

**Part A - Answer Any Two Full Questions (16\*02=32 Marks)**

1 (a) Define IMC.

**Ans** - It is a coordination of all the *marketing communication tools* avenues, sources into a *seamless program* that *maximizes* the impact of information on customers with *minimum cost*. It is an optimum mix of all communication media to send information to the customers. The form in which information is sent to the customers should be easy for them to comprehend.

(b) List out the different services offered by an ad agency

**Ans - Services offered by Agencies:** Advertising agencies produce logos, creating effective and attractive color schemes to draw the consumer's attention to their clients' ads. They also prepare slogans and brochures, and write descriptive copy for sales materials. They may produce public service announcements for charitable organizations and social programs as well, and issue press releases for new programs, events, and products. Advertising agencies use assorted forms of media to promote their clients' businesses or organizations, including magazine advertisements, newspaper ads, radio and TV commercials, websites, and even infomercials. Some also plan events, provide booths at conventions, and give away promotional items.

The way advertising agencies work is by getting to know their clients' product or service well and determining which demographic provides the best audience for promotion. If a company sells designer handbags, an ad agency would likely try to position the company's TV commercials during women's programming or on a channel geared toward women. The look and tone of an ad campaign is also dependent upon demographics. If the company's target audience is mature adults, design elements should be more traditional than if the target were a younger generation.

There are several associations that advertising agencies may belong to, such as the Ad Council, the American Advertising Federation, the International Association of Business Communicators, and the American Association of Advertising Agencies, or AAAA. When deciding between advertising agencies, it is a good idea to see if they are members of any associations and to check them out with the Better Business Bureau. Also helpful is asking an ad agency for examples of their work. You may find that they are responsible for well-recognized ad campaigns that have helped establish other companies. Such agencies may be expensive and you may have to wait some time to join their list of clients, but an agency that can make your product or service a household name is worth the wait and the cost.

(c) Classify the types of advertisements and explain any 6 types.

**Ans - Types of advertising:** Since advertising is one of the popular mediums of brand communication, it is used in many forms and for many purposes. It is possible to classify advertising into various forms as mentioned below:

- (i) **Brand advertising:** This is most popular form of advertising as all possible media including television is flooded with brand advertising. Brands like Surf Excel, Pepsi, and coke in India are shown more frequently on Indian television. These kinds of advertisements are done to build brands and develop unique brand identity for the firm.
- (ii) **National advertising:** These advertisements are carried out in local and vernacular media to promote the product in a local region.
- (iii) **Retail advertising:** These advertisements are brought to promote retails outlets and dealer points.
- (iv) **Nation and destination advertising:** These advertisements are brought out to promote a nation as a tourism destination. These are also used for promoting states, cities and tourist attractions.
- (v) **Political advertising:** These are done for political parties, politicians and individual candidates during elections and referendums.
- (vi) **Social advertising:** These advertisements are brought out for a social cause like against AIDS, sexual exploitation, women trafficking, child labor and other critical issues in a society.
- (vii) **Directory advertising:** These are the advertisements done in directories and yellow pages and followed by people while collecting a telephone number or a home address. People normally refer to these directories to buy products and services.
- (viii) **Direct response advertising:** These advertisements are used in any medium, which tries to stimulate sales directly. The consumer can respond by mail, telephone or Internet.
- (ix) **Business-to-Business advertising:** These kinds of advertisements are carried out targeting business and organizational marketers. These messages are directed towards retailers, wholesalers and distributors. These advertisements are placed in professional journals and trade association publications.
- (x) **Institutional Advertising:** Institutions like colleges, universities, missionary of charities and large corporates bring out these advertisements. When these are brought out by large corporates we call them corporate advertising. The purpose of such advertising is to create a positive goodwill, which will ultimately contribute towards achieving the overall marketing and brand-building goal of the organization. Many companies use such advertisements to build positive image in the eyes of the consumers and general audience at large.
- (xi) **Public service advertising:** Government and government-sponsored institutions bring such advertisements for the benefit of general public. They communicate a message on behalf of some good cause. Advertising professionals create these advertisements for public relations department of large corporates, highlighting a social cause.

