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CHAPTER 1

INTRODUCTION

Introduction to Advertising Industry

Advertising industry is a rapidly growing industry and determines to a considerable extent the GDP or the gross domestic product of any country. The advertising industry besides functioning as an intermediate between the manufacturers and the customers plays an important role in the economy of the country. This industry necessitates investment for funding different resources. One cannot measure the degree of development by interpretation of inputs in the economy which yields some production. In the event when consumption levels far exceed than what is reckoned, this is not a means of triggering or bringing about transformation in the culture, society or development in human resources or economy. What the time demands is optimum and efficient execution of advertising projects by involving appropriate technology along scientific lines

Advertising industry-facts:

- Movies, Internet, Print Media, broadcasting constitute 0.99% in approximately 57 countries in terms of economic growth worldwide. This ratio was found to be unaltered in the years 2005 through 2006.
- It was observed that expenses incurred on advertising in the European countries exceeded the expenses incurred by United States of America in the year 2005.
- Reports also suggest that the trend of growth in the advertising industry may become sluggish in 2007, the ratio being 5.6%. This ratio may drop to 5.3% in the year 2009.

- 2005 through 2009 will see a majority of the emerging markets whose advertising markets are likely grow as much as USD19.2 billion. On the other hand, the stake in the global advertising market may escalate from 7.9%- 10.8% during the same period.
- It is apprehended that the advertising industry which contributed 0.96% towards the global GDP in the year 2005, is anticipated to escalate to 0.99% in 2009.

Advertising is the means of informing as well as influencing the general public to buy products or services through visual or oral messages. A product or service is advertised to create awareness in the minds of potential buyers. Some of the commonly used media for advertising are T.V., radio, websites, newspapers, magazines, bill-boards, hoardings etc. As a result of economic liberalization and the changing social trends advertising industry has shown rapid growth in the last decade.

Advertising is one of the aspects of mass communication. Advertising is actually brand-building through effective communication and is essentially a service industry. It helps to create demand, promote marketing system and boost economic growth. Thus advertising forms the basis of marketing. Advertising plays a significant role in today's highly competitive world. A career in advertisement is quite glamorous and at the same time challenging with more and more agencies opening up every day. Whether its brands, companies, personalities or even voluntary or religious organizations, all of them use some form of advertising in order to be able to communicate with the target audience. The salary structure in advertising is quite high and if you have the knack for it one can reach the top. It is an ideal profession for a creative individual who can handle work-pressure.

Today, new areas are emerging within advertising like event management, image management, internet marketing etc. Event management wherein events are marketed, Image management where in a particular profile of an individual or an organization is projected. Internet marketing has also brought about a lot of changes in advertising as Internet means that one is catering to a select group of audience rather than a mass audience

Overview of Advertising Industry in India

The structure of the advertising industry in Asia Pacific has been affected by globalizations and international alignments creating a smaller number of very large agencies and the growth of independent major media buying houses. Very sophisticated software optimization and planning systems are now integral to the industry, enabling agencies to offer a unique positioning in the marketplace to attract new business. American companies are discovering the appeal of marketing their products in India. With a population of approximately one billion, and a middle class that's larger than the total population of the United States, there's definitely money to be made. Local retailers in apparel, food, watches and jewellery have all increased their average ad

spending by almost 50% in the past two years. Coupled with many other local players big retailing brands are spending to the tune of Rs 12,000 crores annually on advertising and promotional activities. This figure, according to industry estimates, was less than Rs 400 crores about 3 years ago. Which means the growth has been a whopping 40%? The local firms are using all the available advertising tools from electronic to print, outdoor advertising and even models. The advertising and promotional spending by local brands is substantial during the festival season and almost 70% of the spending is done between Septembers to January. The advertising industry in India is growing at an average rate of 10-12% per annum. Over 80% of the business is from Mumbai and Delhi followed by Bangalore and Chennai.

Online Ad Spending in India

Online advertising spending is holding its own and will continue to grow steadily over the next several years. Marketers are responding to the economic challenges with new techniques and strategies, along with research data to prove their effectiveness. According to statistics, online ad spending has reached \$23 billion. Nonetheless, nearly three-quarters of web advertising space goes unsold and more than 99.7 per cent of banner ads are not clicked on.

Scope of Advertising Industry in India

The advertising industry in India has several competitive advantages:

- India has a rich pool of strategic planning, creative and media services personnel: Indeed, Indian advertising industry has been exporting senior-level talent to many countries, particularly to the Gulf, South-East Asia, China, the UK and the US. Indian talent is recognized and respected in global agency networks.
- No other country has access to so many trained management graduates who can provide strategic inputs for brand and media planning.
- Indians are multicultural: we learn at least two languages and that gives us a head start in understanding cultural diversity.
- Most of the top 20 agencies in India have a global partner or owner, which should provide an immediate link to global markets.
- Our production standards in TV and print have improved: With a vibrant animation software industry, we have access to this area of TV production.
- India's advanced IT capabilities can be used to develop Web-based communication packages for global clients.

Indian Advertising starts with the hawkers calling out their wares right from the days when cities and markets first began

Shop front sign ages

From street side sellers to press ads

The first trademarks

Handbills distributed separately from the products

18th Century

Concrete advertising history begins with classified advertising

Ads appear for the first time in print in Hickey's *Bengal Gazette*. **India's first newspaper (weekly).**

Studios mark the beginning of advertising created in India (as opposed to imported from England) Studios set up for bold type, ornate fonts, more fancy, larger ads

Newspaper studios train the first generation of visualizes & illustrators

Major advertisers: Retailers like Spencer's, Army & Navy and Whiteaway & Laidlaw

Marketing promotions: Retailers' catalogues provided early example

Ads appear in newspapers in the form of lists of the latest merchandise from England

Patent medicines: The first brand as we know them today were a category of advertisers

Horlicks becomes the first 'malted milk' to be patented on 5th June 1883 (No. 278967).

Evolution of Advertising

Pre industrialization Era (pre 1800)

- The first news paper advertisement is said to have appeared in 1704 in the BOSTON news letter.
- The Pennsylvania Gazette printed advertisement and was the first news paper to separate ads with others.

Era of Industrialization (1800-1875)

- By 1850, circulation of dailies, as news paper
- Volley Palmer (ad agent) who opened shop in Philadelphia.

The P.T BURMAN Era (1875-1918)

- Shortly after the civil war in the united states, modern advertising began.
- This was the era where consumer culture came into the picture.
- Advertising became a full fledged industry in this period
- It was the time of advertising legends
- Albert Lasher (Head of Lord and Thomas, ad agency)
- Francis. W. Ayer founder of N.W. Ayer
- John.E.Power the most important copy writer of the era.
- Earnest Elmo catkins, champion of advertising design
- John's. Kennedy creator of "reason why" ads.
- During this era , branding became a norm
- Advertising was motivated by the need to sell the vastly increased supply of goods brought on by mass production and by the demands of an increasing urban population seeking social identity through branded products.
- The advertising of this period was, until 1906, completely unregulated. In that era, congress passed the pure food and drug act, which required manufacturers to list the active ingredients of their products on their labels.
- The ads from the P.T .Barman era were often densely packed with fantastic promises.

The 1920's (1918-1929)

- In many ways, the roaring twenties began a couple of years early.
- After World War 1, advertising found respectability, fame, and glamour. It was the most modern of all profession stylish and fashionable.
- During these good economic times, advertising instructed consumers how to avoid pitfalls.
- Another very important aspect of 1920's advertising and beyond, was the role that science and technology began to play.
- The J.walter Thompson advertising agency of the period.
- Helen Razor was the first lady advertising executive.

Depression Era (1929-1941)

- Just as sure as advertising was glamorous in the 1920's, due to economic depression faced by the country.
- Advertisers responded to this feeling by adopting a tough, no-nonsense advertising style.
- Another notable event during these years was Radio.

World War 2nd and the 50's (1941-1961)

- Era where advertisers started linking product with nationalism.
- The only thing truly revolutionary about 1960;s advertising was the creative revolution.
- The creative revolution, and the look it produced agencies-----Leo brunette in Chicago, Doyle and Dane



Advertising is the promotion of a company's products and services carried out primarily to drive sales of the products and services but also to build a brand identity and communicate changes or new product /services to the customers. Advertising has become an essential element of the corporate world and hence the companies allot a considerable amount of revenues as their advertising budget. There are several reasons for advertising some of which are as follows:

- Increasing the sales of the product/service
- Creating and maintaining a brand identity or brand image.
- Communicating a change in the existing product line.
- Introduction of a new product or service.
- Increasing the buzz-value of the brand or the company.

Thus, several reasons for advertising and similarly there exist various media which can be effectively used for advertising. Based on these criteria there can be several branches of advertising. Mentioned below are the various categories or types of advertising:

Print Advertising – Newspapers, Magazines, Brochures, and Fliers

The print media have always been a popular advertising medium. Advertising products via newspapers or magazines is a common practice. In addition to this, the print media also offers options like promotional brochures and fliers for advertising purposes. Often the newspapers and the magazines sell the advertising space according to the area occupied by the advertisement, the position of the advertisement (front page/middle page), as well as the readership of the publications. For instance an advertisement in a relatively new and less popular newspaper would cost far less than placing an advertisement in a popular newspaper with a high readership. The price of print ads also depend on the supplement in which they appear, for example an advertisement in the glossy supplement costs way higher than that in the newspaper supplement which uses a mediocre quality paper.

Outdoor Advertising – Billboards, Kiosks, Tradeshow and Events

Outdoor advertising is also a very popular form of advertising, which makes use of several tools and techniques to attract the customers outdoors. The most common examples of outdoor advertising are billboards, kiosks, and also several events and tradeshow organized by the company. The billboard advertising is very popular however has to be really terse and catchy in order to grab the attention of the passers by. The kiosks not only provide an easy outlet for the company products but also make for an effective advertising tool to promote the company's products. Organizing several events or sponsoring those makes for an excellent advertising opportunity. The company can organize trade fairs, or even exhibitions for advertising their products. If not this, the company can organize several events that are closely associated with their field. For instance a company that manufactures sports utilities can sponsor a sports tournament to advertise its products.

Broadcast advertising – Television, Radio and the Internet

Broadcast advertising is a very popular advertising medium that constitutes of several branches like television, radio or the Internet. Television advertisements have been very popular ever since they have been introduced. The cost of television advertising often depends on the duration of the advertisement, the time of broadcast (prime time/peak time), and of course the popularity of the television channel on which the advertisement is going to be broadcasted. The radio might have lost its charm owing to the new age media however the radio remains to be the choice of small-scale advertisers. The radio jingles have been very popular advertising media and have a large impact on the audience, which is evident in the fact that many people still remember and enjoy the popular radio jingles.

Covert Advertising – Advertising in Movies

Covert advertising is a unique kind of advertising in which a product or a particular brand is incorporated in some entertainment and media channels like movies, television shows or even sports. There is no commercial in the entertainment but the brand or the product is subtly (or sometimes evidently) showcased in the entertainment show. Some of the famous examples for this sort of advertising have to be the appearance of brand *Nokia* which is displayed on Tom Cruise's phone in the movie *Minority Report*, or the use of *Cadillac* cars in the movie *Matrix Reloaded*.

Surrogate Advertising – Advertising Indirectly

Surrogate advertising is prominently seen in cases where advertising a particular product is banned by law. Advertisement for products like cigarettes or alcohol which are injurious to health are prohibited by law in several countries and hence these companies have to come up with several other products that might have the same brand name and indirectly remind people of the cigarettes or beer bottles of the same brand. Common examples include Fosters and Kingfisher beer brands, which are often seen to promote their brand with the help of surrogate advertising.

Public Service Advertising – Advertising for Social Causes

Public service advertising is a technique that makes use of advertising as an effective communication medium to convey socially relevant messages about important matters and social welfare causes like AIDS, energy conservation, political integrity, deforestation, illiteracy, poverty and so on. David Ogilvy who is considered to be one of the pioneers of advertising and marketing concepts had reportedly encouraged the use of advertising field for a social cause. Ogilvy once said, "*Advertising justifies its existence when used in the public interest - it is much too powerful a tool to use solely for commercial purposes.*" Today public service advertising has been increasingly used in a non-commercial fashion in several countries across the world in order to promote various social causes. In USA, the radio and television stations are granted on the basis of a fixed amount of Public service advertisements aired by the channel.

Celebrity Advertising

Although the audience is getting smarter and smarter and the modern day consumer getting immune to the exaggerated claims made in a majority of advertisements, there exist a section of

advertisers that still bank upon celebrities and their popularity for advertising their products. Using celebrities for advertising involves signing up celebrities for advertising campaigns, which consist of all sorts of advertising including, television ads or even print advertisements.

Top Advertising Companies of India:

Ogilvy and Mather:

This is one of the leading advertising companies in India. This organization believes that devotion to the brand defines the profile of their company. This company has offices across the globe. The objective of the company is to build brands. It is a subsidiary of WPP Group plc. The headquarter of the company is in New York.

