DegreeLive

B.COM HONOURS	SEMESTER 1	CALICUT UNIVERSITY	COURSE CODE: COM1MN108

ADVERTISEMENT AND SALES PROMOTION

EXAM REVISION NOTES

JOIN WHATSAPP CHANNEL →

MODULE I

1. INTRODUCTION TO ADVERTISING: CONCEPTUAL FRAMEWORK, NATURE & SCOPE

Introduction to Advertising: Conceptual Framework, Nature Scope: In modern market-driven economies, Advertising functions as the most pervasive and influential component of the Promotional Mix.

Core Characteristics Inherent Nature of Advertising

- **1. Paid Form:** Unlike publicity, advertising space and broadcast airtime must be purchased from media owners by the advertiser.
- **2. Non-Personal Presentation:** Delivered impersonally to large, heterogeneous audiences through mass media (TV, Print, Digital, Outdoor), lacking face-to-face personal interaction.
- **3. Identified Sponsor:** The originator of the commercial message is explicitly identified, establishing corporate accountability.
- **4. Controlled Communication:** The advertiser exercises 100% control over the message content, visual aesthetics, timing, frequency, and geographic distribution.
- **5. Persuasive Intent:** Crafted strategically to influence consumer perceptions, induce trial purchases, and foster psychological brand differentiation.

Objectives, Economic Significance Master Classification of Advertising: Advertising performs multi-tiered economic, psychological, and social functions that extend beyond mere transaction facilitation.

Surrogate Comparative Advertising: 1. Surrogate Advertising: Used to promote banned or restricted products (liquor, tobacco) by disguising the brand under a legal surrogate product line (packaged drinking water, soda, music CDs, club merchandise).

- **2. Comparative Advertising:** Directly or indirectly compares a brand's attributes with a competitor's brand.

The Philosophy of DAGMAR: Colley argued that while sales are influenced by multiple variables outside advertising control (price, distribution, competitor actions, economic recessions), advertising is primarily a communication task.

Four Essential Characteristics of a Valid DAGMAR Goal: 1. , "Increase brand awareness from 20% to 50%"), not vague statements like "Maximize brand love".

- **2. Well-Defined Target Audience:** , "Urban working women aged 25 ndash;40 with income gt; ₹8 Lakhs").
- **4. Specified Time Horizon:** , "Within a 6-month national campaign").

Master Typology of Advertising Budgeting Methodologies

- **1. Affordable / All-You-Can-Afford:** • Fatal Flaw: Treats advertising as an afterthought; results in erratic budgeting and missed growth opportunities.
- **2. Percentage of Sales Method:** • Illogical Reversal of Cause amp; Effect: Views sales as the cause of advertising rather than advertising as the driver of sales (leads to budget cuts when sales drop).
- **3. Competitive Parity Method:** • Flaw: Assumes competitors have optimal spending strategies; ignores unique brand objectives and cost structures.
- **4. Objective-and-Task Method:** • Requires exhaustive market research and experience to estimate task costs.

Strategic Advertising Formulation: Copy Platform Integration: To maximize Return on Advertising Spend (ROAS), advertisers synthesize market research into a cohesive Creative Brief / Copy Platform that bridges marketing objectives with media execution.

The Master Creative Brief Alignment Architecture

- **1. Campaign Purpose:** Why are we advertising?
- **2. Key Consumer Insight:** What unarticulated truth does the consumer feel?
- **3. Core Brand Promise / Proposition:** ; Primary headline, tagline, and packaging copy.

Contemporary Managerial Dilemmas Strategic Solutions: Enterprises operating in dynamic competitive environments face systemic trade-offs between rapid short-term execution and long-term organizational viability.

- **Cost Optimization versus Quality Assurance:** Balancing aggressive cost rationalization initiatives against the imperative to preserve superior service quality, operational safety, and customer satisfaction metrics.
- **Centralized Governance versus Local Empowerment:** Maintaining strict corporate compliance and fiduciary oversight while granting decentralized units sufficient autonomy to adapt swiftly to local market disruptions.
- **Technological Disruption versus Cultural Continuity:** Integrating advanced digital interfaces and automated workflows while safeguarding organizational morale, human capital retention, and ethical work standards.

Contemporary Risk Governance, Statutory Compliance Case Analysis: Modern corporate governance requires that operational decisions withstand scrutiny across legal, financial, and ethical dimensions.

Strategic Synthesis Quantitative Performance Analytics: Achieving excellence in Advertisement and Sales Promotion requires an appreciation of quantitative analytical methods and robust performance measurement systems.

MODULE II

1. THE ADVERTISING MESSAGE: ANATOMICAL COMPONENTS & COPYWRITING ARCHITECTURE

The Advertising Message: Anatomical Components Copywriting Architecture: In modern advertising, the Advertising Message is the tangible embodiment of marketing strategy. It represents the creative translation of a brand's Unique Selling Proposition (USP) into compelling verbal, visual, and acoustic stimuli designed to capture attention, stimulate cognitive processing, and drive consumer action.