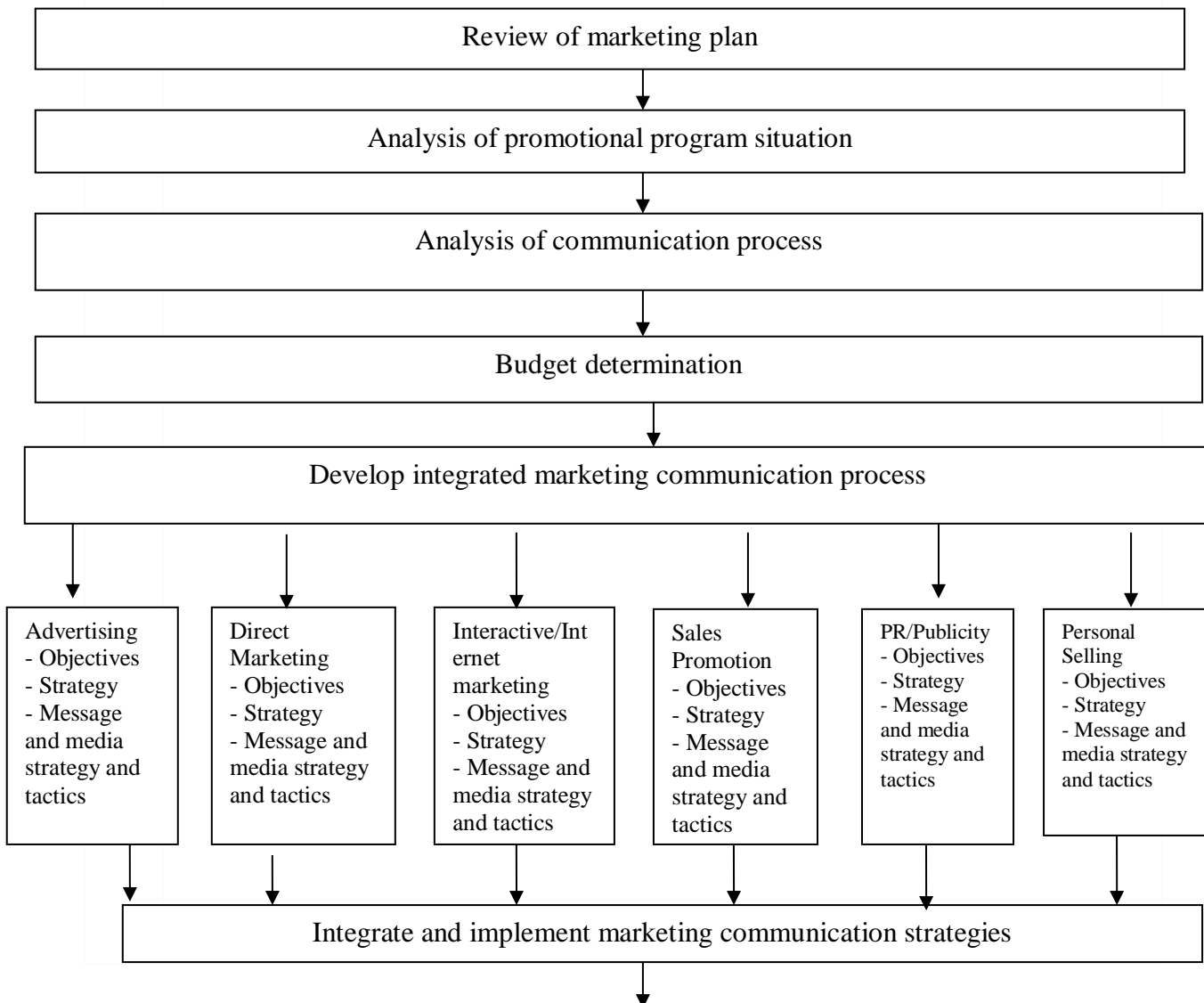
- (xii) **Interactive advertising:** These are typical internet based advertisement, which are delivered to individual consumers who have access to the WWW. Advertisers use web pages, banner ads, spots; pop ups and email programmes to reach the target audience.
- (xiii) **Outdoor advertising:** These are the forms of advertising in which the marketer uses out of the home media like wall paintings, hoardings, bulletins, kiosks and mobile vans for communicating with audience.
- (xiv) **Electronic advertising:** These forms of advertising use electronic media like television, radio, video and audiocassette, electronic display boards, CDROMs for promotion of products and services.

2 (a) What is creative boutique?

Ans - **Creative boutiques:** Creative boutique is an agency that provides only creative services. These specialized companies have developed in response to some client's desires to use only the creative talent of an outside provider while maintaining the other functions internally.

(b) Using the diagram explain IMC planning model.

Ans - **IMC Planning Model**



(c) Explain the process of agency evaluation.

### **Ans - Evaluation of an Advertising Agency**

The process of agency evaluation involves regular assessment of two aspects of performance area – financial and qualitative.