J Walter Thompson India:

One of the most popular companies in the advertising industry is J Walter Thompson India. Their objective is to make advertising a part of the life of the consumers. This is also world's best advertising brand with about 200 offices in 90 countries. This company is the first one to introduce pioneer careers in ad for women, sex-appeal ads and also produced the first ever sponsored -TV program.

Mudra Communication Pvt. Ltd:

This is one of the renowned advertising companies of India. This advertising organization was founded in the year 1980 at Mumbai. Recently the Ad Company declared the addition of public relations, rural marketing, events etc. The head office of the company is in Bombay Area.

FCB-Ulka Advertising Ltd:

One of the best companies in India in the advertising arena is FCB-Ulka Advertising Ltd. In US, this advertising company ranks third and tenth in the world having about 188 offices in 102 countries. Their aim is to reflect the needs of the brand and not the personality of the brand. It has about 500 professionals and no prima donnas.

Rediffusion-DY&R:

This Advertising Company of India has made a benchmark in the field of creativity. India's 5th largest advertising company is Rediffusion. This advertising agency offers a wide array of integrated pr services for external and internal communications. The primary strength of the company lies in the media relations.

McCann-Erickson India Ltd:

The prominent name among the best advertising companies of India is McCann-Erickson India Ltd. They define work in relation to the impact that advertising has on the lives of masses. The testimony of the company in which it firmly believes is the campaign of Coca -cola-'Thanda Matlab Coca Cola'.

RK Swamy/BBDO Advertising Ltd:

It maintained the record of remaining consistently among the top ten advertising agencies in India. Established in 1973, this advertising reached great heights. This is also India's No.1 research company in the market sector and is fully run by Indians. Brand Equity is an integral part of the company.

Grey Worldwide (I) Pvt. Ltd:

A significant name in India in the world of advertising agencies is Grey Worldwide (I) Pvt Ltd. The company is primarily based in Mumbai and has offices in Kolkata, Ahmadabad, Bangalore and New Delhi. It is a subsidiary of Grey Worldwide. The company specializes in advertising and marketing services.

Leo Burnett India Pvt. Ltd:

It has a significant presence in about 96 offices in 10 countries. This advertising agency was awarded the 'Worldwide Agency of the Year' in 2004. They are proficient in explaining how a single image is worth thousand words and can break the barriers of language but not at the cost of the ad's emotional power.

Contract Advertising India Ltd:

This advertising company of India is one of the leading advertising agencies in India. It is one-to-one customer lifecycle management advertising agency. It was founded in 1992 and is situated in Mumbai. It offers a wide range of services like online marketing and strategy.

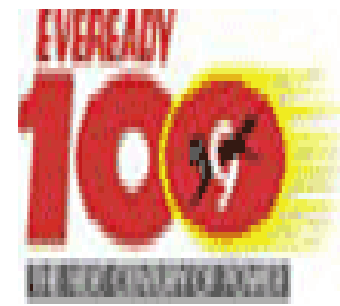
Classification of Advertising

1. National Advertising
2. International Advertising
3. Co-operative Advertising
4. Corporate or institutional Advertising
5. Non-product Advertising
6. Service advertising

1. NATIONAL ADVERTISING:

It reaches all geographic areas of one nation. National advertising is the term typically used to describe the kind of advertising we see most often in the mass media in the domestic market.





2. INTERNATIONAL ADVERTISING:

This occurs when firms prepare and place different advertising in different national markets. Each international market often requires unique or original advertising due to product adaptations or message appeal tailored specifically for the market.





3. CO-OPREATIVE ADVERTISTING: under special circumstances, national advertiser will share advertising expenses in a market with local dealers to achieve specific advertising objectives. This sharing of advertising expenses between national advertiser and local merchants is called co-operative advertising.



4. CORPORATE OR INSTITUTIONAL ADVERTISTIONAL: Is not designed to promote a specific brand, but is meant to create a favourable attitude towards a company as a whole.



5. NON PROFIT ADVERTISTING: This kind of advertising deals with child labor, environmental issues and human rights etc...



6. SERVICE ADVERTISING: Large national manufactures of consumer products and services are the most prominent users of promotion, often spending users of dollars annually.



NOKIA
Connecting People





NEXT GENERATION BANK JOB

Joining and being able to hold on to your job for years is what you want. At ICICI Bank, we offer a wide range of career opportunities for young professionals who are looking for a challenging and rewarding job. We are now looking for young professionals who are looking for a challenging and rewarding job. We are now looking for young professionals who are looking for a challenging and rewarding job.

Job Opportunities:

- Branch Manager:** Responsible for the overall management of the branch. The candidate should have a minimum of 10 years of experience in the banking industry.
- Assistant Manager:** Responsible for the day-to-day operations of the branch. The candidate should have a minimum of 5 years of experience in the banking industry.
- Senior Officer:** Responsible for the management of the branch's assets and liabilities. The candidate should have a minimum of 5 years of experience in the banking industry.
- Junior Officer:** Responsible for the management of the branch's assets and liabilities. The candidate should have a minimum of 2 years of experience in the banking industry.

ICICI Bank



Functions of Advertising

- Stimulates demand
- All provoking ads which make people buy them immediately
- Strengthens other promotion mix
- Develops Brand preferences
- Information and awareness
- Image building and communication

Structure of the Advertising Industry



Advertisers

Manufacturers and Service Firms

Procter & Gamble, Verizon

Trade Resellers

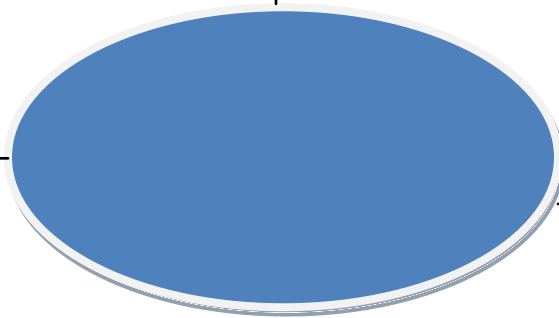
Sears, McDonald's

Government

Federal, State, Local

Social/Not-for-profit Organizations

United Way, Nature Conservancy



CHAPTER 1.B THEORETICAL BACKGROUND

THE ROLE OF ADVERTISING IN MARKETING AND INTEGRATED BRAND PROMOTION.

To truly appreciate advertising as a business process, we have to understand the role advertising plays in a firm's marketing and integrated brand promotion effect. Every organization must make marketing decisions. There simply is no escaping the need to develop brands, price them, distribute them, and promote them to target audience. The role of advertising and brand promotion relates to four important aspects of marketing process:

1. The marketing mix
2. Brand development and management
3. Achieving effective marketing segmentation, differentiation, and positioning
4. Contributing to revenue and profit generation.

ADVERTISING

Meaning & definition

According to American Marketing Association (1963), "Advertising is any paid form of non-personal and promotion of ideas, goods and services by identified sponsor." "Advertising is controllable, identifiable information and persuasion by means of mass communication media" "Advertising is non-personal communication of marketing related information to a target audience, usually paid for by the advertiser and delivered through mass media to reach specific objectives" --John.J.Burnett

One definition of advertising is: "Advertising is the non personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media." (Bovee, 1992, p. 7) So much for academic doubletalk. Now let's take this statement apart and see what it means.

NONPERSONAL

First, what is "non personal"? There are two basic ways to sell anything: personally and non personally. Personal selling requires the seller and the buyer to get together. There are advantages and disadvantages to this. The first advantage is time: the seller has time to discuss in detail everything about the product. The buyer has time to ask questions, get answers, and examine evidence for or against purchase.

A second advantage of personal selling is that the seller can see you. The person he's selling to she can see your face, see how the sales message is getting across. If you yawn or your eyes shift away, you're obviously bored, and the seller can change approach. She can also see if you're hooked, see what features or benefits have your attention, and emphasize them to close the sale.

Finally, the seller can easily locate potential buyers. If you enter a store, you probably have an interest in something that store sells. Street vendors and door-to-door sellers can simply shout at possibilities, like the Hyde Park (London) vendors who call out, "I say there, Guv'nor, can you use a set of these dishes?", or knock at the door and start their spiel with an attention grabber. From there on they fit their message to the individual customer, taking all the time a customer is willing to give them.

Disadvantages do exist. Personal selling is, naturally enough, expensive, since it is labor-intensive and deals with only one buyer at a time. Just imagine trying to sell chewing gum or guitar picks one-on-one; it would cost a dollar a stick or pick.

In addition, its advantage of time is also a disadvantage. Personal selling is time-consuming. Selling a stereo or a car can take days, and major computer and airplane sales can take years.

Nonetheless, although personal selling results in more rejections than sales, and can be nerve-racking, frustrating and ego destroying for the salesperson, when the salesperson is good it is more directed and successful than advertising.

From the above, it appears that personal selling is much better than advertising, which is non personal. This is true. Advertising has none of the advantages of personal selling: there is very little time in which to present the sales message, there is no way to know just who the customer is or how she is responding to the message, the message cannot be changed in mid-course to suit the customer's reactions.

Then why bother with advertising? Because its advantages exactly replace the disadvantages of personal selling and can emulate some of the advantages. First let's look at the latter.

First, advertising has, comparatively speaking, all the time in the world. Unlike personal selling, the sales message and its presentation does not have to be created on the spot with the customer watching. It can be created in as many ways as the writer can conceive, be rewritten, tested, modified, injected with every trick and appeal known to affect consumers. (Some of the latter is the content of this book.)

Second, although advertisers may not see the individual customer, nor be able to modify the sales message according to that individual's reactions at the time, it does have research about customers. The research can identify potential customers, find what message elements might influence them, and figure out how best to get that message to them. Although the research is meaningless when applied to any particular individual, it is effective when applied to large groups of customers.

Third, and perhaps of most importance, advertising can be far cheaper per potential customer than personal selling. Personal selling is extremely labor-intensive, dealing with one customer at a time. Advertising deals with hundreds, thousands, or millions of customers at a time, reducing the cost per customer to mere pennies. In fact, advertising costs are determined in part using a formula to determine, not cost per potential customer, but cost per thousand potential customers.

Thus, it appears that advertising is a good idea as a sales tool. For small ticket items, such as chewing gum and guitar picks, advertising is cost effective to do the entire selling job. For large ticket items, such as cars and computers, advertising can do a large part of the selling job, and personal selling is used to complete and close the sale.

Advertising is non personal, but effective.

COMMUNICATION

Communication means not only speech or pictures, but any way one person can pass information, ideas or feelings to another. Thus communication uses all of the senses: smell, touch, taste, sound and sight. Of the five, only two are really useful in advertising -- sound and sight.

Smell

Smell is an extremely strong form of communication. However, when it comes to advertising, it is not very useful. A smell can immediately evoke memories. Remember times when you've smelled something and what memories came to your mind. The smell could be a perfume or aftershave that reminds you of Sheila or George. It could be popcorn, newly mown grass, char-broiling steak, or roses. Any smell can conjure up a memory for you.

However, that is smell's greatest problem for advertising. Although a smell can evoke a memory, everyone's memories are different. For example, the smell of hay in a cow barn always reminds me of my grandfather's farm in Indiana and the fun I had there as a child. To others, however, that same smell makes them think a cow had an accident in the living room, not at all the same response as mine. If an advertiser wanted to make me nostalgic about farms and grandparents, the smell would be perfect. To others the smell might evoke ideas of cow accidents or the pain of having to buck bales on a hot summer day, neither image of much use in making a product appealing.

The point is, the effect of using smell in advertising cannot be controlled by the advertiser. Although many people smell the same things, what they associate with those smells varies with each person. Without some control, smell is a very weak form of communication for advertising.

Touch

Touch has a limitation that makes it of little use to advertising -- the customer has to come in actual contact with the item to be touched. Thus the item must actually exist and be put in a medium that can carry it. This puts touch more in the realm of personal selling than advertising.

It is possible to use touch for a limited number of products. For example, samples of cloth or paper can be bound into magazines. The potential customer can thus feel percale or the texture of corduroy; tell through touch the difference between slick magazine stock, embossing, Classic Laid or 100% rag paper. However, for the majority of products touch is useless for advertising.

Taste

Taste is probably the least useful communication channel available to advertising. Like touch, taste requires the potential customer to come in actual physical contact with the product. However, taste is even more limited than touch. There are few products other than food for which taste is a major selling point, and there is virtually no medium in which an ad can be placed that people are likely to lick; I'm sure few people are going to lick a magazine page or the TV screen, nor get much sense of what the product tastes like from them. It is possible to use direct mail, sending samples to homes, but that is an expensive way to advertise.

Thus, taste is much more effective in personal selling, such as sampling foods in supermarkets or in door-to-door sales.

The remaining two senses, sound and sight are the most effective and easily used channels of communication available to advertising. For these reasons virtually all advertising relies on them.

Sound

Sound is extremely useful for advertising. It can be used in a variety of media, from radio and television to the new technology of binding micro-sound chips in magazines to present 20-second sales messages. It is also capable of presenting words and "theatre of the mind."

Words, the method by which humans communicate their ideas and feelings, are presented by sound, by speaking aloud. Through the use of words it is possible to deliver logical arguments, discuss pros and cons, and evoke emotions.

