

Promotion and Shifting Position of Advertising

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ABSTRACT:

Advertising is only one element of the promotion mix, but it is often considered prominent in the overall marketing mix design. Its high visibility and pervasiveness made it as an important social and economic topic in Indian society. Promotion may be defined as “the co-ordination of all seller initiated efforts to set up channels of information and persuasion to facilitate the sale of a good or service.” Promotion is most often intended to be a supporting component in a marketing mix. Promotion decision must be integrated and coordinated with the rest of the marketing mix, particularly product/brand decisions, so that it may effectively support an entire marketing mix strategy.

KEYWORDS: Social, Promotion, strategy

INTRODUCTION:

Advertising plays an important role in our everyday life. It mainly determines the image and way of life and it has an impact on our thinking as well as on the attitude towards ourselves and the world around us. Advertising shows us ready forms of behavior in a certain situation. It determines what is good and what is bad. We buy what people say or “advise”. I chose this topic because it is very relevant today and it is interesting by its complexity and psychological essence. Everyone, even without realizing it, is influenced by advertising. We do not notice how it affects us. We have become slaves of scientific and technical progress, and advertising uses that skillfully.

The pressure of advertisement is growing every day. A significant amount of money is spent on advertising campaigns bringing to the companies multi-billion profits. Moreover, it is a “product of the first necessity” for any enterprise, aimed at a commercial success, and it is becoming more and more expensive. According to statistics media the money spent on advertising in Finland was 1313,1 million euro in 2012 and 1206,7 million euro in 2013.

Advertising is directly linked to politics. It determines not only the purchase of toothpaste, but also the choice of political candidate. In the end it determines the path of political development of the country and the politics itself. This function of advertising is very important in our society.

Advertisement appeared a long time ago. Its existence in prehistoric times is confirmed, for example, by an Egyptian papyrus with the information of the upcoming sale of a slave. Advertising in those days was presented by written or oral announcement touting a particular product or service. The oral advertising was spread by some sort of barker. Besides papyrus scrolls and wax boards, the written advertising was embodied in inscriptions on roadside rocks, as well as on buildings. As nowadays, there was a promotion of almost everything - olive oil and amphorae to keep the oil, oxen, horses and other livestock, tools and weapons. There was advertising of services as well: in the announcements of that distant era there were calls to visit a pub that sells unique snacks and wine, or an invitation to visit public baths. (Feofanov, 2004)

However, the advertising would probably have not expanded so much, if once human had not discovered the era of mass communication. The first impetus for this was typography. Another important development was the invention and subsequent spread around the world of the art of photography in the mid- 19th century. A photograph has served as an irrefutable proof of benefits of the advertised product. (Presbrey, 2009).

WHAT IS ADVERTISING?

As a consumer, you are exposed to hundreds and maybe even thousands of commercial messages every day. They may appear in the form of billboards, like the Altoids campaign, or in the form of newspaper ads, TV commercials, coupons, sales letters, publicity, event sponsorships, telemarketing calls, or even e-mails. These are just a few of the many communication tools that companies and organizations use to initiate and maintain contact with their customers, clients, and prospects. You may simply refer to them all as “advertising.” But, in fact, the correct term for these various tools is marketing communications. And advertising is just one type of marketing communications. So, then, what is advertising? At the beginning of the twentieth century, Albert Lasker, who today is generally regarded as the father of modern advertising, owned a prominent advertising agency, Lord & Thomas. At the time, he defined advertising as “salesmanship in print, driven by a reason why.” But that was long before the advent of radio, television, or the Internet. The nature and scope of the business world, and advertising, were quite limited. A century later, our planet is a far different place. The nature and needs of business have changed, and so have the concept and practice of advertising. Today, definitions of advertising abound. Journalists, for example, might define it as a communication, public relations, or persuasion process; businesspeople see it as a marketing process; economists and sociologists tend to focus on its economic, societal, or ethical significance. And some consumers might define it simply as a nuisance. Each of these perspectives has some merit, but for now we’ll use the following functional definition: Advertising is the structured and composed nonpersonal communication of information, usually paid for and usually persuasive in nature, about products (goods, services, and ideas) by identified sponsors through various media. Let’s take this definition apart and analyze its components. Advertising is, first of all, a type of communication. It is actually a very structured form of applied communication, employing both verbal and nonverbal elements that are composed to fill specific space and time formats determined by the sponsor.

