

## MODULE - IV

### Buying, Selling and Distribution



Notes



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## ADVERTISING

After passing examination, suppose you want to start a small business in your locality. You have sufficient space and required funds and skill to run it. But, how will customers come to know about your business? Unless people know about it who is going to come to your business? Are you able to think what you should be doing to make people aware that there is a business? Actually, if the quality of goods and services of the business is good, it can attract some people. But you must also take some measures on a continuous basis to make people aware about the location of your business, the quality and variety of goods available there, so that you can get customers regularly. In fact, every businessman involves in this activity of making people aware about his/her products and services so as to increase his sales. Let us learn more about this activity in this lesson.



### OBJECTIVES

After studying this lesson, you will be able to:

- explain the meaning of advertising;
- describe the importance of advertising;
- identify various media of advertising; and
- suggest the suitability of each media of advertising.

### 15.1 MEANING OF ADVERTISING

In a newspaper you not only read news on current affairs, sports, etc., but you also come across several information or message about some products or services like air conditioners, cycles, hair oils, transporters, builders, etc. You also come across such information in journals, magazines, roadside hoardings, radio, television, etc. This information makes you aware about the products or services in terms of their availability, price and features. So, whenever you feel a requirement for such products or services you try to go to the place of their availability, look at the quality and features and buy them if they meet your requirement. For example, while listening to radio you come across a



product called “XYZ hair oil”. Then while going to buy hair oil you ask the shopkeeper to show you that product. You like the fragrance and find the price reasonable and purchase it for your use. There can be many such examples of different nature, like a builder selling flats on installment basis, a shopkeeper giving discounts, a new product being launched by a manufacturer, so on and



Media used in Advertising

so forth. It is obvious that the very purpose of giving such information is to make the customers aware about any product or service and induce them to buy it. Therefore, it is always the manufacturer, the trader or the service provider who wants to give such information to attract customers for promoting his sales. This entire promotional activity is called advertising, where the manufacturer or the trader or the service provider is called a sponsor or advertiser; the message or the information supplied is called advertisement and the medium through which such information is supplied like journal, magazines, hoardings, television etc. are called the media of advertising.

### Definition of Advertising

The American Marketing Association defines advertising as “any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.” Advertising is non-personal as it is not directed to any single individual. Secondly, the sponsor i.e. the manufacturer or producer is identified as his name and address is always contained in an advertisement and he also bears all the cost involved in the process. Thirdly, the producer can also promote an idea regarding quality, design, packing and pricing, etc. of any product or service. Thus, we can say, advertising consists of all activities involved in presenting a sponsored message regarding a product, service or an idea.

### Features of Advertising

By looking into the meaning and definition of advertising we can sum up the following features of advertising.

- (i) **Non-personal presentation of message**– In advertising there is no face-to-face or direct contact with the customers. It is directed to the prospective buyers in general.



- (ii) **Paid form of communication**-In advertising the manufacturer communicates with prospective customers through different media like, newspapers, hoardings, magazines, radio, television etc. He has to pay certain amount for using some space or time in those media.
- (iii) **Promotion of product, service or idea** –Advertisement contains any message regarding any particular product, service or even an idea. It makes people aware about the product and induces them to buy it.
- (iv) **Sponsor is always identified** –The identity of the manufacturer, the trader or the service provider who issues advertisement is always disclosed.
- (v) **Communicated through some media**- Advertisements are always communicated through use of certain media. It is not necessary that there will be just one medium. All the media may also be used.

### 15.2 IMPORTANCE OR OBJECTIVES OF ADVERTISING

You have learnt that the main purpose of advertising is to communicate message or information to the customers. But while communicating such message or information it also serves beneficial for the sponsor or advertiser. Let us look into the various objectives of advertising.

- i. **To educate customers**-Can you remember the advertisement of *Tata Namak* on television? In this advertisement it is said that *Tata Namak* is good for health as it contains Iodine. This message educates you that iodine is good for health and *Tata Namak* contains iodine.
- ii. **To create demand for new product**-You read in newspaper that a new type of pen called 'Gel pen' is introduced in the market, which is very economical and convenient in writing. This motivates you to buy the said pen. Similarly, many students like you shall also buy gel pen after coming to know about it through advertisement. This will create a demand for the new product launched in the market.
- iii. **To retain existing customers**-You might remember that Nirma washing powder was a very popular detergent. But, after Wheel powder came to the market the sale of Nirma suddenly decreased. Then the manufacturers of Nirma improved the product and advertised about the same in different media. After knowing this the persons who were earlier using Nirma did not switch over to Wheel and continued using Nirma. In this manner Nirma sustained its existing demand. Thus, advertising helps the manufacturers not only to create a demand for a new product but also to retain the existing customers.
- iv. **To increase sales**-We have learnt that advertising creates demands for new products and sustains the demand of old one. Thus, with increase in demand, the sale of the product also increases.



