

Advertising, Personal Selling and Salesmanship PYQ 2023

Q1. What is advertising? Discuss the objectives of advertising.

Ans. Advertising refers to the **process of promoting a product, service, idea, or brand through various communication channels to reach a target audience and persuade** them to take a desired action. It is a form of marketing communication that aims to create awareness, generate interest, and ultimately drive sales or achieve specific objectives.

The objectives of advertising can vary depending on the specific goals of a company or organization. Here are some common objectives of advertising:

Create Awareness: One of the primary objectives of advertising is to create awareness about a product, service, or brand. By reaching out to a wide audience through different media channels, advertising helps to introduce a new product or brand, highlight its features, and build recognition among potential customers.

Increase Sales: Advertising often aims to stimulate demand and drive sales. By showcasing the benefits and unique selling points of a product or service, advertising persuades consumers to make a purchase. It can influence consumer behavior by creating a desire for the product and positioning it as a solution to their needs or desires.

Build Brand Equity: Advertising plays a crucial role in building and strengthening brand equity. It helps to establish a brand's identity, differentiate it from competitors, and create a positive perception among consumers. Through consistent messaging and brand storytelling, advertising can evoke emotions, enhance brand loyalty, and ultimately increase the value of the brand.

Influence Consumer Behavior: Advertising has the power to influence consumer behavior by shaping attitudes, beliefs, and preferences. It can create a sense of urgency, generate interest, and motivate consumers to take a desired action, such as making a purchase, visiting a store, or engaging with a brand's online presence.

Educate and Inform: Another objective of advertising is to educate and inform consumers about a product or service. It can provide information about features, benefits, pricing, availability, and any other relevant details that help consumers make informed decisions. This objective is particularly important for complex or innovative products that require explanation or demonstration.

Target Specific Audiences: Advertising allows companies to target specific audiences based on demographics, interests, or behavior. By tailoring messages and selecting appropriate media channels, advertisers can reach the right people at the right time, increasing the effectiveness of their campaigns.

Create and Sustain Competitive Advantage: Through strategic advertising, companies can create and sustain a competitive advantage in the marketplace. Advertising can highlight a brand's unique strengths, differentiate it from competitors, and position it as the preferred choice among consumers.

Enhance Customer Relationships: Advertising can also play a role in fostering and enhancing customer relationships. By maintaining regular communication with customers through advertising, companies can keep them informed about new products, promotions, or updates, and reinforce their loyalty to the brand.

It's important to note that the objectives of advertising **may vary** based on the **specific industry, product, target audience, and marketing strategy** employed by a company. The effectiveness of advertising campaigns is often measured through various metrics, such as reach, engagement, conversion rates, and return on investment (ROI).

Q1. Critically examine DAGMAR approach in setting advertising objectives.

Ans. The DAGMAR (Defining Advertising Goals for Measured Advertising Results) approach is a framework that aims to set clear and measurable advertising objectives. Developed by Russell Colley in the 1960s, it provides a systematic way to establish goals and evaluate the effectiveness of advertising campaigns. While the DAGMAR approach has been widely used and has its merits, it also has some limitations and criticisms. Let's critically examine the DAGMAR approach:

Focus on Communication Effects: The DAGMAR approach places significant emphasis on measuring communication effects, such as awareness, knowledge, comprehension, and attitude change. While these effects are important, they do not necessarily translate into actual business outcomes or sales. Critics argue that the approach may overemphasize the role of advertising in shaping consumer attitudes without sufficient consideration of other marketing factors or external influences.

Simplistic Assumptions: The DAGMAR approach assumes a linear, hierarchical relationship between different stages of consumer response. It suggests that consumers move through a sequence of stages, starting with awareness, followed by comprehension, conviction, and finally, action. However, consumer decision-making processes are often complex, nonlinear, and influenced by various factors beyond advertising alone. This linear assumption may oversimplify the reality of consumer behavior and the decision-making process.

Lack of Integration with Marketing Objectives: The DAGMAR approach primarily focuses on advertising objectives, but it may not adequately integrate with broader marketing objectives. Effective marketing campaigns require a holistic approach that aligns advertising with overall marketing strategies, sales goals, brand positioning, and other marketing activities. The DAGMAR approach's exclusive focus on advertising objectives may overlook the need for synergy and coordination with other marketing efforts.

Limited Measurement of Impact: While the DAGMAR approach emphasizes the importance of measurable results, it primarily focuses on short-term and immediate effects of advertising. It tends to neglect the long-term impact of advertising on brand equity, customer loyalty, and market share. Measuring advertising effectiveness solely based on short-term outcomes may fail to capture the full value and long-term effects of advertising efforts.