More, through the use of sound it is possible to create what is called "the theatre of the mind." What this means is that sound can conjure in the listener's mind images and actions that don't necessarily exist. For example, if you want to create before the mind's eye the image of a party, you need merely use the sound effects of people talking and laughing, the tinkle of glasses and ice, perhaps music in the background. Even easier, tape record a party and play it back. To evoke images of a soft spring day the sounds of a breeze rustling leaves, the chirrup of insects, the soft call of birds is sufficient. The listener's mind will take those sounds, combine them, make sense of them, and create an image suited to their individual taste. For example, a beer commercial may play the sounds of a bar in the background, and the listener may imagine themselves in their own favorite bar, and perhaps ordering that brand of beer.

Thus sound, in the forms of words and effects, are quite useful to the advertiser in affecting a listener.

Sight

Sight is arguably the most useful of the communication channels available to the advertiser. Through sight it is possible to use both words and images effectively.

Words do not have to be spoken to be understood. They can be printed, as well. Although it is difficult to put in written words the emotional impact possible in spoken words, with their inflections and subtle sound cues, nevertheless written words are unsurpassed for getting across and explaining complex ideas or arguments.

There is an additional factor in sight that makes it excellent for advertising. The old cliché, "A picture is worth a thousand words," is correct. Think how long it takes to describe something as opposed to showing a picture of it. No matter how many words you use, some details will be left out that are visible at a glance. Thus sight can quickly and concisely show a customer what the advertiser wants her to see, be it a product or how buying the product can benefit them.

In addition, the mind does not have to consciously recognize what the eye sees for it to have an effect on the subconscious. An advertiser can put many inconspicuous details into a picture that will affect a customer on the subconscious level. For example, a drop of water on a rose petal may not consciously register ("I see there's a drop of water on this rose"), but will unconsciously leave an impression of freshness and delicacy. A small child looking upward into the camera, unsmiling and eyes wide, gives an impression of sadness and vulnerability, not shortness.

The five forms of human communication can be used to send any message to potential customers. However, not all five are equal. Smell, touch and taste are of little use, but sound and sight are of great value and effectiveness.

INFORMATION

Information is defined as knowledge, facts or news. However, you should bear in mind that one person's information is another person's scam, particularly when advertisers talk about their products.

Information comes in many forms. It can be complete or incomplete. It can be biased or deceptive. Complete information is telling someone everything there is to know about something: what it is, what it looks like, how it works, what its benefits and drawbacks are. However, to provide complete information about anything is time consuming and difficult. For example, to tell all about a car would require its appearance, manufacture and manufacturer, what percentage of parts are made in which countries, cost of upkeep, mileage (city and highway), cost (basic and with any and all combination of options), sales and excise taxes per state, preparation costs, insurance costs per state and locale, ride characteristics (noise by db interior and exterior, ergs required for steering and braking, relative comfort of seats, length of reach required to use controls, degrees of lean when cornering), acceleration, braking distance at many different speeds, etc.. All of this would require a documentary, not a commercial. Complete information is impossible to provide in an ad

Thus, for advertising, information must of necessity be incomplete; not discussing everything there is to know about the subject. In advertising, what appears is everything the writer thinks the customer needs to know about the product in order to make a decision about the product. That information will generally be about how the product can benefit the customer.

There is, of course, the concept of affirmative disclosure. This concept requires an advertiser to provide customers with any information that could materially affect their purchase decision. Lewis A. Engman, FTC Chair in 1974, said:

"Sometimes the consumer is provided not with information he wants but only with the information the seller wants him to have. Sellers, for instance, are not inclined to advertise negative aspects their products even though those aspects may be of primary concern to the consumer, particularly if they involve considerations of health or safety . . ."

The Federal Trade Commission deals with such omissions by demanding affirmative disclosure of such information, and backs up their demands with the force of law.

Bias is being partial towards something, feeling that something is better or worse than other things. Biased information about a product is that which emphasizes what is good and ignores what is bad about it. In advertising this is not only normal, but necessary. Of course an advertiser is biased toward there own product and against the competition: selling there product is the way they makes there money, and there competition's sales reduces that income. Thus any advertising will use words and images that show how good there product is and/or how poor there competition's is. This is biased information, but recognized and accepted by industry, regulators and consumers -- it is called puffery, the legitimate exaggeration of advertising claims to overcome natural consumer skepticism.

However, sometimes the biased information goes beyond legitimate puffery and slips into deception, the deliberate use of misleading words and images. In other words, deceptive information is lying to the customer about the qualities of a product. Such deception is illegal, and the FTC requires the advertiser to cease and desist and, in some instance, to do corrective advertising to repair any damage.

PAID FOR

". . . Paid for . . . "is pretty straightforward. If an ad is created and placed in the media, the costs of creation and time or space in the media must be paid for. This is a major area in which advertising departs from public relations.

PR seeks to place information about companies and/or products in the media without having to pay for the time or space. PR creates news releases and sends them to news media in hopes they will be run. Often PR departments produce events that will be covered by news media and thus receive space or time. There is no guarantee that the media will run any of the PR material.

Advertising doesn't have that problem. If time or space is bought in the media, the ads (as long as they follow the guidelines set down for good taste, legal products and services, etc.) will appear. The drawback is that ads are clearly designed to extol the virtues of products and companies, and any ad is perceived by consumers as at least partly puffery. PR pieces are usually not so perceived.

PERSUASIVE

"Persuasive" stands to reason as part of the definition of advertising. The basic purpose of advertising is to identify and differentiate one product from another in order to persuade the consumer to buy that product in preference to another. The purpose of this book is to discuss some basic elements of persuasion.

PRODUCTS, SERVICES OR IDEAS

Products, services or ideas are the things that advertisers want consumers to buy (in the case of ideas, "buy" means accept or agree with as well as lay out hard, cold cash). However, there is more involved in products or services than simply items for purchase. (During the following discussion, "products" will mean products, services and ideas unless otherwise noted.)

A product is not merely its function. It is actually a bundle of values, what the product means to the consumer. That bundle may contain the product's function, but also the social, psychological, economic or whatever other values are important to the consumer.

For example, let's look at a car. If the function of a car, transportation, is all that is important, then manufacturers would need only build motorized boxes on wheels, and consumers would be happy with them. Such is obviously not the case: the number of models and types of cars is huge, and if consumers didn't demand the variety it wouldn't exist. Consumers must find factors other than mere transportation just as, if not more important.

Perhaps the value is social. The type of car a person drives is often indicative of that person's social status. A clunker shows a lower status than a Rolls Royce. A sports car shows that a person is (or wishes to be perceived as) more socially active and fun-loving than a person in a sedan or station wagon. The type of car can even indicate which social grouping a person wants to be considered a part of: in the 1980s Volvos and BMWs were the car for Yuppies.

Perhaps the value is psychological. Some cars may make a person feel safer, or sexier, or give them self-esteem or enjoyment. Since the purpose of this book is to discuss psychological values and how to appeal to them, I'll go no further at this point.

Perhaps the value is economic. Some cars may be cheaper to run, give better mileage, and carry more people or cargo, cause less damage to the environment.

The above four values, functional, social, psychological and economic, can stand alone. However, for most consumers, the values are bundled together in varying proportions. How closely a product approximates an individual's proportion of values will often determine whether there will buy that product or not.

Companies, through research, try to determine what values consumers want in their products, and then advertise to show how their product satisfies the customers' bundle of values better than competitors' products. To do this, the company must differentiate their product from competitors. There are three basic differentiations: perceptible, imperceptible, and induced.

Perceptible

Perceptible differences are those that actually exist that make one product obviously different from others of the same kind. The difference may in color or size or shape or brand name or some other way. In any case, the consumer can easily see that this car or couch or camera is different from other cars or couches or cameras. Perceptible differences allow a person to make an instant identification of one product as opposed to another.

Imperceptible

Imperceptible differences are those that actually exist between one product and others, but are not obvious. For example, there are imperceptible but profound differences between CP/M, MS-DOS and Apple and Macintosh computers. You can't simply look at a computer and tell which it is; machines can and usually do look alike. And yet buying either precludes being able to use software designed for the other.

The same applied to Beta and VHS format VCRs. Although both are designed to do the same thing, there are differences between them that are imperceptible on the surface but preclude using the same tapes in both. There are other differences besides the size of the cassette: the machines use totally different ways of recording and playing back tapes. Beta records and plays back diagonally across the tape, VHS records vertically. Such a difference may seem small, but it means that anything recorded on Beta cannot be played back on VHS, and vice versa. Also, Beta's system used more tape per instant and thus had an advantage in the amount of information per inch of tape, meaning a better sound and picture but less available time. However, VHS overcomes its deficit by improved electronics and better processing of what information it gets per inch of tape. In addition, VHS (read RCA) managed to corner the market on rental tapes of movies (a major use of VCRs) and VHS has virtually killed off Beta (read Sony). All the differences between Beta and VHS are imperceptible: they are also crucial.

Induced

For many products, there is no actual substantive difference between one and another. For many brands of cigarettes, beer, cleansers and soaps, rice, over-the-counter health products, etc., etc., ad nauseam, there is essentially no difference between one brand and another. These products are called parity products.

For these products, the only way to differentiate one from another is to induce that difference, to persuade people that there actually is some difference, and that difference is important to them. These differences are created through advertising, not through any inherent difference in the products, and that creation often uses the appeals and methods discussed in the bulk of this book.

Heidelberg, the working man's beer. Michelob, the sophisticated nightlife beer. Bud, the athletic beer. Bud Light, the sexy party beer. Miller Lite, the fun and funny beer. Coors, the environmental beer. Coors Light, the fast beer. All of these are images projected onto products that have virtually no difference between them (taste tests show that few people can tell one from the other, particularly after having a few of any). This approach depicts the product in association with a lifestyle. For example, soft drinks show people having fun, usually athletic fun (a root beer company countered this approach by calling itself "the sit down soft drink"). Beer ads show people having fun. Airline ads show people having fun. (Notice a trend here?) They want you to think that if you use their product, you will enjoy the lifestyle depicted, and if you don't, you won't. Of course, the fact that the product is not necessary to the lifestyle is ignored.

Another approach is to project an image on a parity product. Marlboro is rugged male, Virginia Slims is independent female, Benson & Hedges is intellectual, and Camel is cool and sophisticated. That there is no real difference between one brand of cigarette and another is beside the point. The point is, if you want the image you must use the product. This image approach is so successful that a manly man wouldn't be caught dead (no pun intended) smoking Virginia Slims or Benson & Hedges -- he'd feel like a sissy wimp (or rather, that is what he thinks his friends would think he was).

Parity products have the greatest difficulty differentiating one from another. They must rely on creating a trivial or even nonexistent difference in the bundle of values their target audience might find important to their purchase decision. However, if and once that difference is firmly established in the target audience's perception, a company can often rely on habit, brand loyalty and/or cognitive dissonance to get repeat business.

IDENTIFIED SPONSORS

An identified sponsor means whoever is putting out the ad tells the audience who they are. There are two reasons for this: first, it's a legal requirement, and second, it makes good sense. Legally, a sponsor must identify there self as the sponsor of an ad. This prevents the audience from getting a misleading idea about the ad or its contents. For example, many ads that appear in newspapers look like news articles: same typeface, appearance, use of columns, etc.. If the ad is not identified as such, the audience could perceive it as news about a product, rather than an attempt to persuade the audience to buy it. Case in point: what looks like a news article discusses a weight-loss plan. In journalistic style it talks about the safety, efficacy, and reasonable price of the product. A reasonable person might perceive the "article" as having been written by a reporter who had investigated weight-loss programs and decided to objectively discuss this particular one. Such a perception is misleading, and illegal. Since it is an ad, somewhere on it there must appear the word "advertisement" to ensure the audience does not think it is an objective reporting of news.

Second, it makes good sense for a sponsor to identify there self in the ad. If the sponsor doesn't, it is possible for the audience to believe the ad is for a competitor's product, thus wasting all the time, creativity and money that went into making and placing the ad.

VARIOUS MEDIA

The various media are the non-personal (remember that?) channels of communication that people have invented and used and continue to use. These include newspapers, magazines, radio, television, billboards, transit cards, sandwich boards, skywriting, and posters, anything that aids communicating in a non-personal way idea from one person or group to another person or group. They do not include people talking to each other: first, talking is personal and advertising is non-personal; and second, there is no way to use people talking to each other for advertising--word-of-mouth is not an advertising medium, since you can't control what is said. (The best you could do is start a rumor, which will undoubtedly distort the message in the telling, and is more the province of the PR department.)

Thus, to repeat (in case you've forgotten by now), "Advertising is the non personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media."

MARKETING

Meaning & definition

“Is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.”

Marketing people assume a wide range of responsibilities in an organization related to conceiving, pricing, promoting, and distributing goods, service, and even ideas. Many of you know that these four areas of responsibility and decision making in marketing are referred to as the MARKETING MIX. The word ‘mix’ is used to describe the blend of strategic emphasis on the product versus its promotion (including advertising) versus its distribution when a brand is marketed to consumers. This mix results in the overall marketing program for a brand. Advertising is important, but it is only one of the major areas of marketing responsibility and it is only one of many different promotional tools relied on in the marketing mix.