- v. **To assist salesman**-In most of the advertisements the salient features of a product, its qualities and its uses are expressed in detail. This assists a salesman to sell the product quickly without spending time in explaining and convening the customer.



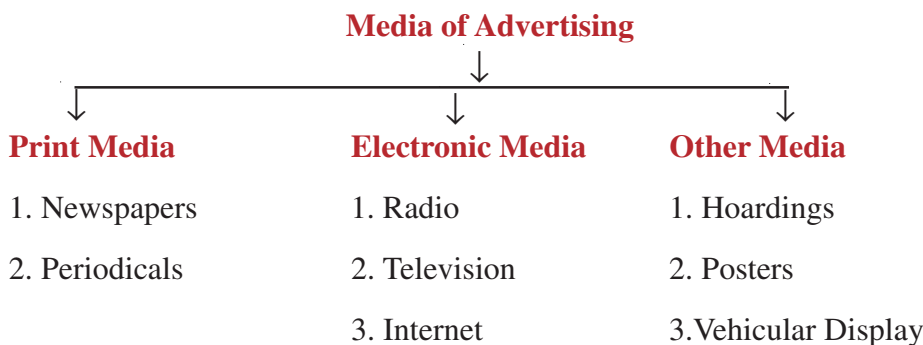
**INTEXT QUESTIONS 15.1**

State which of the following statements are ‘true’ and which are ‘false’?

- (i) The sponsor contacts the customers personally through advertisements.
- (ii) The cost of the advertisement is borne by the sponsor.
- (iii) Advertising helps in educating customers about different products and their use.
- (iv) Advertising helps to promote the sales of existing as well as new products.
- (v) Salesmen get no help from advertising while selling goods and services to customers.

**15.3 MEDIA OF ADVERTISING**

So far, you have learnt that advertisements are communicated by using some media like, newspaper, journals, radio, television, etc. The following diagram shows some commonly used media of advertising :



Let us learn in details about these media.

**(A) Print Media**

Print media is a very commonly used medium of advertising by businessman. It includes advertising through newspaper, magazines, journals, etc. and is also called press advertising.

**1. Newspapers**

You must have read Newspapers. In our country newspapers are published in English, Hindi and in other regional languages. These are the sources of news, opinions and current events. In addition, Newspapers are also a very common

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## Advertising

medium of advertising. The advertiser communicates his message through newspaper which reaches to crores of people.

### Advantages

Advantages of Newspaper Advertising are as below:

- Newspapers normally have wide circulation and a single advertisement in the newspaper can quickly reach to a large number of people.
- The cost of advertising is relatively low because of wide publication.
- Generally newspapers are published daily. Thus, the same advertisement can be repeated frequently and remind readers every day.
- The matter of advertisement can be given to newspapers at a very short notice. Even last minute changes in the content is also possible. This makes advertising quite flexible.
- Newspapers are published from different regions and in different languages. Hence, they provide greater choice to advertisers to approach the desired market, region and readers through local or regional language.



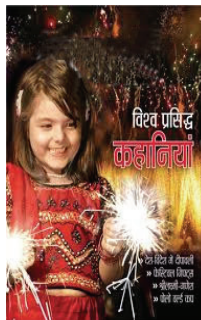
Newspaper

### Limitations

Newspaper advertising suffers from some limitations as mentioned below:

- Newspapers are read soon after they are received and then are kept generally in some corner of the houses. After 24 hours we get a fresh newspaper and this makes the life of the newspaper short.
- People read newspapers mainly for news and pay casual attention to advertisement.
- Illiterate persons can not read and thus, newspaper advertising does not benefit them.

## 2. Periodicals



Periodicals (Magazines)



Periodicals are publications which come out regularly but not on a daily basis. These may be published on a weekly, fortnightly, monthly, bimonthly, quarterly or even yearly basis. For example you must have come across magazines and journals like Outlook, India Today, Frontline, Yojana, Femina, etc. published regularly in English, Grah Shobha, Nandan and Champak in Hindi. Similarly there are also periodicals in Hindi and other regional languages. All these periodicals have a large number of readers and thus, advertisements published in them reach a number of people.