Difficulties in Setting Clear Objectives: The DAGMAR approach requires setting specific and measurable objectives, but this can be challenging in practice. Defining precise objectives and establishing reliable measurement methods can be complex, especially when it comes to intangible outcomes such as attitude change or brand perception. It may be difficult to attribute specific results

solely to advertising efforts, considering the influence of other marketing activities, external factors, and the dynamic nature of consumer behavior.

Limited Adaptability to Digital Marketing: The DAGMAR approach was developed in an era when traditional media channels dominated advertising. In today's digital landscape, where online advertising and digital platforms play a significant role, the approach may not fully address the complexities and nuances of digital marketing, such as engagement metrics, social media influence, or user-generated content.

In **conclusion**, while the DAGMAR approach has provided a valuable framework for **setting and measuring advertising objectives**, it has its **limitations and has faced criticisms**. Its focus on communication effects, simplistic assumptions, limited integration with broader marketing objectives, and difficulties in measurement can pose challenges in today's dynamic marketing environment. To develop effective advertising objectives, it is important to consider a broader range of factors and adopt a more comprehensive and integrated approach that aligns advertising goals with overall marketing strategies and business outcomes.

Q2. What is meant by selectivity with regard to purchase of advertising media? Discuss the various ways magazines offer selectivity to advertisers.

Ans. Selectivity, in the context of advertising media, refers to the **ability of advertisers to target and reach specific audiences or market segments through the careful selection of media channels**. It involves choosing the most appropriate media vehicles that align with the desired target audience, ensuring that the advertising message reaches the right people at the right time.

Magazines offer several ways to provide selectivity to advertisers, allowing them to effectively reach their intended audience. Here are various ways magazines offer selectivity:

Demographics: Magazines often have well-defined readership demographics, such as age, gender, income level, education, occupation, and geographic location. Advertisers can leverage these demographic profiles to select magazines that closely match their target audience. For example, a luxury fashion brand may choose to advertise in a high-end fashion magazine that caters to affluent readers.

Psychographics: Magazines also offer selectivity based on psychographic factors, which involve understanding the attitudes, values, lifestyles, and interests of the target audience. Different magazines cater to specific interests or hobbies, such as sports, travel, cooking, fashion, or technology. Advertisers can align their message with the psychographic profile of the magazine's readership to increase the relevance and impact of their advertising.

Niche Markets: Magazines often cater to niche or specialized markets, allowing advertisers to target specific industries or interest groups. These magazines focus on topics like finance, healthcare, photography, gaming, or interior design. Advertisers looking to reach a niche market or target a specific industry can choose magazines that have a dedicated readership in those areas, ensuring their message reaches a highly relevant audience.

Geographic Targeting: Magazines can offer selectivity based on geographic targeting, allowing advertisers to focus their campaigns on specific regions, cities, or even neighborhoods. Magazines

that have a regional or local focus can be particularly useful for advertisers seeking to target a specific geographic market.

Content Relevance: Magazines often have specific editorial content that caters to a particular audience. Advertisers can take advantage of this content relevance by aligning their advertisements with the topics covered in the magazine. For example, a health supplement company may choose to advertise in a fitness or wellness magazine to reach readers who are already interested in maintaining a healthy lifestyle.

Audience Engagement: Magazines typically have a dedicated and engaged readership who actively consume the content. This engagement can be valuable for advertisers as it increases the chances of their ads being noticed and absorbed by the audience. Advertisers can leverage the trust and loyalty readers have towards a magazine to enhance the effectiveness of their campaigns.

Special Issues and Supplements: Magazines often publish special issues or supplements that focus on specific themes or events. Advertisers can take advantage of these opportunities to reach a targeted audience interested in those particular topics. For example, a travel agency might choose to advertise in a magazine's special issue dedicated to summer vacations.

Overall, magazines offer advertisers selectivity through their well-defined **demographics, psychographics, niche markets, geographic targeting, content relevance, audience engagement,** and the availability of special issues or supplements. Advertisers can strategically choose magazines that align with their target audience to optimize the impact and effectiveness of their advertising campaigns.

Q2. Discuss the important methods of setting advertising budget.

Ans. Setting an advertising budget is a **crucial aspect** of developing an effective advertising campaign. There are several important methods that businesses and marketers use to determine their advertising budget. Here are some of the common methods:

Percentage of Sales: This method involves allocating a certain percentage of sales revenue to the advertising budget. The percentage can vary depending on factors such as industry norms, business objectives, and growth goals. For example, a company may allocate 5% of its annual sales revenue for advertising. This method ensures that the advertising budget is directly tied to the company's financial performance.