These are the factors that an organization needs to consider in creating a marketing mix. Advertising message and media placement must be consistent with and complement strategies in all the other areas of the marketing mix.

PRODUCT	PROMOTION
Functional features	Amount and type of advertising
Aesthetic design	Number and qualifications of salespeople
Accompanying services	Extent and type of personal selling program
Instructions for use	Sales promotion—coupons, contests, sweepstakes
Warranty	Trade shows
Product differentiation	Public relations activities
Product positioning	Direct mail or telemarketing
	Event sponsorships
	Internet communications

PRICE	DISTRIBUTION
Level: Top of the line Competitive, average prices Low-price policy	Number of retail outlets Location of retail outlets Types of retail outlets Catalog sales Other nonstore retail method—internet
Terms offered: Cash only Credit: Extended Restricted Interest charges	Number and type of wholesalers Inventories—extent and location Service provided by distribution: Credit Training

Consumer Behavior

Meaning & definition

A basic study of why consumers do what they do in the marketplace. If the business is consumer-centric in its orientation, the study of consumer behavior would be the starting point of all business and marketing decision making.

The study of consumer behavior includes the company asking the right questions in order to understand and analyze its consumers. In some instances, consumers are analyzed as a segment, while in others; they are analyzed as individual consumers.

Consumer Analysis

In order to analyze consumers, marketers need answers to the following questions:

1. Who Buys?

❖ What is their demographic, geographic, psychographic or behavioral orientation?

2. What is bought?

❖ Is it a core product, augmented product, service, etc...?

3. Why is the Purchase Made?

- ❖ Influences on purchasing – family, culture, friends, marketers, age, social status, etc.

Consumer Behavior

In order to analyze consumers, marketers need answers to the following questions:

4. How Often is the Purchase Made?

- ❖ Frequency of purchase, number of purchases, etc.

5. Where is the Purchase Made?

- ❖ Location, convenience, online, offline, etc.

6. When is the Purchase Made?

- ❖ Time, season, occasion, etc.

7. How is the Purchase Made?

- ❖ Decision making process

Types of Buying Situations

1. Routine or Habitual Buying Situation

- ❖ Low involvement item
- ❖ Habitual/frequently bought
- ❖ Good knowledge of the item/no new brands
- ❖ Inexpensive

2. Limited Buying Situation

- ❖ New brand in A familiar product class

3. Extensive Buying Situation / Extended Problem Solving

- ❖ Less frequently bought item
- ❖ Expensive
- ❖ Less familiar product class/changing technology

- ❖ High involvement
- ❖ Routine or Habitual Buying Situation
- ❖ Low involvement item
- ❖ Habitual/frequently bought
- ❖ Good knowledge of the item/no new brands
- ❖ Inexpensive

❖ **Habitual/frequently bought**



Time, Season, Offers, Discounts

1. **Big Bazaar Ambience Mall offers you convenience of Shopping :**
2. Discounts up to 60%
3. 365 days open
4. Across 82000 sq. ft. of shopping space
5. Wide range of Categories : Men's Apparel, Ladies Apparel, Kids Apparel, Electronics, Mobiles, Gift Articles, Food Bazaar, Footwear, Personal Care, and much more to offer in-store ...
6. More than 1,60,000 products to shop
7. Unlimited fun



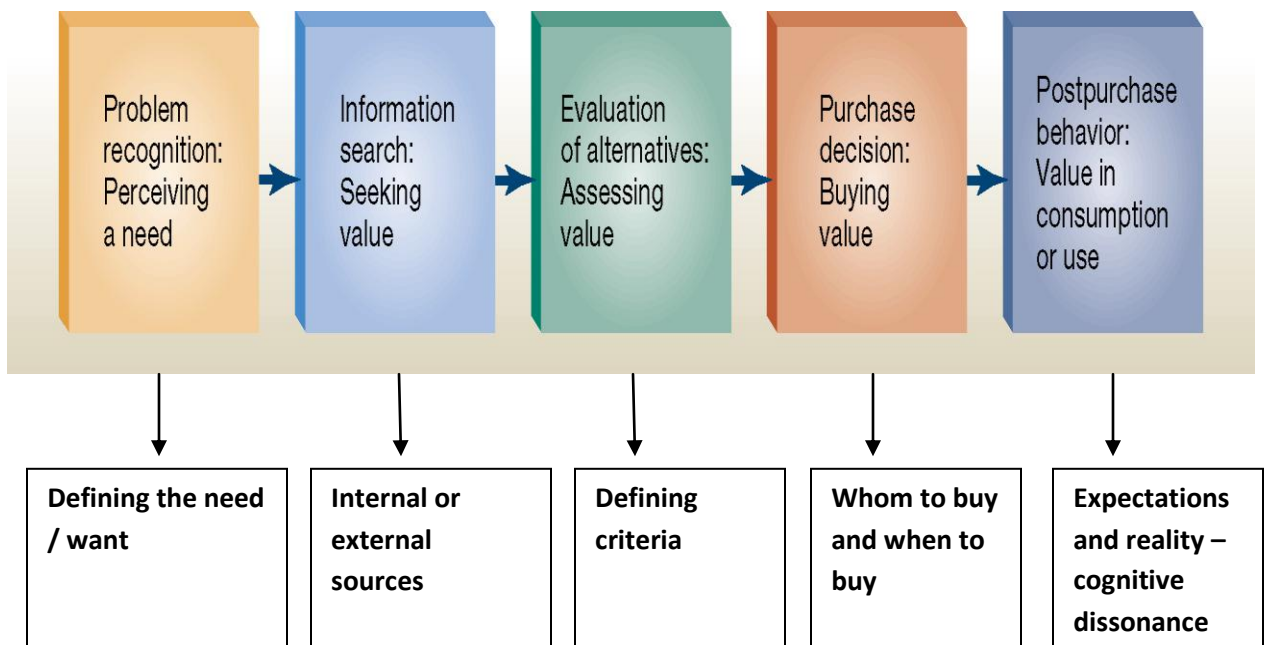
Season

- Asian Paints
- Crackers AC's, refrigerators, coolers etc

Buying Situations

CHARACTERISTICS OF PURCHASE DECISION PROCESS	CONSUMER INVOLVEMENT		
	HIGH EXTENDED PROBLEM SOLVING	LOW ROUTINE PROBLEM SOLVING	
Number of brands examined	Many	Several	One
Number of sellers considered	Many	Several	Few
Number of product attributes evaluated	Many	Moderate	One
Number of external information sources used	Many	Few	None
Time spent searching	Considerable	Little	Minimal

Consumer Purchase Process



The Consumer Decision Making Process

1. Problem Recognition

- ❖ Actual state Vs. Desired state of affairs
- ❖ Greater the difference between the two, greater that need to act, i.e., purchase.
- ❖ PR can be influenced by internal stimuli such as hunger, feelings, or other stages of the Maslow's Need Hierarchy, etc., by external stimuli such as friends, family, marketers, etc., or a combination of the two stimuli.

2. Information Seeking or Search

- ❖ The rational reason for searching for information before a purchase is to reduce the risk of making the wrong purchase. The type of search (internal vs. external) depends on a host of factors, such as:
- ❖ The Consumer Decision Making Process
- ❖ 2. Information Seeking or Search

Internal Search Situations	External Search Situations
Hi Confidence Level Frequently Bought Item Product Unchanged Low Risk, Low Priced Item	Lo Confidence Level Infrequently Bought Item Rapidly Changing Products Hi Risk, Hi Priced Product

Consumers seek information from various sources some of which are more credible and persuasive than others.

The Consumer Decision Making Process

2. Information Seeking or Search

Try This: Fill in the table with examples of information sources that correspond to the

	Interpersonal Comm.	Mass. Comm.
General Sources		
Marketing Sources		
Others		

categories

In your opinion, which source of information is most persuasive?

The Consumer Decision Making Process

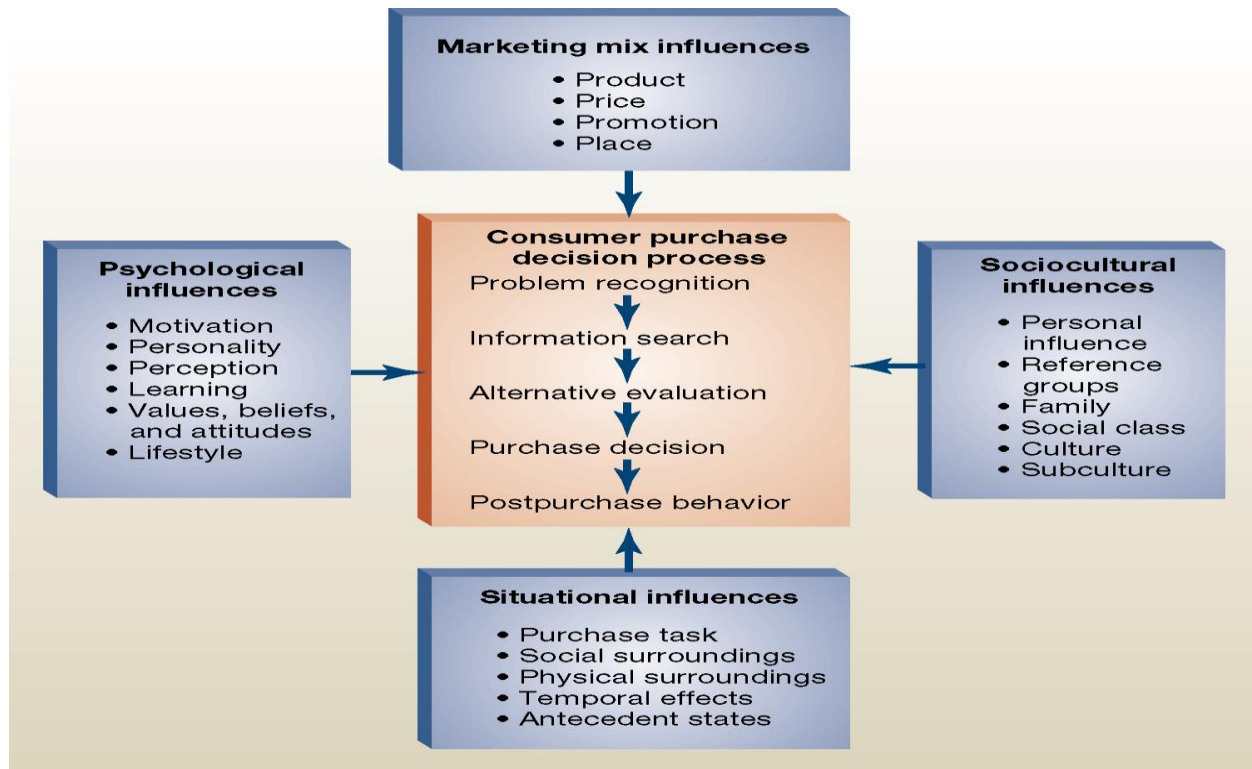
5. Post-purchase Evaluation

Generally there are three outcomes at the end of the process:

- ✱ Performance equals expectations leading to satisfaction with the brand
- ✱ Performance greater than expectations leading to positive feelings about the brand
- ✱ Performance lower than expectations leading to dissatisfaction with the brand.

In all three situations, the result is likely to be internalized by consumers, stored in memory and retrieved later.

Situational Influences



Influences on the Decision Making Process

1. Internal and personal influences:

- ❖ Psychological - motivation, perception, attitudes, personality, lifestyles, etc.
- ❖ Demographic - age, income, gender, family life cycle, etc.

2. Socio-cultural influences:

- ❖ Cultural and group - culture, social class, subculture, family, friends, opinion leaders, etc

3. Situational influences:

- ❖ Time pressures, occasion, importance of the purchase, store related factors, etc.

4. Marketing influences:

- ❖ The four P's or C's!!

CHAPTER 2

Research Design

Statement of the Problem

The social aspects of advertising are often very volatile. As we know that advertising educates consumers, equipping them with the information they need to make informed purchase decisions. By regularly assessing information and advertising claims, consumers become more educated regarding the features, benefits, functions and value of the product. The advertising has contributed to the economy by influencing the customer's decisions and the different types of advertising provoke the decision making of customers. Hence the proposed study focuses on studying how advertising effects decision making of customers.

Objectives of the Study

1. To study the perception of consumers towards advertising.
2. To study the importance of advertising.
3. To study the effects of advertising on decision making process of customers with reference to consumer durables.
4. To study the factors affecting the decision making process of customers.

Scope of the Study

1. The study will point out various factors that are influencing customer to avail products or services.
2. The study will help to know about the advertising agencies.
3. The study will bring about the awareness of factors influencing consumer behaviour.
4. The study will help in knowing the other promotional activities altering the purchase decision of customers.