Second, advertising is typically directed to groups of people rather than to individuals. It is therefore nonpersonal, or mass, communication. These people could be consumers, who buy products like Altoids for their personal use. Or they might be businesspeople who would buy large quantities of Altoids for resale in their stores. Most advertising is paid for by sponsors. GM, Wal-Mart, Coca-Cola, and your local fitness salon pay the newspaper or the radio or TV station to carry the ads you read, see, and hear. But some sponsors don’t have to pay for their ads. The American Red Cross, United Way, and American Cancer Society are among the many national organizations whose public service messages are carried at no charge because of their nonprofit status. Likewise, a poster on a school bulletin board promoting a dance is not paid for, but it is still an ad—a structured, nonpersonal, persuasive communication. Of course, most advertising is intended to be persuasive—to win converts to a product, service, or idea. Some ads, such as legal announcements, are intended merely to inform, not to persuade. But they are still ads because they satisfy all the other requirements of the definition. In addition to promoting tangible goods such as oranges, oatmeal, and olive oil, advertising helps publicize the intangible services of bankers, beauticians, bike repair shops, bill collectors, and the telephone company. Increasingly, advertising is used to advocate a wide variety of ideas, whether economic, political, religious, or social. In this book the term product encompasses goods, services, and ideas.

Finally, advertising reaches us through a channel of communication referred to as a medium. An advertising medium is any paid means used to present an ad to its target audience. Thus, we have radio advertising, television advertising, newspaper ads, and so on. When you tell somebody how good Altoids taste, that’s sometimes called word-of-mouth (WOM) advertising. Although WOM is a communication medium, it’s not an advertising medium. It’s not structured, or openly sponsored, or paid for. Historically, advertisers have used the traditional mass media (the plural of medium)—radio, TV, newspapers, magazines, and billboards—to send their messages. But today technology enables advertising to reach us efficiently through a variety of addressable media (for example, direct mail) and interactive media.

HISTORY OF ADVERTISEMENT:

Archaeologists have found evidence of advertising dating back to the 3000s BC, among the Babylonians. One of the first known methods of advertising was the outdoor display. Archaeologists have uncovered many such signs, notably in the ruins of ancient Rome and Pompeii. An outdoor advertisement excavated in Rome offers property for rent, and one found painted on a wall in Pompeii calls the attention of travelers to a tavern situated in another town. In medieval times word-of-mouth praise of products gave rise to a simple but effective form of advertising, the use of so-called town criers. The criers were citizens who read public notices aloud and were also employed by merchants to shout the praises of their wares. Later they became familiar figures on the streets of colonial American settlements. The town criers were forerunners of the modern announcer who delivers radio and television commercials. Although graphic forms of advertising appeared early in history, printed advertising made little headway until the invention of the movable-type printing press by German printer Johannes Gutenberg about 1450. This invention made the mass distribution of posters and circulars possible. The first advertisement in English appeared in 1472 in the form of a hand bill announcing a prayer book for sale. Two hundred years later, the first newspaper ad was published offering a reward for the return of 12 stolen horses. In the American colonies, the Boston News-Letter, the first regularly published newspaper in America, began carrying ads in 1704, and about 25 years later Benjamin Franklin made ads more readable by using large headlines. In the United States, the advertising profession began in Philadelphia, Pennsylvania, in 1841 when Volney B. Palmer set up shop as an advertising agent, the forerunner of the advertising agency. Agents contracted with newspapers for large amounts of advertising space at discount rates and then resold the space to advertisers at a higher rate. The ads themselves were created by the advertisers. In 1869 Francis Ayer bought out Palmer and founded N. W. Ayer & Son, an agency. Ayer transformed the standard agent practice by billing advertisers exactly what he paid to publishers plus an agreed upon commission. Soon Ayer was not only selling space but was also conducting market research and writing the advertising copy. Advertising agencies initially focused on print. But the introduction of radio created a new opportunity and by the end of the 1920s, advertising had established itself in radio to such an extent that advertisers were producing many of their own programs. The early 1930s ushered in dozens of radio dramatic series that were known as soap operas because they were sponsored by soap companies. Television had been introduced in 1940, but because of the high cost of TV sets and the lack of programming, it was not immediately embraced. As the American economy soared in the 1950s, so did the sale of TV sets and the advertising that paid for the popular new shows. Soon TV far surpassed radio as an advertising medium. The tone of the advertising was also changing. No longer did advertising simply present the product benefit. Instead it began to create a product image.

