakes.
- They served with different menu to different age of customers.
- McDonald's made efforts to research on demographics and psychographics to understand the choice and mood of the audience easily.
- As their marketing strategy, McDonald's invested in both online and offline business methods to increase their sale.
- They launched their dedicated mobile application for their customers.
- Feedback is the key to get first hand real time response from the users. They monitored the suggestions, advices, criticisms and feedbacks of their users and continuously refined their marketing strategy as well as improved their products and services.\
- McDonald's spent about $1.5 billion on advertising on billboards and T.V ads in U.S. alone. Now along with T.V and radio they are on digital platforms too to promote their new products and services as new generation is more digitally active.
- Outdoor ambient marketing is also one of the tools where McDonald's invests strategically to make more impact on local customers.
- In 1993, McDonald's entered in India, easily adopted the urban markets and successfully entered into two joint ventures. They also created the special vegetarian menu for Indians. This shows their demographic alertness.
- The company has enhanced their services through home delivery and community initiatives. They are significantly growing their share in Indian market with the help of local sources and by applying practical market strategies.
- Training of staff is also one of the crucial factors of their success in their business. A restaurant management system was created by McDonald's for efficient management of operations.

- Separate kitchens for vegetarian and non-vegetarian food were created and separate food lines were maintained to procure, cooking and serving. Customers were offered kitchen tour to show transparency and build trust.
- Hence, it can be said that to run a brand in the market, it is important to work on marketing strategies as well as maintaining its overall functions which are integrated to each other is equally important.

11.8 SUMMARY

- Advertising research is an integral part of marketing strategy. It helps in collecting data with the help of different methods.
- Advertising research is a systematic process used to improve the effectiveness of advertisements by collecting and analyzing data.
- Data driven decision-making, enhances creative execution, and ensures that campaigns are effectively aligned with consumer needs and market conditions.
- It plays a vital role in understanding consumer behavior, optimizing ad spending, and enhancing brand image and sales
- Advertising research helps in defining main objectives, identify the right media platforms and choose the target audience carefully.
- Further, systematic use of research methodologies like qualitative, quantitative, or mixed methods, advertisers can refine their market strategies to foster improved brand-consumer relationships and increase advertising impact.
- A successful advertising campaign involves collaboration and cooperation between four partners - advertisers, ad agencies, suppliers in market, and media houses.
- The 4Ps of marketing- Product, Price, Place, and Promotion- play a pivotal role in connecting advertising with market trends.
- Advertising is closely linked with marketing communications. It is a paid and persuasive form of communication to inform and influence a mass audience.

11.9 REFERENCES/SUGGESTED READINGS

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