1. Methodology

The present study is a survey-cum-analytical and empirical one. To elicit the primary data of the proposed study, questionnaires with structured questions for the respondents shall be considered. The secondary data shall be collected from various internet sites, magazines, company websites & other journals

2. Sample Design

As the name implies Sample is a smaller representation of a large Whole. In the words of Warwick and Linger "a sample is some part of a large body specially selected to represent the whole".

a. Sample size

The sample size is the number of units chosen from the population to study and which represents the entire population and sample size is 100.

b. Sampling Technique

The **convenience sampling technique** is been used to study the proposed topic.

c. Sources of Data Collection

- **Primary Data:** The primary data has been collected through structured questionnaire which contains both open end close end questions.
- **Secondary Data:** The secondary data is obtained from books, magazines, news papers, internet, and journals.

d. Tools used

Questionnaire which contains both open end close end questions.

Plan of Analysis

The collected data will be analyzed with the help of percentage method, using Tables, charts and graphs.

Limitations of the Study

1. Time constraint related to data collection.
2. The information given by the customer is biased.
3. Limited number of customer was chosen for collection of data.
4. Consumer decision making process is not up to the mark.
5. The study is limited to Urban Bangalore.

Chapter scheme

1. Introduction

- a. Introduction to Advertising Industry
- b. Theoretical Background

2. Research Design

- a. Statement of the Problem
- b. Objectives of the Study
- c. Scope of the Study
- d. Methodology
- e. Sample Design
 - i. Sample size
 - ii. Sampling Technique
 - iii. Sources of Data Collection
 - primary data and secondary data
- f. Tools used
- g. Plan of Analysis
- h. Limitations of the Study

3. Advertising industry structure and customers profile

4. Data Analysis & Interpretation

5. Summary of findings, suggestion and conclusion

Annexure

Bibliography

CHAPTER 3

Advertising industry structure and profile of customers.

Advertising industry is a rapidly growing industry and determines to a considerable extent the GDP or the gross domestic product of any country. The advertising industry besides functioning as an intermediate between the manufacturers and the customers plays an important role in the economy of the country. This industry necessitates investment for funding different resources. One cannot measure the degree of development by interpretation of inputs in the economy which yields some production. In the event when consumption levels far exceed than what is reckoned, this is not a means of triggering or bringing about transformation in the culture, society or development in human resources or economy. What the time demands is optimum and efficient execution of advertising projects by involving appropriate technology along scientific lines

Another indicator of the scope of advertising is the investment made by individual firms. The top five advertisers are. (US dollars in millions)

COMPANY	2007 Ad Dollars (MILLIONS)	2008 Ad Dollars (MILLIONS)	% Change
GENERAL MOTORS	\$3,429	\$3,652	-6.1%
PROCTER& GAMBLE	3,322	2,673	24.3
TIME WARNER	3,097	2,922	6.0
PFIZER	2,838	2,566	10.6
DAIMLER CHRYSLER	2,317	2,031	14.1

The world's top 10 advertising organizations

RANK	COMPANY	HEADQUARTERS	WORLD WIDE GROSS REVENUE (millions)	% CHANGE
1	Omnicom Group	New York	\$8,621	14.4
2	WPP Group	London	6,756	16.9
3	Interpublic Group	New York	5,863	-5.5
4	Publicis Groupe	Paris	4,408	7.3
5	Dentsu	Tokyo	2,545	11.0
6	Havas	Suresnes, France	1,877	-0.6
7	Grey Global Group	New York	1,307	9.0
8	Hakuhodo	Tokyo	1,208	0.0
9	Regis Group	London	1,067	21.9
10	Asatsu-DK	Tokyo	413	16.8

Structure of advertising industry and participants in the process

ADVERTISERS			
Manufactures and service firms		Trade resellers: retailers, wholesalers, and distributors	Government and social organizations
ADVERTINING AND PROMOTION AGENCIES			
Advertising Agencies: Full-service agencies Creative boutiques Interactive agencies In-house agencies Media specialists	Agency services: Account services Creative research and development Creative and promotion services Marketing services Media planning, research, and buying services Public relations Direct-marketing and promotion services Administrative services	Agency compensation: Commission Markup charges Fee system Pay-for-results	Promotion agencies: Direct marketing and database agencies E-commerce agencies Sales promotion agencies Event-planning agencies Design firms Public relations firms
EXTERNAL FACILITATORS			
Marketing and advertising research firms		Production facilitators Consultants Information intermediates Software firms	Other communications organizations
MEDIA ORGANIZATIONS			
Broadcast media Print media Media specialists		Interactive media Support media	Media conglomerates Internet portals
TARGET AUDIENCE(S)			

ADVERTISERS

Advertisers are business, not-for-profit, and government organizations that use advertising and other promotional techniques to communicate with target markets and to stimulate awareness and demand for their brands.

A. MANUFACTURERS AND SERVICE FIRMS

Large national manufacturers of consumer products and services are the most prominent users of promotion, often spending hundreds of million of dollars annually. The use of advertising, particularly mass advertising, by these firms is essential to creating awareness and preference for their brands.

B. TREAD RESELLERS

The term trade seller is simply a general description for all organizations in the marketing channel of distribution that buy products to resell to customers. Resellers can be retailers, wholesalers, or distributors.

C. FEDERAL, STATE, AND LOCAL GOVERNMENTS.

Government bodies invest millions of dollars in advertising annually

D. SOCIAL ORGANIZATIONS

Advertising by social organizations at national, state, and local level is common. National organizations use both the mass media and direct mail to promote their causes and services.

ADVERTISING AND PROMOTION AGENCIES

Advertisers are fortunate to have a full complement of agencies that specialize in literally every detail of every advertising and promotion.

A.ADVERTISING AGENCIES:

An advertising agency is an organization of professionals who provide creative and business to clients in planning, preparing, and placing advertisements.

B. PROMOTION AGENCIES:

While advertisers often rely on an advertising agency as a steering organization for their promotional efforts, many specialized agencies often enter the process and are referred to as promotion agencies.

C. AGENCY SERVICES:

Advertising and promotion agencies offer a wide range of services. The advertiser may need a large, global, full-service advertising agency to plan, prepare, and execute its advertising and IBP campaigns.

D. AGENCY COMPENSATION:

The way agencies get paid is somewhat different from the way other professional organizations are compensated. Advertising agencies often base compensation on a commission or markup system.

EXTERNAL FACILITATORS

External facilitators are organizations or individuals that provide specialized services to individuals that provide specialized services to advertisers and agencies.

A.MARKETING AND ADVERTISING RESEARCH FIRMS:

Research firms such as Burke International and Simmons can perform original research for advertisers using focus groups, surveys, or experiments to assist in understanding the potential market or consumer perceptions of a product or services.

B. PROMOTIONAL FACILITATORS:

External production facilitators offer essential services both during and after the production process. Production is the area where advertisers and there agencies rely most heavily on external facilitators.

MEDIA ORGANIZATIONS

The media available for placing advertising, such as broadcast and print media, are well known to most of us simply because we' re exposed to them daily.

TARGET AUDIENCES

No audience, no communication. One interesting thing about the audiences for promotional communications, with the exception of household consumers, is that they are also the advertisers who use advertising and IBP communications.

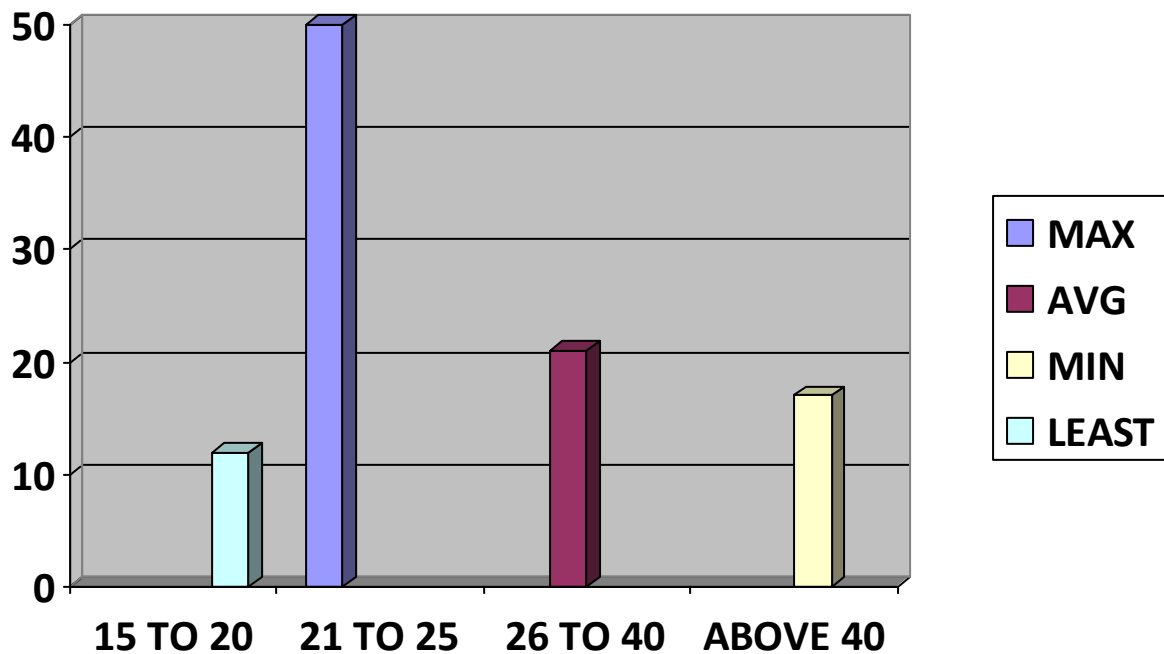
Profile of Respondents

1. Classification of respondents based on age group.

AGE (IN YEARS)	
15 TO 20	12%
21 TO 25	50%
26 TO 40	21%
ABOVE 40	17%
TOTAL	100

Table:-1 Table showing the classification of respondents based on age group.

Graph1: - graph shows the age group of the customer



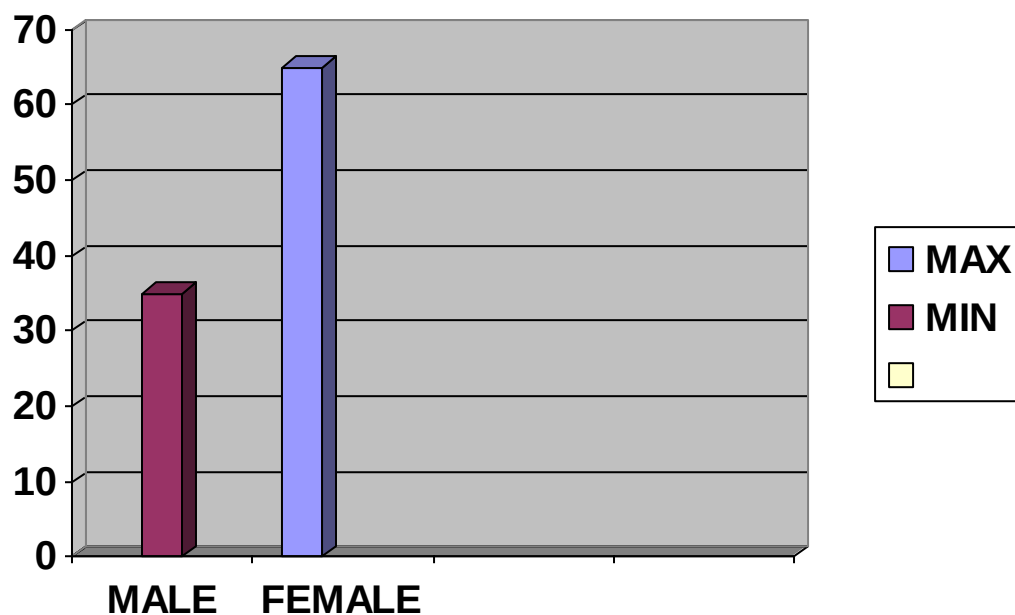
Inference: - in the above table 50% come in the age group between 21to25, customers who are in the age group of 26 to 40 are 21%. Customers who's age is above 40 there percentage that is 17% and the least is 12% who come under 15 to 20 age group

2. Classification of respondents based on gender

Table:-1 Table showing the classification of respondents based on gender

GENDER	
MALE	35%
FEMALE	65%
TOTAL	100

Graph 2: - graph shows the percentage of sexual category

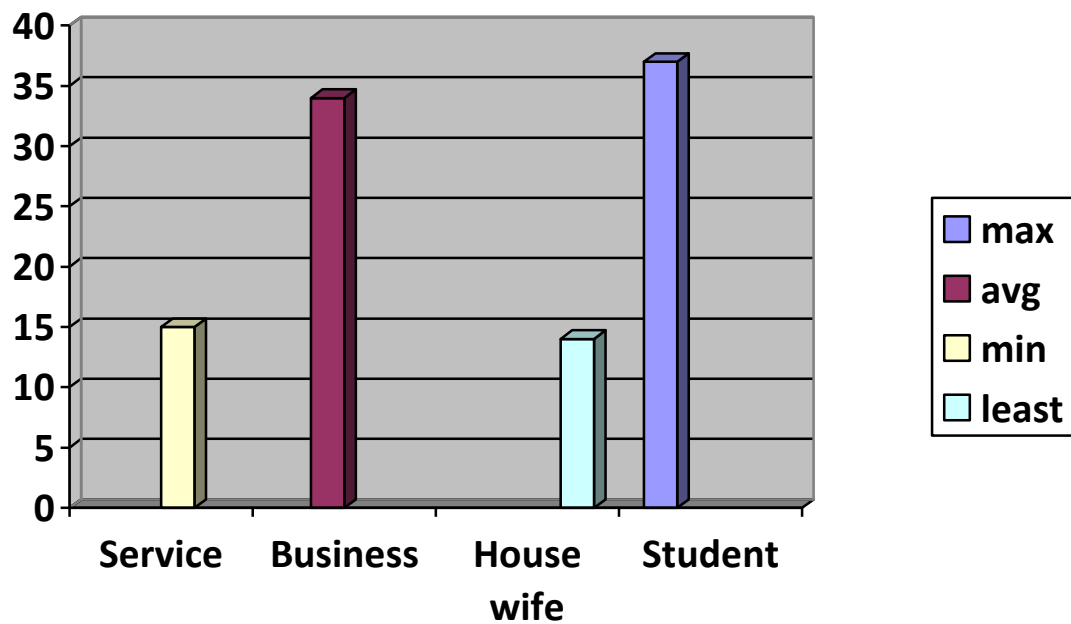


Inference: - in the above table we see that 35% of male respondents and 65% of female respondents.