ADVERTISING IN THE 21ST CENTURY:

What advertising will be in the twenty-first century is still unclear. The advertising industry has come to realize just how vulnerable it is to the outside world, however. A more important influence on the fate of advertising than economic conditions, however, is the changing demographics. The typical consumer will be older and wiser. Furthermore, these individuals will have a great acceptance of divergent views and lifestyles, increased acceptance of technology, and increased concern for social issues and for the environment. Marketers are expecting a great deal more from advertising than they did a decade ago. Advertising must pay its own way- and quickly. Sales promotions, which directly affect sales, have replaced advertising in many cases. Moreover, clients are demanding more value added services from agencies, at no extra charge. Thanks to ongoing technological advances, media will be able to report on how a particular ad affects actual purchase, brand switching, and customer retention. Accountability will be both expected and verifiable.

OUTDOOR ADVERTISING:

Outdoor Advertising is defined as a rented medium for displaying and transferring commercial information in a visible manner on structures and signs erected out of doors. It is a legitimate land-use form of advertising which is an integral part of the western economic system with direct and indirect benefits for the community as a whole.

TYPES OF SIGNS:

Outdoor advertising is traditionally associated with large billboards carrying printed, painted, projected images that may be internally or externally illuminated. Signs may be on buildings, fascias, windows, walls and roofs. Freestanding signs may be in frames, on poles and pylons and on street furniture such as bus shelters as well as on balloons, trailers, buses, suburban trains, taxis and other commercial vehicles. The advertising messages can be animated and include flashing signs, trivisions, electronics and fibre-optics. The greater proportion of outdoor advertising expenditure is spent on the traditional paper- or vinyl posted billboards offered by the bigger companies to large national advertisers on a national basis for short to medium-term advertising campaigns. Outdoor Advertising is the oldest form of advertising. The use of signs in advertising dates back to the days of ancient Rome and Greece. During this era, signs were used to mark the location of mercantile establishments. Traders in those days used signs outside their buildings and along the routes as a means of mass communication. Today's Outdoor Advertising is the refinement of the ancient method of delivering a message to the targeted audience. Outdoor is a dominant medium that combines high levels of reach and frequency, a colorful presentation of products while reaching an audience already in the marketplace. It is one of the last opportunities to reach consumers prior to purchase. In this regard it combines the best features of radio and out of purchase.

It can function as an economical supplement to a media plan or stand alone as a primary medium. Outdoor provides opportunities to reach particular portions of a geographical or demographic market, but it's major strength is it's ability to reach the entire mobile population quickly and cheaply. Some of the characteristics of the outdoor industry that have contributed to its recent popularity with advertisers are:

1. Outdoor reinforces a television campaign with strong visuals, which extend broadcast imagery and enhance the overall reach and frequency of television.
2. Outdoor provides the graphic, visual association missing with radio.
3. Outdoor can increase frequency missing in many magazine campaigns.

IMPACT OF ADVERTISING ON CONSUMER BUYING BEHAVIOR:

It is obvious that advertising borrows methods of impact to improve its own efficiency. Not only because psychologists say so, if we analyze our buying behavior by ourselves, we will realize that we are making a purchase, obeying some impulse: we can think and hesitate for some time but finally we buy. A good advertising helps such impulse to come out. Thus, advertising contributes to a trance with the buyer's manifestation of consumer pulse. (Scott,2010). "All sciences are important. But for advertisement the most important is a psychology. It gives the basic parameters for the development of advertising concepts. And professional skills of an adman should convert these psychological concepts into all possible advertising forms. The adman should translate complex psychological calculations to attractive language that everyone can understand". (Feofanov, 2004)

IMPORTANCE OF OUTDOOR AS ADVERTISING MEDIUM: THE DEVELOPMENT OF OUTDOOR:

Once the "poor relation of advertising", outdoor has evolved to become one of the most innovated media in recent times. It has expanded from being represented by posters and billboards in the early fifties to now being made up of more than forty different media types ranging from video walls at airports through high-tech electronic billboards in metropolitan areas to store fascias.

A MEANS OF REACHING AN ILLITERATE MARKET:

Outdoor Advertising is the only way of communicating visually with the bulk of adult population being illiterate. It is the only medium by which product messages can be directed to some of the major target markets, particularly in rural areas.

