

INSTITUTE OF FINE ARTS CSJM UNIVERSITY, KANPUR



e- content (material & method)

For Applied Arts

Students

(BFA 2nd year, 3rd year & 4th year)

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CLASSIFICATION OF ADVERTISING

Unit Structure :

- 3.0 Objectives of the lesson
- 3.1 Introduction
- 3.2 Classification of Advertising
- 3.3 Types of Advertising
- 3.4 Difference between National Advertising and Retail Advertising
- 3.5 Summary
- 3.6 Questions

3.0 OBJECTIVES OF THE LESSON

After completion of this lesson the student will be able to understand :

- Broad classification of advertising
- Various categories of advertising : Social Advertising, Political Advertising, Advocacy Advertising, Retail Advertising
- Financial Advertising, Essentials for the success of Financial advertising, Advantages of Financial advertising
- Corporate Image Advertising, Public Relations Advertising, Institutional Advertising
- Internet Advertising, Types, Advantage and disadvantages of Internet Advertising
- Product Advertising, Service Advertising, National Advertising, Retail Advertising

3.1 INTRODUCTION

Different authors have classified advertising in different ways. Philip Kotler has classified advertising on the following basis :

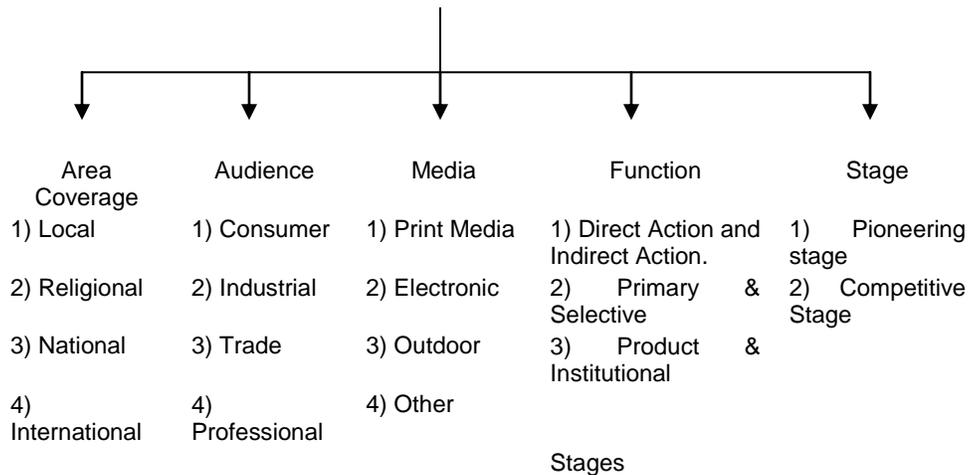
- (a) Geographical Area : National, Regional or Local.
- (b) Content : Product Advertising, Brand Advertising, Institutional Advertising.
- (c) Type of Appeal : Factual and Emotional.
- (d) Audience : Consumer, Industrial, Trade.
- (e) Sponsor : Manufacturer, Middlemen, Manufacturer - middlemen, private.
- (f) Intended Effort : Direct Action and Delayed Action.
- (g) Level of Demand Influence : Primary Product Level, Selective Brand Level.

3.2 CLASSIFICATION OF ADVERTISING

Management scientists have classified advertising on different such criteria as follows :

Chart :

Classification of Advertising on the various basis



| Area Coverage | Audience | Media | Functions | Ad. Stages |
|-----------------|-----------------|-----------------|----------------------|-----------------|
| - Local- | Consumer- | Press- | Direct & Indirect | - Pioneering |
| - Regional | - Industrial | - Broadcasting- | Action- | Competitive |
| - National | - Trade | - Outdoor | -Primary & Selective | |
| | - Retentive | | | |
| - International | - Professional- | Others | | - Product & PRA |

I) Classification on The Basis of Area Coverage :

On this basis advertising may be classified into the following four categories, viz., (1) local, (2) regional, (3) national, (4) international advertising.

1. Local Advertising : It is also known as 'retail advertising'. It is undertaken by local retail stores, departmental stores, co-operative stores, selling cloth, saris and other consumer goods and consumer durables. It is directed at local customers. Media, used for local advertising, are shop decorations, local newspapers, magazines, posters, pamphlets, hoarding, new signs, local cinema houses, etc.