**The financial assessment** focuses on how the agency conducts its business to verify costs and expenses, the number of personnel hours charged to an account to an account and what payments are made to media and other outside service suppliers.

**Qualitative assessment** explores the agency's efforts devoted in planning, developing and implementing the client company's advertising campaign and an assessment of the achievements. For a qualitative assessment even the small things matter; such as a quick turnaround time, creativity because this is what the agency is in the business of, value add in terms of giving the client a creative edge by giving them a 'creative leap' etc. One can also evaluate agencies by their track record of losing clients or acquiring new clients and retaining them.

The parameters on which an ad agency's creative services dept is evaluated are as follows:

(The various parameters are ranked on a scale of 1-10 with 1 being the poorest and 10 being Excellent)

- Agency regularly produces fresh ideas and original approaches?
- Creative executions are consistently on strategy?
- Research is effectively used in strategic development and in pre-post testing of advertising
- Creative group is knowledgeable about the company's products, markets and strategies?
- Creative group is concerned with good and consistent advertising communications and develops campaigns, ads that exhibit this concern
- Creative group produces on time and submits for review in time to permit orderly revisions
- Creative group performs well under pressure
- Agency presentations are well organized with sufficient examples of proposed executions
- Creative group participates in major campaign presentations
- Agency presents ideas and executions not requested but which they feel are good opportunities.
- Creative group takes constructive criticism and redirection
- Creative group effectively controls costs
- Overall evaluation of creative services

3 (a) What is an advertising agency?

Ans - An advertising agency or ad agency is a service business dedicated to creating, planning and handling advertising (and sometimes other forms of promotion) for its clients. An ad agency is independent from the client and provides an outside point of view to the effort of selling the client's products or services. An agency can also handle overall marketing and branding strategies and sales promotions for its clients. Typical ad agency clients include businesses and corporations, non-profit organizations and government agencies

(b) Explain the various criteria used for selecting and evaluating an AD agency.

Ans - Selecting an advertising agency (aka a marketing agency or creative agency)—or, more to the point, the right agency—is a crucial decision for any company. Choosing wisely will lead to visible, positive results for your company. The wrong agency fit, conversely, will not only be a waste of money but also make your marketing life miserable. Too many companies take a haphazard approach to this critical decision; they may get lucky, or they may not. Based on years of experience on both the client and agency sides, here is a structured approach that should lead to the best decision.

**Step 1:** Develop a long list of agencies to evaluate. The best source in compiling this list is referrals from colleagues. Additional sources are the local Yellow Pages or Internet resources such as [agencyfinder.com](http://agencyfinder.com) or All Advertising Agencies. Start with at least six agencies to investigate further, but no more than 12.

**Step 2:** Conduct your initial research. Use the internet to check out the agencies on your initial list and eliminate any obvious poor fits. Some agencies focus on specific industry niches, while others have a broader focus but are clearly more business-to-business (b2b) or business-to-consumer (b2c) oriented. Most agencies won't work with two or more clients who are direct competitors, so if you see one of your closest competitors on an agency's client/reference list, drop them from consideration. Make sure each agency includes the services you need among their core competencies. The goal in this step is reduce your initial list down to five to ten agencies for further consideration.

**Step 3:** Develop your request for proposal (RFP). This step is actually somewhat controversial, as there are "experts" out there who will tell you not to use an RFP, but rather to utilize a request for information (RFI), which is largely more a semantical difference than a substantive one; the goal is to collect some specific information from each of the agencies on your list, whatever you want to call this. Other sources will tell you that agencies hate RFPs, when what they really mean is that agencies hate poorly-crafted RFPs; following the outline How to Write an Ad Agency RFP will help avoid this outcome.

In developing your RFP, remember that you are seeking to establish a business relationship with a marketing agency, so 1) respect their time, and 2) don't just ask questions, but also give the agency enough information about your industry, your company, and your specific needs to determine if there is a fit from their perspective.

Have all of the individuals on your internal selection team sign off on the RFP before sending it out; there is nothing more frustrating, for you or the agencies involved, than to go through the entire RFP process only to have to do it over – because a key individual

on your end wasn't consulted, you didn't ask the right questions, you didn't have the objective(s) identified properly, or due to some other avoidable circumstance.

**Step 4:** Call each agency on your list. Introduce yourself and your company, and tell them you'd like to include them in your RFP process. This step serves three purposes: first, it allows any agency which doesn't want to respond to your RFP, for any reason, to opt out of the process right away. Second, it enables you to speak directly to an appropriate individual at the agency and begin establishing a rapport. Third, it assures that you will be sending your RFP to the right person at the agency. You should tell this person how many agencies will be receiving the RFP. You don't have to volunteer the specific names of the other agencies you'll be contacting, but should provide this information if asked.