Objective and Task Method: This method involves setting the advertising budget based on the specific objectives and tasks outlined for the campaign. It begins by defining the campaign goals, such as increasing brand awareness or launching a new product. Then, the tasks necessary to achieve those objectives, such as market research, creative development, media buying, and campaign monitoring, are identified along with their associated costs. The total cost of these tasks becomes the advertising budget.

Competitive Parity: With this method, the advertising budget is set to match or be in line with competitors' spending in the industry. The idea is that a company should spend a similar amount on advertising to maintain or gain market share relative to its competitors. Monitoring industry benchmarks and competitor spending data is crucial for this approach.

Share of Voice: This method focuses on a company's share of advertising voice or presence in the marketplace. It aims to maintain a certain level of visibility and market share by allocating a budget proportionate to the company's share of the total advertising activity in the industry. This method requires analyzing competitors' advertising efforts and determining the desired share of voice for the company.

Affordable Method: This approach sets the advertising budget based on what the company can afford or is willing to allocate for advertising. The budget is determined by considering other business expenses, profit margins, and available resources. While this method is simple to implement, it may not always align with the company's marketing needs or growth objectives.

Return on Investment (ROI): This method involves setting the advertising budget based on the expected return on investment. It requires estimating the potential impact of advertising on sales or other desired outcomes and allocating a budget that is deemed reasonable in relation to the anticipated returns. This approach requires careful analysis of historical data, market trends, and previous campaign results.

Task Efficiency: In this method, the advertising budget is determined by the cost-efficiency of specific advertising tasks. It involves comparing the costs of various advertising channels, media types, or campaign components to determine the most effective allocation of resources. By focusing on efficiency, this method aims to optimize the budget and maximize the results achieved from each advertising task.

It's **important** to note that these methods are **not mutually exclusive**, and businesses **may use a combination of approaches** based on their specific circumstances and goals. Additionally, factors such as market conditions, competitive landscape, target audience, and available resources should also be considered when determining the advertising budget. Regular evaluation and adjustment of the budget based on performance and market dynamics are essential for effective resource allocation.

Q3. What are the various post-testing techniques available to a marketing manager to test the effectiveness of the advertisement?

Ans. Marketing managers have access to various post-testing techniques to evaluate the **effectiveness of advertisements**. These techniques help assess how well the advertisement achieved its objectives, measure its impact on consumer behavior and brand perception, and provide insights for future campaign improvements. Here are some common post-testing techniques:

Surveys and Questionnaires: Surveys and questionnaires allow marketers to gather feedback directly from consumers. They can measure awareness, recall, message comprehension, brand perception, purchase intent, and other relevant metrics. Surveys can be conducted through online surveys, phone interviews, face-to-face interviews, or mailed questionnaires.

Focus Groups: Focus groups involve gathering a small group of target consumers to discuss their perceptions, reactions, and opinions about the advertisement. It provides qualitative insights into how consumers interpret the message, emotional response, and any potential areas of improvement. A skilled moderator guides the discussion and probes for deeper insights.

Recall and Recognition Tests: These tests assess the audience's ability to recall or recognize the advertisement. Recall tests measure how well viewers remember specific elements of the ad, such as the message, brand, visuals, or tagline. Recognition tests present viewers with the ad and measure their recognition and familiarity with it. These tests provide insights into ad memorability and effectiveness.

Sales and Revenue Analysis: Marketers can analyze sales and revenue data to determine the impact of the advertisement. By comparing sales performance before and after the ad campaign, marketers can identify any significant changes, spikes, or trends. It is important to consider other marketing factors and external influences that may affect sales to ensure accurate analysis.

Web Analytics: For digital advertising, web analytics tools can provide valuable insights. Marketers can analyze website traffic, page views, time spent on site, conversion rates, and other metrics to measure the impact of online advertisements. This data helps assess user engagement, the effectiveness of landing pages, and the impact of the ad on website interactions.

Social Media Monitoring: Monitoring social media platforms allows marketers to gauge consumer sentiment and reaction to the advertisement. By tracking mentions, comments, likes, shares, and sentiment analysis, marketers can assess the level of engagement, brand perception, and the overall impact of the ad on social media channels.

Eye-Tracking and Biometric Analysis: Eye-tracking technology and biometric analysis (such as measuring heart rate, skin conductance, facial expressions, or brain activity) provide objective data on viewers' attention, emotional response, and engagement with the advertisement. These techniques can help identify which parts of the ad draw the most attention and evoke the desired emotional responses.

In-market Testing: In-market testing involves conducting small-scale trials of the advertisement in specific markets or test areas before a full-scale launch. Marketers can compare the results from different test markets, gather consumer feedback, and make necessary adjustments to optimize the ad's effectiveness before wider distribution.