Table:-3 Table showing the classification of respondents occupation of the customers

OCCUPATION	
SERVICE	15%
BUSINESS	34%
HOUSE WIFE	14%
STUDENT	37%
TOTAL	100

Graph 3: - graph shows the classification of respondent's occupation of the customers

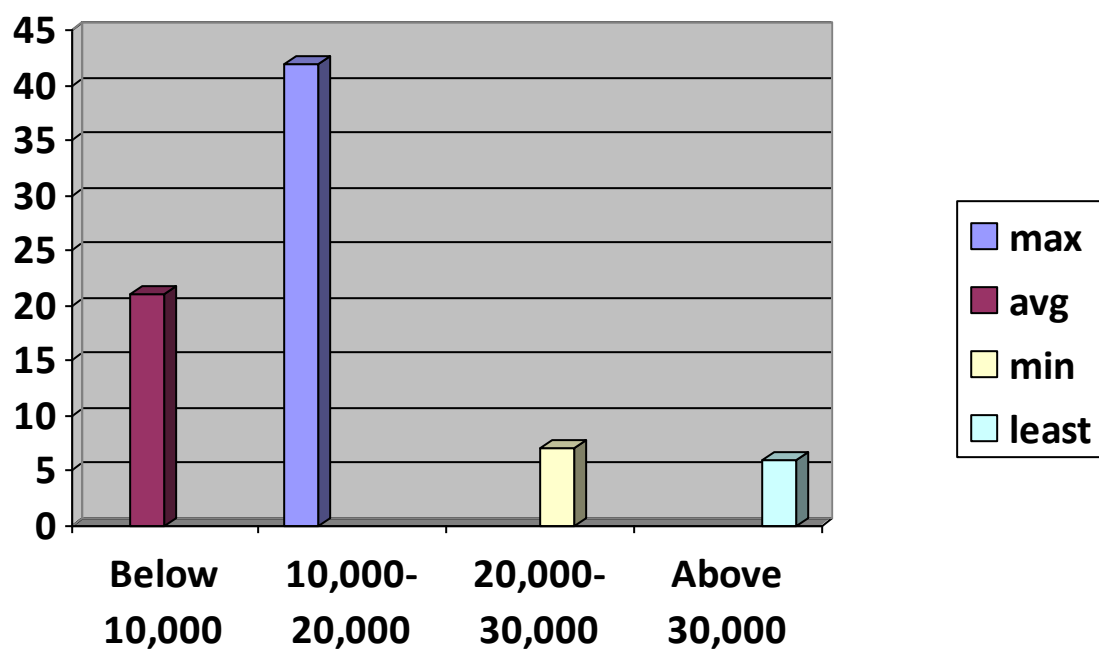


Inference: - in the above table 37% are students, 34% is business people, 15% customers come under service and 14% are house wife. This shows that the customers are covered in all categories.

Table:-4 Table showing the classification of respondents monthly income of the customers

MONTHIY INCOME	
BELOW 10,000	31%
10,000 TO 20,000	52%
20,000 TO 30,000	9%
ABOVE 30,000	8%
TOTAL	100

Graph 4: - graph shows the classification of respondent's monthly income of the customers



Inference: - in the above table 52% of customers come under the income of 10,000 to 20,000. 31% of customers come under income group below 10,000. Customers under income of 20,000 to 30,000 are 9%. Above 30,000 income customers are 8%

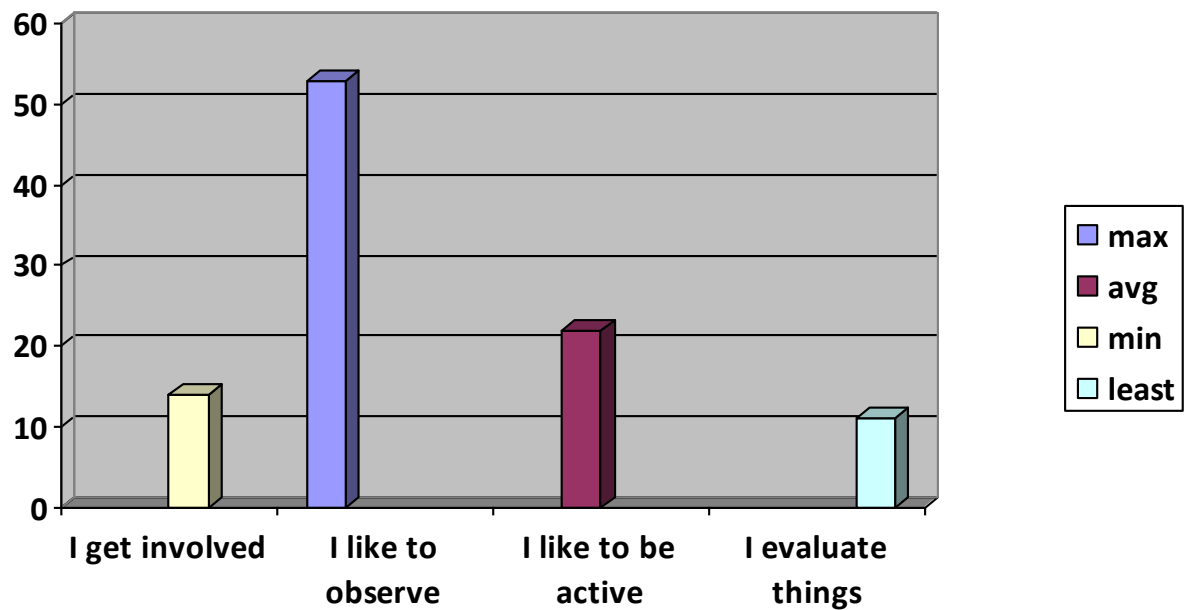
CHAPTER 4

Data analysis and Interpretation

Table:-1 Table showing the classification of respondents that what do the customers does when they see an advertisement.

WHAT DO YOU DO WHEN YOU SEE AN ADVERTISEMENT?	
I GET INVOLVED	14%
I LIKE TO OBSERVE	53%
I LIKE TO BE ACTIVE	22%
I EVALUATE THINGS	11%
TOTAL	100

Graph 1: - graph shows the classification of respondents that what do the customers does when they see an advertisement.

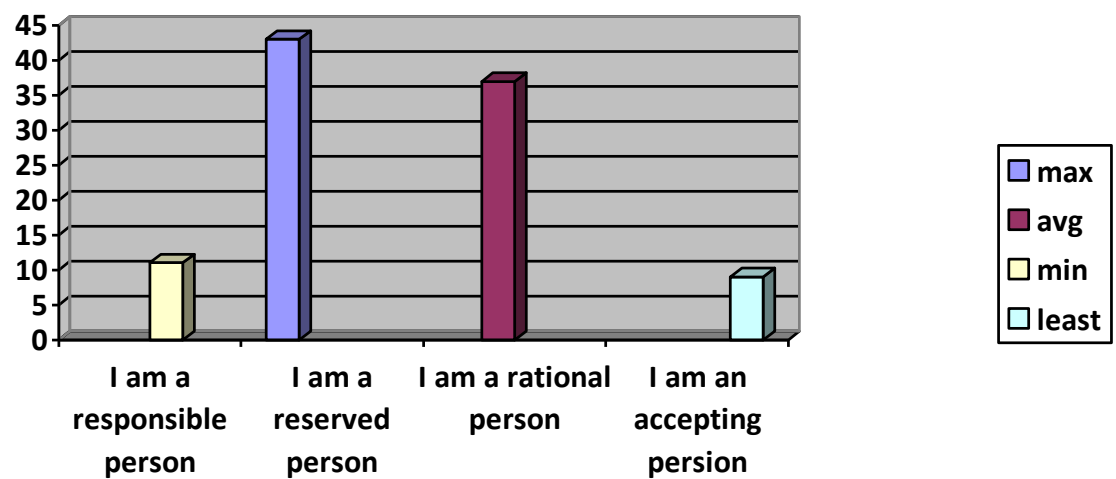


Inference: from the above table, out of 100 respondents, 53% of customers like to observe an advertisement. 22% of customers like to be active, 14% of customers like to get involved when they see an ad and 11% of customers evaluate things.

Table:-2 Table shows the classification of respondents that when a customer is watching an ad what kind of person they are.

WHEN I AM WATCHING AN ADVERTISEMENT	
RESPONSIBLE PERSON	11%
RESERVED PERSON	43%
RATIONAL PERSON	37%
ACCEPTNG PERSON	9%
TOTAL	100

Graph 2: - graph shows the classification of respondents that when a customer is watching an ad what kind of person they are.

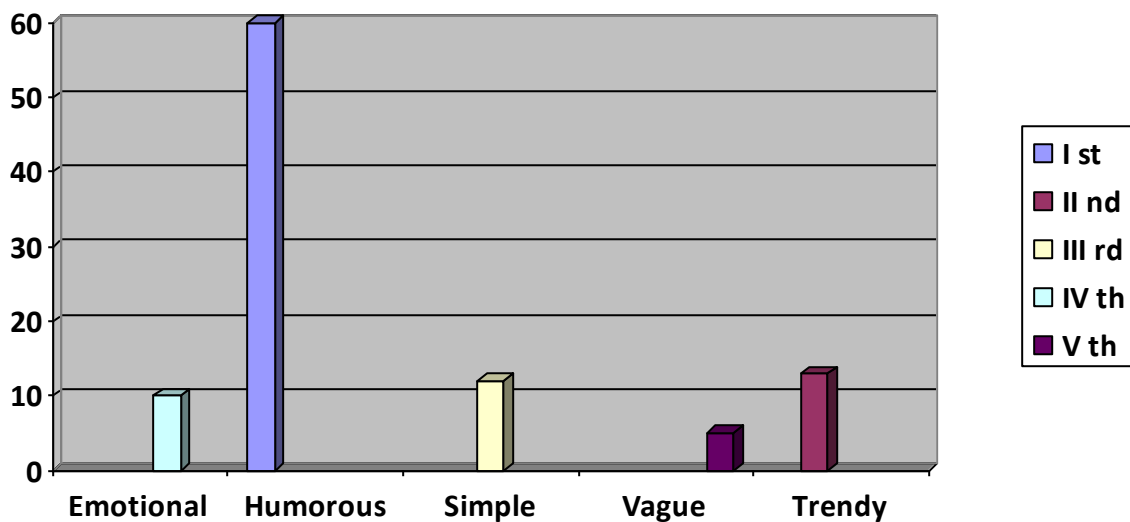


Inference: - in the above table 43% of customers are reserved person, 37% of customers are rational person, 11% of customers are responsible person and 9% of customers are accepting person.

Table:-3 Table shows the classification of respondents that what kind of advertisements influences the customers most.

What kind of advertisements influences you the most?	
EMOTIONAL	10%
HUMOROUS	60%
SIMPLE	12%
VAGUE	5%
TRENDY	13%
TOTAL	100

Graph 3: - graph shows the classification of respondents that what kind of advertisements influences the customers most.