2. Regional Advertising : It has wider coverage, as compared to local advertising. It covers a particular region, which may be one state, or, more than one state, the people of which may be having a common tongue, or, using one common product. It is undertaken by manufacture, or, regional distributor of a product. Media, used for regional advertising, include regional newspapers, magazines, radio, regional T.V., outdoor media, etc. It is considered to be an ideal form of advertising for launching and marketing a new product in a specific region.

3. National Advertising: It is generally undertaken by manufactures of branded goods, for which, advertising messages is communicated to consumers all over the country. Almost all possible mass media, including national newspapers, radio and television network, are employed for national advertising. Product services, and ideas, which have demand all over the country, are suitable for national advertising. In India, Indian Airline Hindustan Lever Ltd., Vicco, Godrej, Bajaj and Kirloskar are a few leading advertisers at national level. Likewise, detergents, soaps, toothpastes, cosmetics, scooters, cars, and bicycles, are some of the products, which are advertised all over the country.

4. International Advertising : This type of advertising is undertaken by those companies, which operate in more than one country, known as 'multi-national' companies. Exporters, generally advertise their products and services in foreign countries, where ready markets are available. Air India and other airlines, and multi-national companies advertise their products and services all over the world. Coca-Cola and Pepsi are advertised globally, as the sales are almost all over the world. International advertising is extremely expensive, involving the services of professional advertising agencies in different countries.

II. Classification on The Basis of Audience

On this basis, advertising may be classified into the following four categories, viz., (1) consumer advertising, (2) industrial advertising, (3) trade advertising, and (4) professional advertising.

1. Consumer Advertising : This type of advertising is directed to the ultimate consumers of the consumer products, i.e., the individuals, who buy, or, use the consumer products, or services,

say, for example, toilet soap, toothpaste, toothbrush, tea, textiles, etc., for themselves and for their families. All types of consumer products need continuous and extensive advertising on T.V., radio, and press.

2. Industrial Advertising : This type of advertising is used by manufacturers and distributors of industrial goods. Such as, machinery, plants, equipments, spare parts and components, and are directed at industrial users or customers. Such advertisements usually appear in trade journals, trade dictionaries, business magazines and so on. The appeal made is tactual and rational.

3. Trade Advertising : This kind of advertising is employed by manufactures and/or distributors to influence and persuade wholesalers and dealers (retailers) to stock and sell the goods of the advertiser by offering incentive schemes to them, or, by inviting dealership for their particular products(s).

4. Professional Advertising : It is directed at professional like doctors, professors, engineers and others, who are expected to recommend, prescribe, or, specify the advertised products to ultimate consumers. This is done through professional journals and representative of the advertisers.

III. Classification on The Basis of Media

On the basis, advertising may be-classified into the following four categories viz., (1) Print media advertising; (2) electronic, or, broadcast media advertising; (3) outdoor media advertising.

1. Print Media Advertising : The print media consists of newspapers, magazines, journals, handbills, etc. No newspaper or, journal, today, can survive without advertising revenue. Print media advertising, even today, is the most popular form; and revenue derived by mass media from advertising has, therefore, been progressively increasing year after year. Print media appeals only to the sense of sight, i.e. eyes.

2. Electronic or Broadcast Media Advertising : Electronic, or, broadcast media consists of (i) radio, (ii) television, (iii) motion pictures, (iv) video, and (v) the internet. The radio is audio in nature, appealing only to the sense of sound (ears). Radio advertising is more effective in rural areas, as compared to urban regions. Television, as an advertising medium, is more attractive and effective because it is an audio-visual medium appealing to both the senses of sight sound (eyes and ears). Different methods, such as, spot announcements, sponsored programmes, etc., are used for broadcasting advertising messages. However,

broadcasting media are very expensive form of advertising. Advertising is also undertaken through movies, video, and the internet.

3) Outdoor Media :

This include posters, neon signs, transit, point of purchase (POP), etc. Outdoor advertising can be a good supporting media to other forms of advertising. It is a good form of reminder advertising, especially, the POP advertising.

4) Other Media :

This includes direct mail, handbills, calendars, diaries, cinema advertising, internet and so on. These miscellaneous media can play an important supporting role to the major media such as television, and newspapers.