Typology of Advertising Headlines: 1. , "Whiter Teeth in 7 Days").

- **2. Indirect / Curiosity Headlines:** , "Why Thousands of Indian Investors are Leaving Traditional Fixed Deposits").
- **4. Command / How-To Headlines:** , "Stop Paying High Home Loan EMIs"; "How to Double Your Cloud Data Storage Safely").

Advertising Appeals Creative Execution Frameworks: An Advertising Appeal is the underlying psychological mechanism used in an advertisement to attract the attention of consumers and influence their feelings or attitudes toward the product or service.

Creative Execution Styles in Advertising Copy

- **1. Straight-Sell / Factual Message:** ; High-involvement B2B products, financial investments, consumer electronics.
- **2. Scientific / Technical Evidence:** ; Toothpaste (Sensodyne), skincare, pharmaceutical remedies.
- **3. Demonstration:** ; Stain removers (Vanish), kitchen appliances, vacuum cleaners.
- **4. Slice-of-Life:** ; Detergents (Surf Excel), packaged foods, personal grooming.

The Paid, Owned, and Earned Media (POEM) Framework: 1. Paid Media: Traditional ads, TV spots, print pages, Google search ads, paid social media sponsorships where the advertiser pays for channel exposure.

- **2. Owned Media:** Corporate websites, mobile apps, company blogs, retail storefronts, and official social media handles fully controlled by the brand.
- **3. Earned Media:** Organic viral shares, word-of-mouth recommendations, customer reviews, press mentions, and influencer organic shoutouts.

Media Planning, Quantitative Metrics Budget Optimization: Media Planning is the analytical process of determining how to spend advertising money across media channels to deliver the required message to the right target audience at the optimal frequency and lowest cost.

Effective Frequency Theories: Krugman's Three-Hit Model vs. Recency Planning

- **1. Herbert Krugman's Three-Hit Theory:** ; Target minimum effective frequency of 3+ per purchase cycle; avoid overexposure beyond 6 hits to prevent ad wear-out and fatigue.
- **2. John Philip Jones's Recency Planning Model:** One exposure close to the point of purchase is more effective than heavy frequency weeks prior.

Programmatic Advertising Real-Time Bidding (RTB): 1. Automated Media Trading Architecture: Replaces manual ad sales calls with automated software transactions: Demand-Side Platform (DSP): Software used by advertisers to buy ad inventory across hundreds of publishers automatically.

- **Demand-Side Platform (DSP):** Software used by advertisers to buy ad inventory across hundreds of publishers automatically.
- **Supply-Side Platform (SSP):** Software used by digital publishers to sell their ad space at the highest market rate.
- **Ad Exchange:** The digital marketplace where real-time auctions occur in milliseconds as a user loads a webpage.
- **Behavioral Targeting:** Delivers ads based on past browser cookies, search history, and purchase intent.
- **Contextual Targeting:** , placing running shoe ads on a marathon training blog) without relying on invasive personal tracking cookies.

Connected TV (CTV) OTT Video Advertising Revolution

- **1. Connected TV (CTV):** ; Non-skippable 15 ndash;30 second high-impact pre-roll and mid-roll video spots with 95%+ completion rates.
- **3. Addressable TV Advertising:** ; Household-level income, pincode, and automotive affinity targeting, bridging TV prestige with digital precision.

Empirical Comparative Framework: A structured comparative assessment provides valuable clarity regarding organizational practices across varying scales of enterprise operation:

- **Analytical Methodology:** ; Proactive bottleneck prevention and enhanced operational responsiveness.
- **Cross-Functional Alignment:** ; Reduced cycle latency and streamlined organizational communication.
- **Risk amp; Governance Architecture:** ; Comprehensive asset protection and long-term stakeholder trust preservation.
- **Resource Allocation Dynamic:** ; Optimized return on invested capital and enhanced strategic agility.

Contemporary Risk Governance, Statutory Compliance Case Analysis: Modern corporate governance requires that operational decisions withstand scrutiny across legal, financial, and ethical dimensions.

Strategic Synthesis Quantitative Performance Analytics: Achieving excellence in Advertisement and Sales Promotion requires an appreciation of quantitative analytical methods and robust performance measurement systems.

MODULE III

1. ADVERTISING EFFECTIVENESS: DUAL OBJECTIVES & THE SALES VS. COMMUNICATION DILEMMA

Advertising Effectiveness: Dual Objectives The Sales vs. Communication Dilemma: Evaluating Advertising Effectiveness is an essential managerial requirement to justify promotional budgets, optimize creative copy, and measure Return on Investment (ROI).