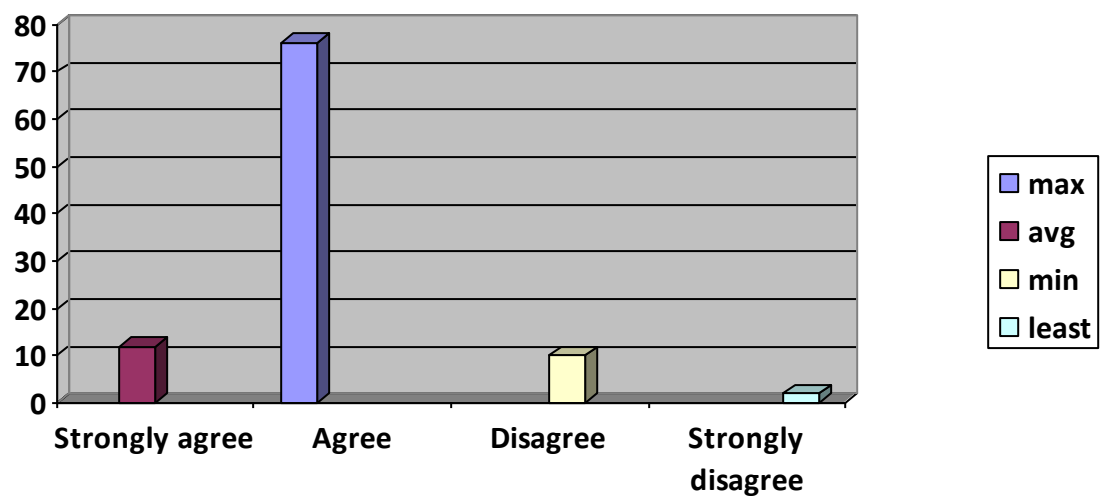


Inference: - in the above table 60% of customers like humorous ads, 13% like trendy ads, 12% like simple ads, 10% like emotional ads and 5% like vague ads.

Table:-4 Table showing the classification of respondents that how does ads communicate the products clearly & correctly.

Advertisements communicate all the features of the products clearly and correctly	
STRONGLY AGREE	12%
AGREE	76%
DISAGREE	10%
STRONGLY DISAGREE	2%
TOTAL	100

Graph 4: - graph shows the classification of respondents that how do ads communicate the products clearly & correctly

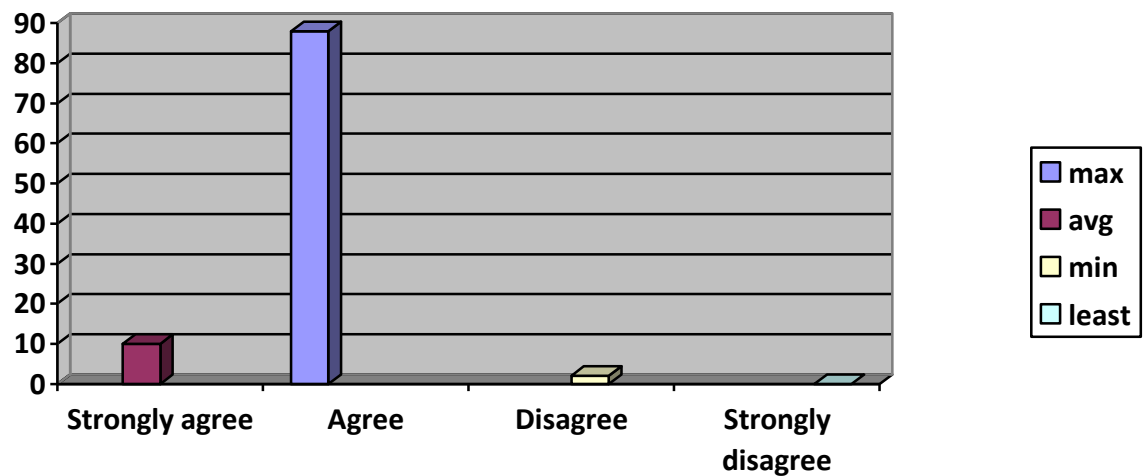


Inference: - in the above table 76% agree which the ads, 12% strongly agree, 10% of customers disagree and 2% of customers strongly disagree.

Table:-5 Table showing the classification of respondents that influence level from ads is high to the customers.

The influence level from the advertisement towards customers is high	
STRONGLY AGREE	10%
AGREE	88%
DISAGREE	2%
STRONGLY DISAGREE	0%
TOTAL	100

Graph5: - graph shows the classification of respondents that influence level from ads is high to the customers.

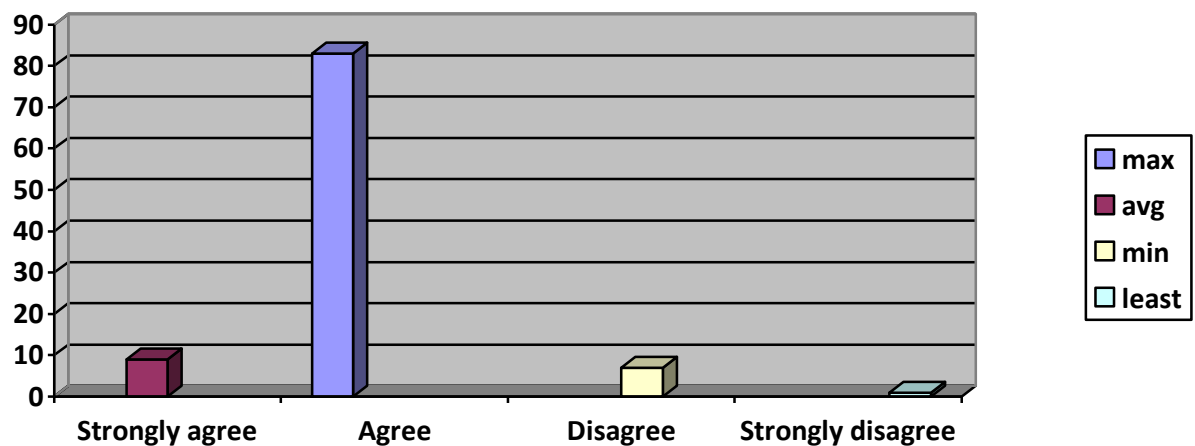


Inference: - in the above table 88% agree which the ads, 10% strongly agree, 2% of customers disagree and 0% of customers strongly disagree.

Table:-6 Table showing the classification of respondents that ads can change the way customers feel about the product.

Advertisements can change the way I feel about the product	
STRONGLY AGREE	9%
AGREE	83%
DISAGREE	7%
STRONGLY DISAGREE	1%
TOTAL	100

Graph6: - graph shows the classification of respondents that ads can change the way customers feel about the product.

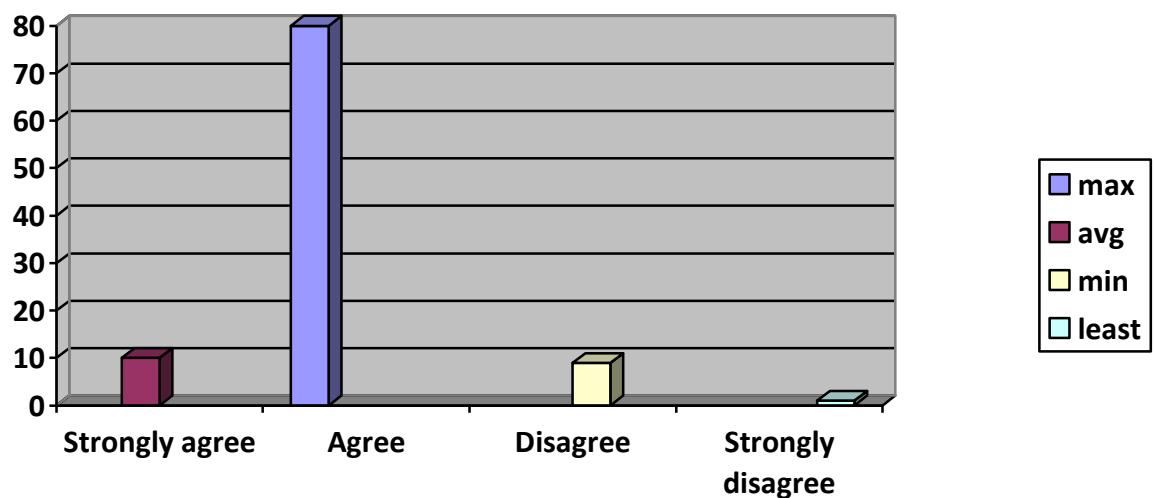


Inference: - in the above table 83% agree which the ads, 9% strongly agree, 7% of customers disagree and 1% of customers strongly disagree.

Table:-7 Table showing the classification of respondents that do ads try to gain competitive advantage by emotion.

Advertisements try to power of emotion to gain competitive advantage.	
STRONGLY AGREE	10%
AGREE	80%
DISAGREE	9%
STRONGLY DISAGREE	1%
TOTAL	100

Graph7: - graph shows the classification of respondents that do ads try to gain competitive advantage by emotion.

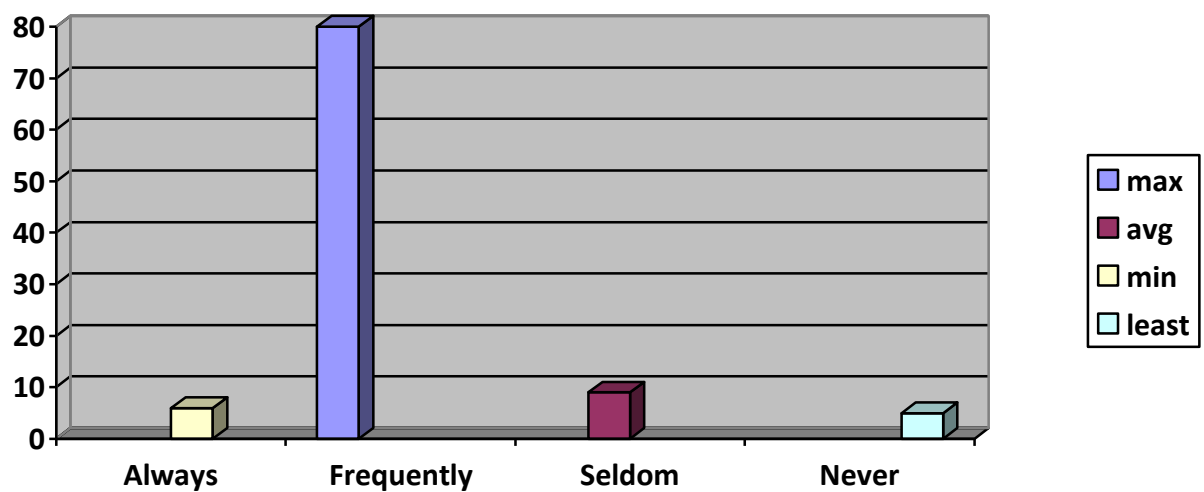


Inference: - in the above table 80% agree which the ads, 10% strongly agree, 9% of customers disagree and 1% of customers strongly disagree.

Table:-8 Table showing the classification of respondents that do ads help customers to purchase.

Advertisements help me to purchase durable goods.	
ALWAYS	6%
FREQUENTLY	80%
SELODOM	9%
NEVER	5%
TOTAL	100

Graph8: - graph shows the classification of respondents that do ads help customers to purchase.

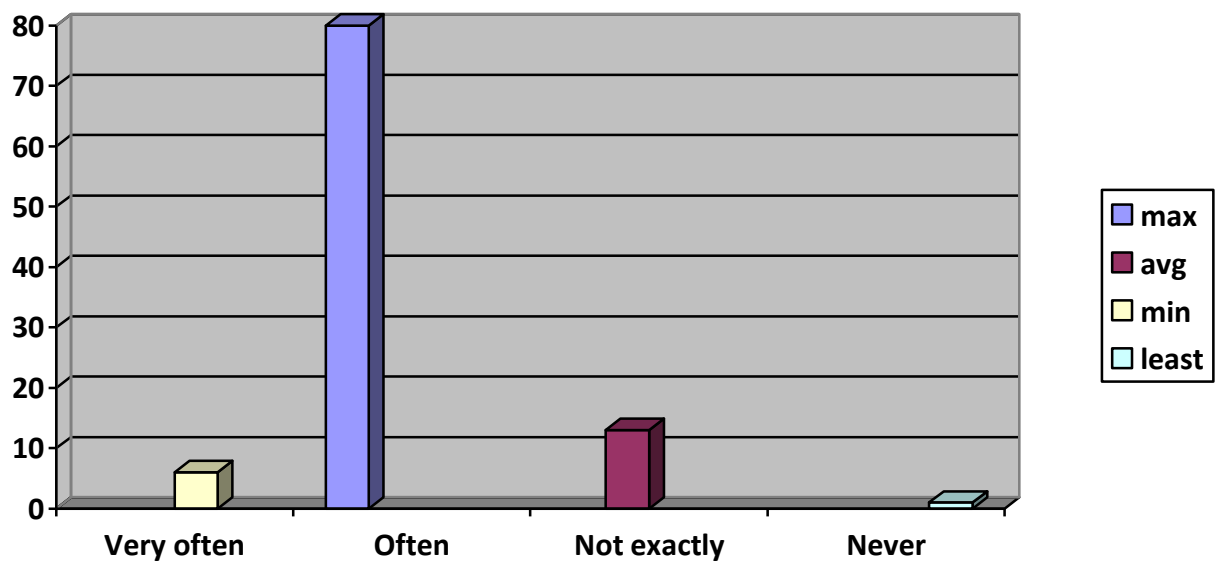


Inference: - in the above table 80% of customer purchase frequently, 9% of customer purchase seldom, 6% of customers purchase always and 5% of customers do not purchase at all.

Table:-9 Table shows the classification of respondents that how much ads influence customers.