Return on Investment (ROI) Analysis: ROI analysis assesses the financial impact of the advertisement. It involves calculating the revenue generated or other desired outcomes (such as increased brand equity or customer acquisition) and comparing it to the advertising costs. This analysis helps determine whether the ad campaign delivered a positive return on investment.

By using a combination of these post-testing techniques, marketing managers **can gain insights into the effectiveness of their advertisements**, understand consumer perceptions, and make data-driven decisions to improve future campaigns. It's essential to consider the specific objectives, target audience, and available resources when selecting the appropriate post-testing methods.

Q3. What is an advertising agency? Explain the organization structure and working of an advertising agency.

Ans. An advertising agency is a **professional service firm that provides various marketing and advertising services to businesses and organizations**. It acts as an intermediary between the client (the advertiser) and the media outlets or platforms where the advertising is placed. The primary role

of an advertising agency is to develop, create, and execute effective advertising campaigns on behalf of their clients.

Organization Structure of an Advertising Agency:

Account Management: This department serves as the main liaison between the agency and the clients. Account managers are responsible for understanding the client's objectives, developing strategic plans, managing client relationships, and ensuring client satisfaction.

Creative Department: The creative team consists of copywriters, art directors, designers, and other creative professionals. They are responsible for generating ideas, developing creative concepts, designing visual elements, and producing advertisements that effectively communicate the client's message and resonate with the target audience.

Media Planning and Buying: The media department is responsible for strategic media planning and buying. Media planners analyze the target audience, identify suitable media channels (such as TV, radio, print, digital, outdoor), negotiate media rates, and develop media plans to maximize the reach and impact of the advertising campaign within the allocated budget.

Research and Strategy: This department conducts market research, consumer behavior analysis, and competitive analysis to provide insights that inform the overall advertising strategy. They help define target audiences, develop positioning strategies, and identify key messages to drive the creative and media planning processes.

Digital and Social Media: With the growing importance of digital marketing, many agencies have dedicated departments specializing in digital advertising, social media management, search engine marketing, content creation, and other online marketing strategies. These teams develop and execute digital campaigns, optimize online presence, and measure performance using analytics tools.

Production and Traffic: The production department manages the technical aspects of producing advertisements. They coordinate with vendors, oversee the production process (including shooting commercials, printing materials, or creating digital assets), and ensure the timely delivery of final advertisements to media outlets.

Working of an Advertising Agency:

Client Briefing: The agency receives a brief from the client, which outlines the objectives, target audience, budget, timeline, and any specific requirements for the advertising campaign.

Research and Strategy: The agency conducts research and analysis to understand the market, target audience, competition, and industry trends. This information guides the development of the advertising strategy and creative approach.

Creative Development: The agency's creative team generates ideas, develops concepts, writes copy, designs visuals, and creates various advertising materials. They collaborate with the account management team to align the creative concepts with the client's objectives and preferences.

Client Presentation and Approval: The agency presents the creative concepts and strategic recommendations to the client. The client provides feedback, and the agency refines the concepts based on the client's input. Once the client approves the creative work, production begins.

Media Planning and Buying: The media department develops a media plan that outlines the recommended media channels, timing, budget allocation, and media buying strategy. They negotiate with media outlets, secure ad placements, and monitor the campaign's performance throughout the execution phase.

Campaign Execution: The agency coordinates the production process, oversees the implementation of the campaign, and ensures that advertisements are delivered to the appropriate media outlets or platforms. They monitor the campaign's performance, make adjustments if necessary, and provide regular updates to the client.

Measurement and Reporting: After the campaign is completed, the agency analyzes the results and measures the effectiveness of the advertising efforts. They prepare reports on key metrics, such as reach, frequency, brand awareness, audience engagement, and return on investment. These insights help evaluate the campaign's success and inform future advertising strategies.

Throughout the **process, regular communication, collaboration, and feedback** between the agency and the client are essential to ensure the smooth execution of the advertising campaign. The agency remains in close contact with the client, providing updates, addressing any concerns or changes, and maintaining a strong working relationship.

In **addition** to the core functions mentioned above, advertising agencies may also have specialized departments or teams based on their areas of expertise or client needs. These may include public relations, digital marketing, social media management, event planning, market research, and more.

It's important to note that the **specific organization structure** and working processes of an advertising agency can vary depending on its size, focus, and industry. Some agencies may be small boutique firms specializing in a particular niche, while others may be large multinational agencies offering a wide range of services.

Overall, the collaboration between the various departments within an advertising agency allows for a comprehensive and integrated approach to advertising. By leveraging their expertise, creativity, research, and strategic planning, advertising agencies help clients effectively reach their target audience, convey their brand message, and achieve their marketing objectives.