The Carryover Effect Advertising Elasticity of Demand: Advertising rarely generates all its sales impact instantaneously. The Carryover Effect (Lagged Effect) describes how advertising impacts consumer purchase behavior over multiple subsequent weeks or months after the campaign has ceased.

- **AED gt; 1 (Elastic):** Demand is highly responsive to ad spend; aggressive advertising increases sales proportionately more than costs.
- **0 lt; AED lt; 1 (Inelastic):** Sales rise modestly with advertising; mature commodity markets.

Print Media Pre-Testing Techniques

- **1. Consumer Jury Method:** ; Separates superior creative concepts from weak drafts based on direct consumer preferences.
- **2. Portfolio Test:** Test ads are placed inside a dummy editorial portfolio alongside control ads.
- **3. Readability Test (Flesch-Kincaid):** ; Ensures vocabulary aligns with target audience educational and reading capabilities.
- **4. Mock Magazine Test:** ; Evaluates ad performance in a natural reading environment under normal clutter.

Digital Pre-Testing: Split A/B Testing Multivariate Testing (MVT)

Marketing Mix Modeling (MMM) Multi-Touch Attribution (MTA)

- **1. Marketing Mix Modeling (MMM):** ; Evaluates long-term brand equity and macro channel ROI without relying on user-level tracking cookies.
- **2. First-Touch Attribution:** ; Highlights top-of-funnel brand discovery and awareness channels.
- **3. Last-Touch (Last-Click) Attribution:** ; Favors bottom-of-funnel search engine ads and retargeting; severely undervalues brand-building media.
- **4. Data-Driven / Algorithmic Attribution:** ; The most objective and balanced modern digital measurement standard.

Ethical Dimensions of Advertising Statutory Regulations in India: While advertising is a legitimate commercial growth engine, unchecked advertising practices can deceive consumers, promote hazardous substances, and degrade social values.

Regulatory Crackdown on Dark Patterns Greenwashing (2023–2024)

- **1. Dark Patterns in E-Commerce:** "), Basket Sneaking (adding travel insurance automatically), and Subscription Traps (making cancellation impossibly complex).
- **2. Greenwashing amp; Eco-Friendly Claims:** ; Using unsubstantiated generic terms like "Eco-Friendly", "Carbon Neutral", "100% Green" without third-party life-cycle assessment (LCA) certifications.

The Four Fundamental Pillars of the ASCI Code of Conduct

- **Chapter I: Truthfulness amp; Honesty:** ; Substantiation failure for health/cosmetic claims, misleading comparison charts, fake customer testimonials.
- **Chapter II: Non-Offensiveness to Public Decency:** ; Vulgar visual representations, religious disrespect, degrading ethnic or marginalized communities.

DegreeLive

- **Chapter III: Safety amp; Non-Hazardous Depiction:** ; Depicting motorcycle stunts without helmets, hanging out of moving trains, playing with fire or electrical sockets.
- **Chapter IV: Fairness in Competition:** ; Maliciously showing a competitor's branded package as defective, toxic, or ineffective.

Celebrity Endorsement Liability Statutory Due Diligence (CCPA 2022)

- **1. Mandatory Due Diligence:** ; Inability to claim innocence or unawareness; liability attaches directly to the individual endorser.
- **2. Actual Personal Experience:** ; Immediate CCPA inquiry and consumer restitution orders.
- **3. Statutory CCPA Disqualification:** ; Severe loss of commercial endorsement income and national reputational damage.

Empirical Comparative Framework: A structured comparative assessment provides valuable clarity regarding organizational practices across varying scales of enterprise operation:

- **Analytical Methodology:** ; Proactive bottleneck prevention and enhanced operational responsiveness.
- **Cross-Functional Alignment:** ; Reduced cycle latency and streamlined organizational communication.
- **Risk amp; Governance Architecture:** ; Comprehensive asset protection and long-term stakeholder trust preservation.
- **Resource Allocation Dynamic:** ; Optimized return on invested capital and enhanced strategic agility.

Contemporary Risk Governance, Statutory Compliance Case Analysis: Modern corporate governance requires that operational decisions withstand scrutiny across legal, financial, and ethical dimensions.

Strategic Synthesis Quantitative Performance Analytics: Achieving excellence in Advertisement and Sales Promotion requires an appreciation of quantitative analytical methods and robust performance measurement systems.

MODULE IV

1. NATURE, FOUNDATIONS & STRATEGIC ROLE OF SALES PROMOTION

Nature, Foundations Strategic Role of Sales Promotion: In the contemporary marketing communications mix, Sales Promotion has emerged as a powerhouse promotional discipline.