IV. Classification on The Basis of Function :

1. Direct Action and Indirect Action Advertising : Direct action advertising is undertaken to obtain immediate response or action on the part of target audience. Examples include discount sales advertising, sale along with free gift offers, and mail-order coupon sales, etc. The media used is mostly newspapers, and television. Indirect action advertising is undertaken to influence the audience in respect of advertiser's brand. The advertiser expects the target audience to prefer his brand as compared to competitors whenever a buying decision arises in future.

2. Primary and Selective Advertising : Primary Advertising is undertaken by trade association or by cooperative groups. It is undertaken to create generic demand for products and services. For example, the Coffee Board may advertise to consume more coffee. Selective Advertising is undertaken by marketers of branded products. The advertiser intends to create selective demand for his brand. Examples include Pepsi Cola, Coca Cola.

3. Product and Institutional Advertising : Product or Service advertising is undertaken to promote the sale of products and services-branded or unbranded. Institutional advertising is undertaken to build name and goodwill of the organisation. It is also, know as corporate advertising or image advertising. It is mostly undertaken by large firms.

V. Classification on The Basis of Advertising Stages

On this basis, advertising may be classified into the following three different categories, viz., (1) advertising at pioneering stage, (2) advertising at competitive stage, and (3) advertising at retentive stage.

1. Advertising at Pioneering Stage : Advertising at 'pioneering stage' is undertaken to make the audience fully aware of the new brand of product and to inform, influence, and persuade them to buy, or, use it by highlighting its unique features.

2. Advertising at Competitive Stages : Once the brand survives the introductory stage, it has, soon to face a stiff competition with other well established brands in the market. At this stage, competitive advertising is undertaken to promote sales effectively.

3. Advertising at Retentive Stage or Reminder Advertising : When the product has captured a large share of the market, 'retentive advertising' is undertaken to maintain, or retain the stable position in the market as long as possible. Moreover, if the same product is passing through the declining stage in the market, this type of advertising is used to remind the buyers about the product hence, it is also known as 'reminder advertising'.

Check your progress:

- 1) Draw the chart showing classification of Advertisement.
- 2) Explain the following terms.
 - a) Local Advertising
 - b) Professional Advertising
 - c) Primary & Selective Advertising
 - d) Advertising at pioneering stage
 - e) Print Media Advertising
- 3) Show the classification of advertising as per Philip Kotlar.

3.3 TYPES OF ADVERTISING

Advertising is also classified according to their functions and role. Some of the important classifications of advertising are as follows :

1. Social Advertising : Social Advertising is undertaken by non-commercial organisations such as Trust, Societies, Associations etc. The main objective of Social Advertising is to work for social cause. Advertisements for collecting donations for war victims or for victims of natural calamities, sales of tickets for a show etc. are examples of Social Advertising.

2. Political Advertising : Political advertising is undertaken by political parties to motivate the general public in favour of the ideology of the party in question. Political advertising are intensively made during election times to gain favour of the voters. Such

advertising promote plans and policies of the concerned party. It also try to expose weaknesses of the opposition with a view to convince the voters to vote for their party candidates. Some political advertisement are also made to assist the Government to implement its schemes for rehabilitation and national re-construction. Mumbai Regional Congress Committee children affected by communal riots in Mumbai under the scheme of National Foundation for Communal Harmony. Advertisements issued by a political party is essentially a political advertising.

3. Advocacy Advertising : We often come across advocacy advertised relating to the use of family planning methods. Conservation of scarce resources, maintaining green environment. An extreme example occurred in the 1960s, when a private citizen bought a two-page advertisement in the New York Times at a cost of \$12,000 to offer his peace plan for ending the war in Vietnam. In 1974, Mobil Oil Company began advocacy advertising concerning the need for offshore oil drilling to alleviate the energy crisis that existed at the time. NBC accepted the television commercial, but ABC and CBS did not, because of the controversial nature of the topic. As a result, Mobil Oil Company took out full-page newspaper ads, which reproduced in print the visuals and text for the commercial.

This is designed to alert people to the fact that such ads are not editorials or informational pieces, but are specifically advertisements. Companies can place advocacy advertising on billboards, in print magazines and newspapers, online, and on television.

In fact, many advertising firms consider candidates who have completed advertising internships far more attractive than those who have not. If you are planning to begin your career in advertising in the creative department of an advertising firm, a bachelor's degree may not be as essential.