### Advantages

- i. Periodicals have a much longer life than newspapers. These are preserved for a long period of time to be referred in future or read at leisure or read again, whenever required.
- ii. Periodicals have a selected readership and so advertisers can know about their target customers and accordingly selective advertisements are given. For example, in a periodical like Femina, which is a magazine for women, advertisements related to products to be used only by males are rarely published. However, manufacturers of products and services to be used by females prefer to give advertisement in this magazine.

### Limitations

- i. Advertising in periodicals is costlier.
- ii. The number of people to whom the advertisements reach through periodicals is small in comparison to newspapers.
- iii. The advertisement materials are given much in advance; hence last minute change is not possible. This reduces flexibility.

### (B) Electronic Media

This is a very popular form of advertising in the modern day marketing. This includes Radio, Television and Internet. Let us look into detail about these.

#### 1. Radio Advertising

All of us are aware about a radio and must have heard advertisements for various products in it.

In radio there are short breaks during transmission of any programme which is filled by advertisements of products and services. There are member of popular programmes sponsored by advertisers, on radio in which advertisements are given at regular intervals.



Radio Advertising

**Advantages**

- (i) It is more effective as people hear it on a regular basis.
- (ii) It is also useful to illiterates, who can not read and write.
- (iii) There are places where newspapers reading may not be possible, but you can hear radio. For example, you can hear radio while travelling on road or working at home; but you can not read newspaper. Similarly, while driving you can hear a radio but cannot read a newspaper.

**Limitations**

- (i) A regular listener may remember what he has heard. But, occasional listeners tend to forget what they have heard in Radio.
- (ii) The message that any advertisement wants to communicate may not be proper as there is no chance to hear it again immediately. There may be some other disturbances that distort communication.
- (iii) In comparison to Television, Radio is less effective as it lacks visual impact.

**2. Television Advertising**

With rapid growth of information technology and electronic media, television has topped the list among the media of advertising. TV has the most effective impact as it appeals to both eye and the ear. Products can be shown, their uses can be demonstrated and their utilities can be told over television.

Just like radio, advertisements are shown in TV during short breaks and there are also sponsored programmes by advertisers.

**Advertisement of Television****Advantages**

- (i) It is most effective as it has an audio-visual impact.
- (ii) With catchy slogans, song and dance sequences, famous personalities exhibiting products, TV advertising has a lasting impact. For example, who can forget Aamir Khan saying “Thanda Matlab CocaCola” or Sachin Tendulkar in Pepsi advertisement?
- (iii) With varieties of channels and programmes advertisers have a lot of choice to select the channel and time to advertise.
- (iv) With regional channels coming up any person even illiterates can watch the advertisements and understood it by seeing and hearing.



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### Limitations

- (i) TV advertisements are usually expensive to prepare as well as to telecast.
- (ii) With almost every manufacturer trying to communicate their message through TV advertising the impact among the viewers is also reducing. Now-a-days people are switching on channels whenever there is a commercial break.

### 3. Internet Advertising

Are you aware about internet? In fact it is the latest method of communication and gathering information. If you have a computer with an access to internet you can have information from all over the world within a fraction of second. Through internet you can go to the website of any manufacturer or service provider and gather information. Sometimes when you do not have website addresses you take



Advertisement on Internet

help of search engines or portals. In almost all the search engines or portals different manufactures or service providers advertise their products.

### Advantages

- (i) Information from all over the world is made available at the doorsteps.
- (ii) User can see the advertisement at any time and as per their requirement.

### Limitations

- (i) It is not accessible without a computer.
- (iii) It is not suitable for illiterate and those having no knowledge about the operation of Internet.

### (C) Other Media

All the media of advertising discussed above are mostly used by consumers while they are at home or inside any room, except radio and newspapers or magazines to some extent. Moreover in all these media, the consumer has also to spend some money to access the advertisement. However, there are other media available, where the consumer has to spend nothing and he can see such advertisements while moving outside. Some of such advertising are hoardings, posters, vehicular displays, gift items, etc.





**1. Hoardings**

While moving on roads you must have seen large hoardings placed on iron frames or roof tops or walls. These are normally boards on which advertisements are painted or electronically designed so that they are visible during day or night. The advertisers have to pay an amount to the owners of the space, where the hoardings are placed.



**Advertisement on Hoardings**

**2. Posters**

Posters are printed and posted on walls, buildings, bridges etc to attract the attention of customers. Posters of films which are screened on cinema halls are a common sight in our country.



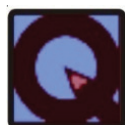
**Advertisement on Posters**

**3. Vehicular displays**

You must have seen advertisements on the public transport like buses, trains, etc. Unlike hoardings these vehicles give mobility to advertisements and cover a large number of people.