Drivers Behind the Dramatic Growth of Sales Promotion

- **1. Escalating Power of Retailers:** ; Shift of promotional budgets from traditional mass-media advertising to trade promotion allowances.
- **2. Brand Proliferation amp; Clutter:** ; Consumers rely on promotional price-offs, banded packs, or gifts to make brand selection decisions.
- **3. Declining Media Effectiveness:** ; Direct promotional incentives at point-of-sale guarantee immediate shopper engagement.
- **4. Short-Term Performance Pressures:** ; Sales promotions generate immediate sales volume spikes within days to meet quarterly targets.

Push vs. Pull Promotional Strategies: 1. Push Promotion Strategy: Directs marketing efforts (trade allowances, dealer discounts, spiffs) down the distribution channel from manufacturer to wholesaler to retailer, encouraging channel partners to aggressively push the product onto consumers.

- **2. Pull Promotion Strategy:** Directs promotional incentives (consumer coupons, free samples, cashbacks, television ads) directly at end-consumers, motivating them to demand the brand from retailers, who in turn pull inventory through the channel.

Psychological Dynamics of Price Promotions: Deal Proneness Reference Price: 1. Reference Price Erosion: When a brand is frequently discounted, consumers lower their internal mental reference price.

Master Typology of Trade Promotion Tools

- **1. Buying Allowances (Off-Invoice):** ; Encourages dealers to purchase larger wholesale order quantities immediately.
- **2. Free Goods Allowance:** ; Pushes extra inventory into dealer warehouses without visibly altering list prices.
- **3. Slotting Allowances ("Street Money"):** ; Offsets retailer inventory risk; highly controversial but mandatory in modern organized retail.
- **4. Display amp; Advertising Allowances:** ; Secures premium high-visibility real estate in supermarkets and hypermarkets.

Quantitative Economics of Sales Promotion: Lift, Margins Forward Buying: To prevent promotional programs from eroding profitability, marketing controllers use mathematical models to evaluate Incremental Sales Lift, dealer Forward Buying, and Cooperative Advertising Cost-Sharing.

The 6-Stage Sales Promotion Campaign Planning Framework

- **Stage 1: Establish Specific Objectives:** ; Must align with annual brand marketing plan and avoid vague volume mandates.
- **Stage 2: Select Appropriate Promotional Tools:** ; Evaluate tool cost-efficiency, competitive environment, and consumer appeal.
- **Stage 3: Develop Program Parameters:** ; Establish campaign duration (too short: missed reach; too long: perceived as permanent price drop).
- **Stage 4: Pre-Testing the Promotion:** ; Test consumer comprehension of rules, coupon redemption processing, and POS logistics.

The Future of Sales Promotion: Digital Omnichannel Innovations: 1. Instant QR-Code UPI Cashbacks: Replacing cumbersome mail-in rebate forms with instant QR codes printed inside packaging.

Advanced Theoretical Extensions Analytical Problem-Solving: In modern academic curricula and enterprise governance, mastering Advertisement and Sales Promotion demands a rigorous integration of foundational theory with multi-stakeholder operational frameworks.

Detailed Step-by-Step Implementation Framework: Executing systemic improvements within Advertisement and Sales Promotion requires an organized four-phase operational roadmap:

- **Phase I: Baseline Assessment amp; Diagnostic Audit:** Phase I: Baseline Assessment amp; Diagnostic Audit: Conducting comprehensive organizational audits to benchmark current operational proficiencies against domestic and global industry standards.
- **Phase II: Strategy Formulation amp; Policy Design:** Phase II: Strategy Formulation amp; Policy Design: Developing documented operational roadmaps, standard operating procedures (SOPs), and resource allocation schedules.
- **Phase III: Operational Rollout amp; Change Enablement:** Phase III: Operational Rollout amp; Change Enablement: Executing structured pilot programs, cross-departmental training seminars, and system migrations.
- **Phase IV: Continuous Governance amp; Iterative Refinement:** Phase IV: Continuous Governance amp; Iterative Refinement: Institutionalizing regular review cycles, variance exception reporting, and multi-stakeholder feedback loops.

Comprehensive Enterprise Risk Management (ERM) Matrix: Management teams deploy structured risk matrices to categorize, evaluate, and mitigate vulnerabilities across four core exposure categories:

- **Strategic Risk:** ; Continuous scenario modeling, product portfolio diversification, and agile capital budgeting buffers.
- **Operational Risk:** ; Redundant vendor agreements, predictive maintenance algorithms, and rigorous workforce certification programs.

- **Financial amp; Credit Risk:** ; Dynamic hedging instruments, conservative credit underwriting standards, and dedicated emergency liquidity reserves.
- **Compliance amp; Legal Risk:** ; Dedicated statutory compliance teams, external legal audits, and enterprise-wide whistle-blower mechanisms.

Strategic Synthesis Quantitative Performance Analytics: Achieving excellence in Advertisement and Sales Promotion requires an appreciation of quantitative analytical methods and robust performance measurement systems.

DegreeLive