4. Advertising by Google

Ponds Age Miracle : Looking young is now really easy Get Ponds tips and tricks!

www.Ponds.in

Use Olay Total Effects : www.Olay.in/SkinCare

Tips for Beautiful Skin : Get the right beauty tips for your skin from the Experts. Apply Now! KayaClinic.com

Gym Management Course : Learn how to successfully manage a Gym, Fitness Club or a Health Club! www.keleven.com

Admissions Open For MSW : Study MSW in Amrita College. Download free application here! www.amrita.edu/MSW

ICICI Health Care Plans : One Health Policy For Entire Family No CheckUp or Paperwork. Buy Now! ICICILombard.com

5. Retail Advertising : Retail advertising is the advertising by retailers who usually sell goods direct to the customers. Retail advertising has such objectives as : (i) to sell the stock; (ii) to establish the identify of business; (iii) to attract personal, telephone or mail order shoppers. Retail advertising is done through window display, neon signs, posters, leaflets etc. It is usually local in character. The various advertising approaches of Akbarallys, Amarsons, Asiatic Departmental Stores are the examples of retail advertising.

6. Financial Advertising : When an advertising message is directed to attract for raising capital, it is called financial advertising. The banks, insurance companies and commercial undertakings collect required funds from the savings of the people by motivating them to post-pone present expenditure to future-period.

An investor considers two things before investing his hard earned savings.

(1) Safety of investment (2) Return on investment

The safety of investment depends upon the reputation and goodwill of the company and the properties possessed by it. The institutional advertising helps in creating confidence in the minds of the investors. The financial advertisement inform the investors about the past performance in declaring dividends and the trend in declaring of dividend. The dividend depends upon the profitability of the company. The company with the help of charts, diagrams etc. communicate the rate of growth and rate at which profit is increasing.

The financial advertising aims at establishing financial solvency of the company in the minds of the prospective investors. It is because of financial advertising the company have succeeded in floating of mega issue of shares arc in cores.

The financial advertising aims at establishing financial solvency of the company in the minds of the prospective investors. It is because of financial exports.

- **Essentials for the Success of Financial Ads :**

No financial ad campaign; howsoever creative and persuasive it may be, can produce the desired result, unless the following conditions are satisfied.

- (a) The performance and image of the company and its future prospects must be good.
- (b) The premium, charged on the share price, must be fair and reasonable.
- (c) The brokers and underwriters must extend unqualified support to the company.
- (d) The company should get wide publicity from the press through press conferences.
- (e) True statement of facts, made in the ads.
- (f) Finally, financial climate of the country plays an important role.

- **Advantages of Financial Advertising :**

Following are main advantages of financial advertising :

(a) Financial advertising transmits to target consumers all the material information about new investment opportunities for investment of savings, or, surplus funds.

(b) It provides education and guidance to consumers in respect of their investments in shares, debentures, and public funds, off companies.

(c) It serves as a reminder to consumers to take suitable follow-up action on their part.

(d) It helps to tap yet untapped rich areas in mini-metros, small towns, and even in villages for financial institutions.

(e) As financial ads are required to give the required information about the aims, objective business operation, for which additional funds are required by the advertiser, the company gets wide publicity through such ads.

(f) Financial advertising serves as a : backbone to brokers as well as underwriters, who as 'intermediaries' between the advertiser and the clients.

(g) Finally, financial advertising indirectly aids and supports the economic an industrial growth of country by mobiling public funds for expansion and diversification of business.

7. Corporate Image Advertising : Corporate Image advertising designed or aimed to create a proper attitude towards the seller and to build goodwill or image for the advertiser (manufacturing concern or the selling concern) rather than to sell a specific product or service. Institutional advertising is done to build good public

relations' image in the market for the marketer and a patronage for its product or products. Institutional advertising can therefore be patronage advertising and public relations service advertising. Public relations institutional advertising is aimed to create a favourable image of the company (advertiser) among employees, investors or general public. Public service institutional advertising aims at changing the attitudes or behaviour of the people to the good of the community or public at large. Patronage advertising is aimed to attract customers by appealing to their patronage buying motives rather than product buying motives. Most of the companies are successful in making their image in the minds of the people by using their names, such as 'Bata', 'Tata', 'Dunlop', 'J.K.', 'Bombay Dyeing' etc.

8. Public Relations Advertising : It is a part of institutional advertising. The basic objective of public relations advertising is to establish co-ordial and healthy relations with the customers, bankers, suppliers, Government. Patrons and the general public.