**Advertisement on Vehicles**



**INTEXT QUESTIONS 15.2**

I. Match the following:

- |  |                     |
|--|---------------------|
| (i) Advertisement of Birla White Cement on a Bus | a. Electronic Media |
| (ii) Advertisement of ICICI bank in India Today  | b. Other media      |
| (iii) Advertisement of Maggie Noodles in TV      | c. Print Media      |

II. Multiple Choice Questions

- i. Which of the following are not the features of Advertising?
- (a) Personal presentation of message
  - (b) Paid form of Communication
  - (c) Sponsor is always identified
  - (d) Communicated through some media.

- ii. Print media of advertising does not include
  - (a) Newspaper
  - (b) Periodicals
  - (c) Internet
  - (d) Posters
- iii. Electronic Media of advertising include
  - (a) Hoardings
  - (b) Vehicular Displays
  - (c) Internet
  - (d) Poster
- iv. Advertisement through TV is not always suitable because
  - (a) Visual as well as sound effect
  - (b) Direct appeal
  - (c) Costly
  - (d) Non availability of T.V. to all
- v. Suitability of Radio advertisement does not include
  - (a) Need of visual effect
  - (b) Remote areas
  - (c) Illiterate persons
  - (d) Particular region or specific customer.



### 15.4 SUITABILITY OF MEDIA OF ADVERTISING

The advertisers must look into the suitability of each medium of advertising in relation to their product. For this purpose, they must look into the nature of the product or service to be advertised, the target customers for such product, the amount of allocated funds for such advertising and the availability of space and time in each medium. However, in general, the suitability of each medium of advertising can be summarized as follows:

1. **Newspapers** : These are suitable for consumer goods designed for general public. In case of new products to be launched, newspaper advertising is very useful as the same space can be occupied on a regular basis. Newspapers are also suitable for advertisements regarding clearance sale, exchange offers, etc.
2. **Periodicals** : These are suitable for products required by the target customers of the periodicals. For example, advertisement of any books can be given in journals like Readers' Digest as the target customers of this periodical is assumed to be a reader, similarly interior decorators, architects, builders can advertise in magazines specifically containing items of design and decoration. Consumer goods products can be advertised in any periodical having wide circulation.
3. **Radio** : Radio is suitable for advertising different varieties of products. However, the timing is important for radio advertising. For example, after farmers come back from field they normally listen to radio and during this time any firm producing agricultural products can advertise or sponsor their programmes.



4. **Television :** Choice of channels and programmes is important for the advertisers to advertise their product in TV. For example, in Cartoon Network channel, products for use of children can be advertised. Similarly, during any serials or films, consumer goods required by the family can be advertised. This medium is also suitable for products those require live demonstration while selling those to the consumers.

**WHAT YOU HAVE LEARNT**

- Advertising includes all the activities involved in presenting any product or service or idea by any producer, trader or service provider to prospective customers.
- Advertising incurs some cost and it is borne by the producer, trader or service provider known as sponsor or advertiser.
- The inherent message about the product or service or idea is called the advertisement.
- In every advertisement the identity of the sponsor is disclosed.
- The basic purpose of advertising is to educate the customers regarding the utility of the product/service and thereby to induce them to buy it.
- Advertisement also serves the purpose of creating a demand for any new product as well as maintaining and improving the existing demand for any product. Ultimately every advertising helps in increasing sales.
- There are various medium of advertising like newspaper and periodicals (print media); radio, television and internet (electronic media) and hoardings, posters, vehicular displays and gift items by manufacturer (other media). Each medium has its own advantages and disadvantages and suitability for specific products.

**TERMINAL EXERCISE**

1. What is meant by advertising? State its features.
2. Which medium of advertising has the audio-visual impact?
3. Which medium of advertising will be preferred by the blind?
4. What is advertising and what purposes does it serve?
5. What are the advantages and limitations of newspaper advertising?
6. Explain the advantages and limitations of advertising in periodicals?
7. What is radio advertising? Enumerate its advantages and limitations.
8. Describe any three points of importance of advertising.
9. Name any four items which are suitable for advertisement in Magazines, T.V. and hoardings.

10. What is meant by media of advertisement? State the different types of electronic media used for advertisement.
11. Explain the different types of media through which we get information without spending any money.



### ANSWER TO INTEXT QUESTIONS

**15.1** (i) False, (ii) True, (iii) True, (iv) True, (v) False

**15.2** I. (i) b, (ii) c, (iii) a

II. (i) a, (ii) c, (iii) c, (iv) c, (v) a

### ACTIVITY FOR YOU

- Make a list of products / services advertised through newspapers, television, radio and periodicals.



Notes