Advertisements influence your purchase decision.	
VERY OFTEN	6%
OFTEN	80%
NOT EXACTLY	13%
NEVER	1%
TOTAL	100

Graph9: - graph shows the classification of respondents that how much ads influence customers.

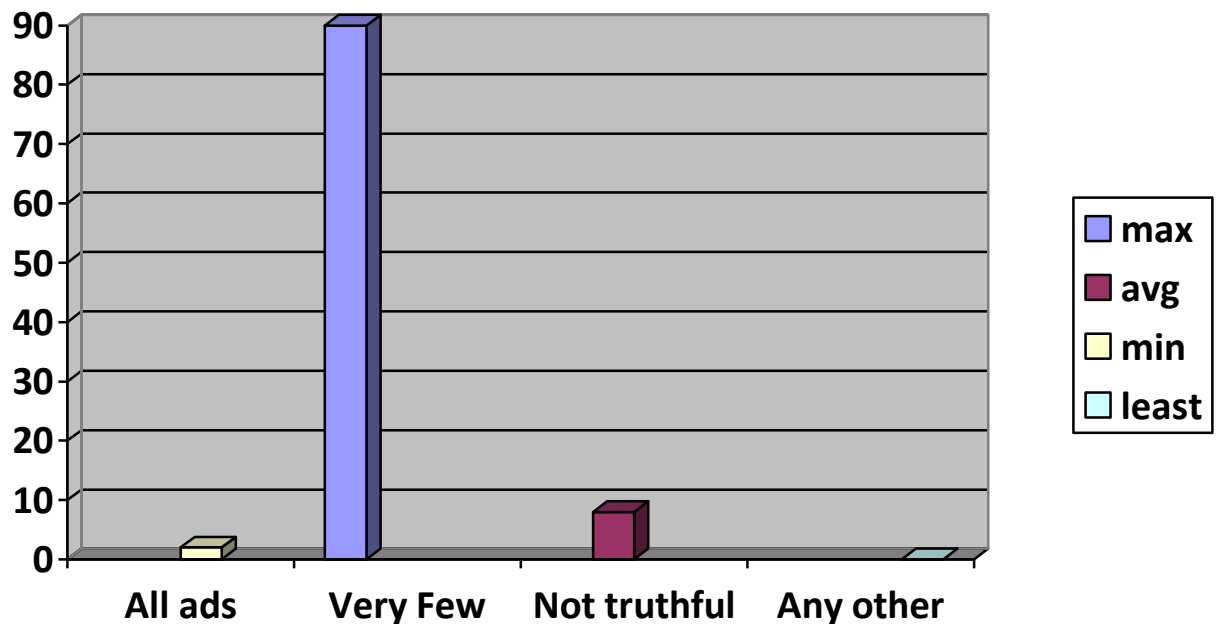


Inference: - in the above table 80% of customers get influence often, 13% of them not exactly get influence, 6% of customers are very often get influence and 1% of them never get influence at all.

Table:-10 Table shows the classification of respondents that how many customers find truth in ads.

How far do you find truth in advertising?	
ALL ADS	2%
VERY FEW	90%
NOT TRUTHFUL	8%
ANY OTHER	0%
TOTAL	100

Graph10: - graph shows the classification of respondents that how much customers find truth in ads.

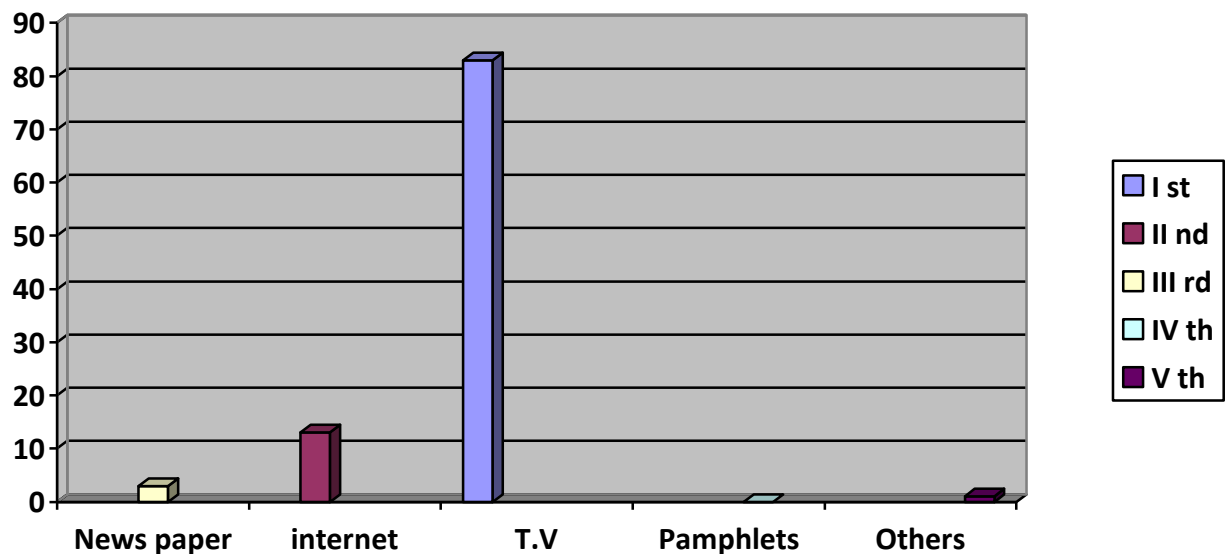


Inference: - in the above table 90% of them say it is very few, 8% of them say not truthful at all, 2% of the customers say all ads and 0% of customers have no answer.

Table:-11 Table shows the classification of respondents that which media influence customer most.

Which advertising media influence you most?	
NEWS PAPER	3%
INTERNET	13%
T.V	83%
PAMPHLETS	0%
OTHERS	1%
TOTAL	100

Graph11: - graph shows the classification of respondents that which media influence customer most.

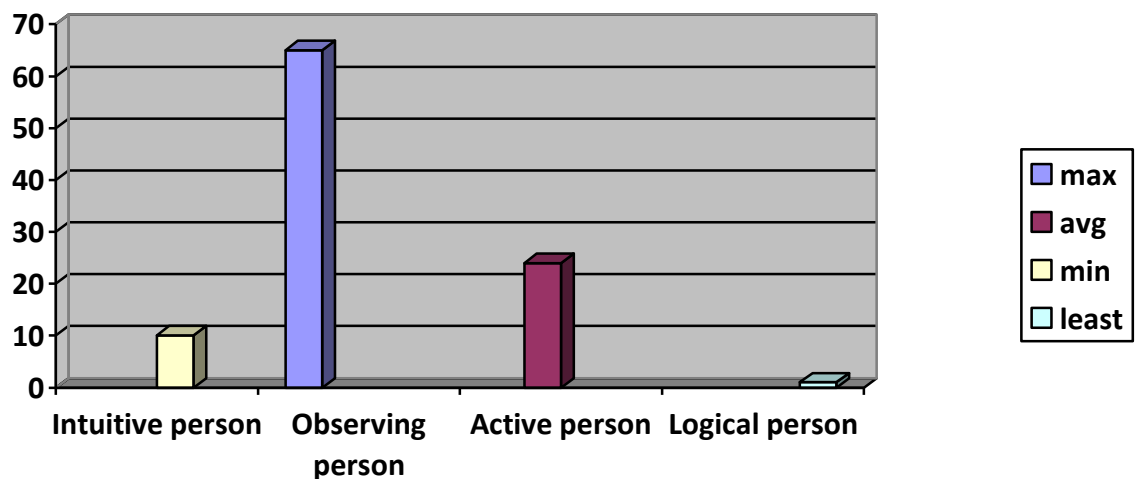


Inference: - in the above table 83% of customers get influence by TV, 13% of customers by internet, 3% of customers by news papers, 1% of them by other means and 0% is found in pamphlets.

Table:-12 Table showing the classification of respondents that when customers make there buying decision.

When I am making buying decision	
INTUITIVE PERSON	10%
OBSERVING PERSON	65%
ACTIVE PERSON	24%
LOGICAL PERSON	1%
TOTAL	100

Graph12: - graph shows the classification of respondents that when customers make there buying decision



Inference: - in the above table 65% of customers are observing person, 24% of them are active person, 10% of customers are intuitive person and 1% of them are logical person.

CHAPTER 5

Summary of Findings, Suggestions & Conclusions

FINDINGS

- By the research we come to know that 50% of customers are in the age group of 21 to 25.
- The sexual category of female is 65%.
- The major that is 37% of customers are student.
- The income based customers major is 52% who come under 10,000 to 20,000.
- 53% of customers are observing advertisements.
- Reserved customers are 43% when they watch an advertisement.
- The customers like humorous kind of ads; they are 60% of them.
- 76% of customers agree that advertisements communicate all the features of products clearly and correctly.
- 88% of customers agree that the influence level from advertisement towards customers is high.
- 83% of customers agree that advertisements can change the way they feel about the product.
- 80% of customers agree that advertisements try to tap the power of emotion to gain competitive advantage.
- 80% of customers say that advertisements help them to purchase durable goods frequently.
- Often 80% of customers get influenced by advertisements.
- Very few find truth in advertisements that is 90% of them.
- TV is the major influencing media to customers that is 83% of them.
- 65% of customers are observing person, and they like to walk around.

Suggestions

- As we can see that major customers can get influenced by advertisements, therefore the ad agency can work more on advertisements.
- The advertising message should reach the target audience according to their preferences.
- Customers are getting associated with the ads and hence the advertiser should give more importance to the message, appeal and information about the product.
- Since most of the respondents like to see humorous ads, the advertiser can go for humor appeal in the ad.
- Many just agree with the features of the product when they mention in advertisement, the ad agency must try to make the customers to strongly agree.
- Influence level must increase in advertisements towards all kind of customers.
- The highest percentage of customers watch advertisement in TV therefore show many number of advertisement in TV.

Conclusions

Advertising industry is a rapidly growing industry and determines to a considerable extent the GDP or the gross domestic product of any country. The advertising industry besides functioning as an intermediate between the manufacturers and the customers plays an important role in the economy of the country. This industry necessitates investment for funding different resources. One cannot measure the degree of development by interpretation of inputs in the economy which yields some production. With out advertising one can not know the product, features of the product. Marketing is not complete with out advertising. Since ads are the sources of information and at the same time they influence customers to maximum extent. The study can be concluded by saying that most of the customers get influenced by the advertisements.

Annexure

QUESTIONNAIRE

Dear Sir/ Madam the research aims to learn more about on effectiveness of advertising on consumer decision making process with reference to consumer durable goods your opinion will be great help for my research. Thank you very much for your time and support.

Name :

Email ID :

Mobile No :

1) Age (in years)

15-20 ☐

21-25 ☐

26-40 ☐

Above 40 ☐

2) Occupation

Service ☐

Business ☐

House wife ☐

Student ☐

3) Monthly Income

Below 10,000 ☐

10,000-20,000 ☐

20,000-30,000 ☐

Above 30,000 ☐

4) What do you do when you see an advertisement?

I get involved

☐

I like to observe

☐

I like to be active

☐

I evaluate things

☐

5) When I am watching an advertisement

I am a responsible person ☐

I am a reserved person ☐

I am a rational person ☐

I am an accepting person ☐

6) What kind of advertisements influences you the most?

Emotional ☐

Humorous ☐

Simple ☐

Vague ☐

Trendy ☐

7) Advertisements communicate all the features of the products clearly and correctly.

Strongly agree ☐

Agree ☐

Disagree ☐

Strongly Disagree ☐

8) The influence level from the advertisement towards customers is high.

Strongly agree ☐

Agree ☐

Disagree ☐

Strongly Disagree ☐

9) Advertisements can change the way I feel about the product.

Strongly agree ☐

Agree ☐

Disagree ☐

Strongly Disagree ☐

10) Advertisements try to tap the power of emotion to gain competitive Advantage.

Strongly agree ☐

Agree ☐

Disagree ☐

Strongly Disagree ☐

11) Advertisements help me to purchase durable goods.

Always ☐

Frequently ☐

Seldom ☐

Never ☐

12) Which advertisement you like the most?

Baja ☐

Videocon ☐

LG ☐

Samsung ☐

Any other ☐

13) Do you associate yourself with advertisement?

YES ☐

NO ☐

14) Advertisements influence your purchase decision.

Very often ☐

Often ☐

Not exactly ☐

Never ☐

15) Name the product which you have brought after getting influenced by advertisement.

16) How far do you find truth in advertising?

All ads ☐

Very few ☐

Not truthful ☐

Any other _____

17) Which advertising media influence you most?

News Paper ☐

Internet ☐

T.V ☐

Pamphlets ☐

Others _____

18) When I am making buying decision

I am an intuitive person, I trust my first sight

☐

I am an observing person, I like to walk around

☐

I am an active person, I will just buy what I want

☐

I am a logical person, I seldom believe others saying about the product

☐

19) How many brands can you recognize from this Product?

Product:_____

Brands:_____

-----THANK YOU-----

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- www.mapsofindia.com
- www.ads4ever.com