THE IMPORTANCE OF OUTDOOR IN REACHING THE THIRD WORLD MARKET:

As mentioned above, Outdoor Advertising is arguably the most effective way of communicating with the third world element of our population. There are vast masses of people who do not have access to television nor do they buy or read newspapers and magazines. But they are exposed to Outdoor Advertising at their local trading stores in the rural areas and at shopping complexes in the townships.

OUTDOOR AND RADIO, A CASE OF 'MEDIA SYNERGY:

In addition to Outdoor, some 98% of all our third world people have access to a radio Therefore, campaigns making use of Radio in conjunction with Outdoor will deliver Reach and Frequency objectives at an unbeatable cost.

OUTDOOR SERVING THE COMMUNITY:

Not only does outdoor advertising form an integral part of an advertising campaign to promote the advertiser's goods or services, but the medium is being used progressively more for community service and as an educational medium for various causes. For example the anti-drug campaigns and Aids awareness projects are often seen on larger-than-life posters, billboards and buses all over the country.

BENEFITS FROM OUTDOOR ADVERTISING

THE COMMUNITY:

People value signs for providing information, identification and warning, particularly when they are in an unfamiliar area - a common feature of today's mobile society and where there is gravitation of rural people to the bewildering cities.

CHARITIES AND COMMUNITY SERVICES:

Outdoor Advertising has an important role to play and is often used for advertising charitable causes such as the Cancer Association, Aids Awareness programmes, etc. Because of its unique ability to penetrate the most remote rural areas, outdoor advertising is invaluable for voter education and political advertising.

THE ADVERTISER:

The owner of the product or service obtains exposure which may not be available in other media (e.g. small business) and enables the advertiser to make the product/service known to the community. Outdoor advertising is also the medium which most other media use to promote themselves.

SITE OWNERS:

Local residents, property owners, town and city councils and government are able to receive income through ownership of suitable sites for this medium - thus making a contribution to the local economy.

THE ADVERTISING CONTRACTOR / SIGN COMPANY:

As an employer of skilled, semi-skilled and unskilled labour and as a user of products and services of other companies, the outdoor advertising contractor has an important part to play in local and the national economy of the country.

GOVERNMENT:

Apart from the direct use of the medium by various regional authorities and government departments to promote their services and provide information, local governments can collect site rentals from signs, which become a supplementary source of income.

THE OUTDOOR ADVERTISING PLAN:

As with any advertising situation, we must start with the role that we expect outdoor to play in the overall marketing and advertising strategy. Most outdoor advertising is used either as an introduction of a new product or event or as a reminder to consumers continually aware of a brand. It is extremely important to plan the outdoor portion of the total advertising campaign in a manner that will assure maximum efficiency.

FUTURE OF OUTDOOR ADVERTISING:

The future of digital-out-of-home advertising will be driven by interactivity. Digital signage applications are likely to engage consumers on a more personal level by enabling them to interact using their smart phones via Bluetooth, text messaging and the many apps which are now available to scan QR codes. The opportunity to transmit live messaging provides a dynamic new dimension to out-of-home advertising, as well as offering the flexibility to engage with consumers in real-time.

CONCLUSION:

Companies need not only to produce good quality products, but also to inform consumers about their benefits, as well as to achieve clear positioning of their products in the minds of the consumers. In order to make a new product to succeed, it must have the desired parameters for consumers, to be unique, and consumers should have the information about its characteristics. To do this, companies need to use different means of promotion that is an essential part of a series of the marketing activities, a kind of information output to the consumer. The main way of promoting of products is the advertising. Advertising is any paid by a specific sponsor form of non-personal presentation and promotion of ideas, goods and services. Organizations use advertising to tell about themselves, about their products and services, or about some of their activities for an audience selected in a certain way and with the hope that this message will cause a responding reaction. The reaction may be very different. For example, the consumer generates a certain attitude or opinion about this product or brand. This is a reaction of the level of perception. The responding reaction, in fact, is when the consumers start buying the advertised product or increase its consumption. Properly organized promotion of products is very effective and allows one not only to solve problems with marketing, but also constantly increase sales volumes. The study of various means of promoting includes the choice and preliminary tests, as well as the study of the effectiveness of their impact after applying. The aim of my thesis was to analyze the effect of advertising on a product life cycle and to find out the right ways and methods of advertising and how to apply them at every stage of the product life cycle. In my thesis I tried as much as possible to discover the essence of advertising and to identify particular qualities of its impact on the promotion of products and services.

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