Through public relations advertising company announces the changes in its policies, its developmental activities its position and stand when the employees are on strike. It helps the company to remove misconcepts about the company created by interested groups.

During the periods of short supply of goods the public relations advertising helps to hold the interest of the customers. The company assures about the normalcy of supply and request its customers to bear with the company.

Institutional advertising and public relations advertising are complimentary to each other. Both are directed in building up corporate image.

There are several reasons as to why a corporate firm may resort to public relations advertising. The reasons are :

- (a) To create a favourable image of the organisation.
- (b) To secure and keep good suppliers.
- (c) To build goodwill of the dealers.
- (d) To arouse and serve customers in a better way.
- (e) To arouse interest of the present and potential shareholders.
- (f) To correct misconceptions about the firm during strikes.
- (g) To win confidence of its employees.
- (h) To render community service.
- (i) To make people aware of social evils, health hazards, etc.
- (j) To obtain public support for certain cause.

9. Institutional Advertising : The object of institutional advertising is to build manufacturers reputation in the minds of the public in general.

The advertising message is directed to tell about the Company, its people, its contribution in promoting social welfare activities, in promoting consumer satisfaction its achievements in technology its broad philosophies, its share in economic progress of the Company etc.

Such advertisement do not bring benefits in the form of higher sales immediately. But they create good footing for the company in the long run. The competitive strength of the company goes up with the enhancement of corporate image. It is much easier for a highly reputed company to launch a new product in the market. Basically the institutional advertising aims at getting public support for raising the capital through public subscription.

The following points are normally referred in institutional ads :

- (a) Research & Development of the firm.
- (b) Number of factories or branches of the firm.
- (c) The number of employees and facilities provided to them.
- (d) Foreign collaborations, if any.
- (e) Distribution network of the firm.
- (f) Market position of the firm.
- (g) Products or services offered by the firm.
- (h) Social welfare programmes undertaken by the firm, etc.

10. Internet Advertising : The Internet facility has been around for some 30 years. It actually began in the early 1960s in USA, where the U. S. Department of Defense saw it as a means of supercomputer communication for researchers and military facilities across the country. Until its commercial explosion in 1990s, the Internet remained a relatively obscure network of linked computers - mostly by academics, military researchers, and scientists around the world to send and receive electronic mail, transfer files, and find or retrieve information from databases –

At present, Internet the fastest growing medium in history, offers incredible opportunities for a wide range of people in both business and advertising. For advertisers, there is a whole new world of potential customers.

11. Primary Demand Advertising : The main objective of Primary demand advertising is to create demand for a new product or product category. This is necessary in the case of a newly developed products or the products which are costly in nature. For

example, cars, refrigerators, washing machines, watches, etc. Such advertising is directed towards a class of customers, it is also described as selective demand advertising. It is heavily utilised during the introduction stage of product life cycle.

Primary demand is when a potential buyer, or prospect, is showing interest in a product or service for the first time. Often times it is because the prospect was never exposed to the “concept” of the product or service or never really understood it. But now due to new circumstances she has an apparent need all of a sudden.

12. Selective Demand Advertising : Selective demand advertising is done to meet the growing competition mainly in growth stage of the life cycle of the product. Here, the goal of advertising is to push the demand of specific product or service. Often, promotion becomes less informative and more emotional during this phase. Advertising may begin to stress subtle differences in brands with emphasis on brand name recall. At this stage, pricing may also be used as a weapon because products of all the competitors are almost similar in quality.

Selective demand is when a prospect has a need, has identified the need, and is ACTIVELY seeking out a solution. In these cases the prospect will come to you if he feels comfortable in your company's ability to solve his needs.

When someone has selective demand they are more proactive in their search for information. They usually give themselves enough time to compare the quality, value, and offers of different companies. So while they are calling you they are also likely calling others as well.

13. Product Advertising : Product Advertising refer to the advertising of tangible product. It is for the marketing of the product advertising as a powerful instrument has emerged. A product may be anything in which a trader deals or trade. A product may be tangible of intangible. Products like radio, soap, pen cloth etc. are tangible products and services of professional people like doctors, lawyers, engineers etc. are intangible products.

The fundamental of any advertising campaign is to establish the fact that among the substitutes the product advertised is the best. Thus product is the heart of any advertising programme. Advertising makes possible for the smooth entry of the new product in to the market.

14. Service Advertising : Service advertising is designed to operate in the public interest. It is undertaken to seek public welfare and social development. It is in the nature of non-commercial institutional advertising. In this type of advertising, the objective is to put across a message intended to change attitudes or behaviour and, as a result, benefit the public at large. It is generally used by government and other organisations to promote public welfare.

We often come across advertisements focusing on the need of small family norms, functional literacy and environmental sanitation and so on. The Government of India and many industrial houses have been sponsoring advertising campaigns pertaining to family planning programmes, national integration, employment assistance schemes, cleanliness campaigns, need for vaccinations, anti-dowry cause, drug addiction, AIDS, wildlife preservation, road safety measures, adult literacy programmes, etc. Today, most of the manufactures and businessmen have also started issuing advertisements in the interest of the public. Advertisements released by the Indian Railway appealing to the public to take care of public properties and ads released by Cancer Society of India for free Cancer check-up, are for socially relevant causes. Many companies have also taken up public causes such as supporting a leprosy eradication programme, avoiding pollution, safe driving, blood donation drive etc., by resorting to public service advertising. To create awareness of AIDS and its preventions Lintas has designed TV/film/video campaign.

15. National Advertising: It is generally undertaken by manufactures of branded goods, for which, advertising messages is communicated to consumers all over the country. Almost all possible mass media, including national newspapers, radio and television network, are employed for national advertising. Product services, and ideas, which have demand all over the country, are suitable for national advertising. In India, Indian Airline Hindustan Lever Ltd., Vicco, Godrej, Bajaj and Kirloskar are a few leading advertisers at national level. Likewise, detergents, soaps, toothpastes, cosmetics, scooters, cars, and bicycles, are some of the products, which are advertised all over the country.

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3.4 DIFFERENCE BETWEEN NATIONAL ADVERTISING AND RETAIL ADVERTISING

| National Advertising | Retail Advertising |
|--|---|
| 1. It is used in wider market, national advertising follows uniform message for all the consumer. | 1. It is used in wider market. National advertising follows uniform message for all the consumers. |
| 2. It is more interested in establishing long-range favourable attitudes. | 2. It is more interested in establishing long range favourable attitudes. |
| 3. It generally ignores price factor. Moreover, prices may vary from region to region. | 3. It generally ignores price factor. Moreover, price may vary from region to region. |
| 4. It mainly uses magazines radio and T.V. | 4. It mainly uses magazines radio and T.V. |
| 5. It requires big budget. | 5. It requires big budget. |
| 6. It advertises less frequently exception cases of consumer goods which are put to daily use like soap, tooth paste, etc. | 6. It advertises less frequently except in cases of consumer goods which are put to daily use like soap, tooth paste, etc. |
| 7. It is more spectacular and more attractive. | 7. It is more spectacular and more attractive. |
| 8. It advertises with emphasis for every aspect of the product, company and consumers. | 8. It advertises with emphasis for every aspect of the product, company and consumers. |
| 9. It concentrates advertise keeping in view business objective. | 9. It concentrates on the entire country. |
| 10. The prospective retail customers seek advertisements of their favourite store. | 10. There is no such expectation on the part of consumers. As a policy of business, manufacturers advertising keeping in view business objective. |

3.5 SUMMERY

Different authors have classified advertising in different ways. Generally the advertising is classified on the following basics 1. Area Covered, 2. Audience, 3. Media, 4. Functions, 5. Advertising Stages etc.

3.6 QUESTIONS

1. Give broad classification of advertising according to Area Coverage, Audience, Media and Functions
2. How would you classify different categories of advertising.
3. Write a brief note on (a) Social Advertising (b) Political Advertising (c) Advocacy Advertising (d) Retail Advertising
4. What is Financial Advertising? What are the essentials for the success of Financial advertising? Explain the advantages of Financial advertising,
5. Write short note on (a) Corporate Image Advertising (b) Public Relations Advertising, (c) Institutional Advertising,
6. What is Internet Advertising? What are the types of Internet Advertising?
7. What are the advantage and disadvantages of Internet Advertising.
8. Write short note on (a) Product Advertising (b) Service Advertising.
9. What is National Advertising and Retail Advertising? How does National Advertising differ from Retail Advertising.