**Step 5:** Send out the RFPs to the agencies who have agreed to participate. Make yourself available to answer their (inevitable) questions, and let them know that you are available for this. If you have included any out-of-town agencies on your list, be aware that they may expect at least partial reimbursement for their travel expenses if you invite them to give a presentation; get agreement from your internal selection team (specifically those with expense approval authority) beforehand as to how you will handle this.

**Step 6:** Evaluate the RFP responses, eliminating those agencies which are less than an excellent fit for your needs, in order to get down to your short list of finalists (at least two, but certainly no more than five). In evaluating the responses, ask questions such as: are you comfortable with their experience, size and resources? With their approach to your challenge(s) and objective(s)? Are you confident that your account will be large enough to be important to them? Are you impressed by the quality and tone of their creative work?

And of course, call their references. Specifically, ask about their satisfaction with their agency relationship. Does the agency consistently meet specified timelines? Do they adhere to their quoted prices? Are they easy / pleasant to work with? What results have been achieved?

**Step 7:** Arrange for presentations from each of your finalist agencies. Ideally, unless you are able to eliminate an agency from consideration after the first presentation, you should schedule two presentations with each agency: one at your facility (to give their personnel some impression of your offices, people and work environment) and a second at their agency, including a tour.

At this step you and your evaluation team will have the opportunity to share with the agency representatives more information about your industry, your company, and your unique strengths, challenges and goals. Each agency has the opportunity to tell you more about their capabilities, approach and practices. While the facts are certainly important, the most critical criterion at this point is chemistry: are you comfortable with the agency's team, and are they people you look forward to working with and entrusting with your company's promotional activities?

**Step 8:** Finally, after reviewing the RFP responses and meeting with your finalist agencies, it's time to make your final selection. Regardless of the titles involved, your internal selection team should agree to discuss the merits of the competing agencies as peers in a freewheeling discussion. In a perfect world, you would all agree on which agency was the clear winner; in the real world, compromise will likely be necessary on someone's part, and the final decision may not be yours. That's why the freewheeling



discussion component is critical; if one individual (e.g. your CEO or CMO) ultimately makes the final decision, at least all of the facts and opinions of the team have been aired.

As the last step, you need to inform each of the finalist agencies of your decision. Because the rejections are tougher, I recommend getting these out of the way first. Call each agency and let them know of your decision and, in a positive manner, the reasoning behind it. Follow up with an email thanking them for their participation in your process, praising their strengths, and again briefly stating your rationale for the final selection. Then, call the winning agency and give them the good news.

### ***Evaluation of an Advertising Agency***

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- (c) Summarize the DAGMAR approach and brief its use in integrated marketing communications.

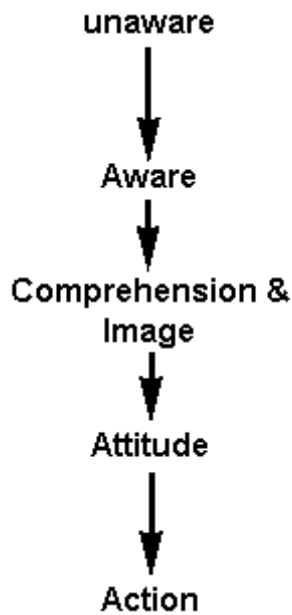
Ans - In 1961, Russell H. Colley wrote a book under the sponsorship of the Association of National Advertisers called *Defining Advertising Goals for Measured Advertising Results*. The book introduced what has become known as the DAGMAR approach to advertising planning and included a precise method for selecting and quantifying goals and for using those goals to measure performance. The performance measurement feature had great appeal to managers of the 1960s, who were frustrated by the available methods for controlling advertising efforts and impatient with embryonic methods of developing sales-response models.

The DAGMAR approach can be summarized in its succinct statement "defining an advertising goal." An advertising goal is a specific communication task, to be accomplished among a defined audience, in a given period of time. Note that a communication task is involved as opposed to a marketing task and that the goal is specific, involving an unambiguously defined task, among a defined audience, in a given time period.

### **DAGMAR Model**

DAGMAR is **Defining Advertising Goals for Measured Advertising Results**. It is basically an approach to advertising planning and a precise method for selecting and quantifying goals and for using those goals to measure performance.

An advertising objective involves a communication task, intended to create awareness, impart information, develop attitudes or induce action. In the DAGMAR approach, the communication task is based on a specific model of the communication process, as shown below.



### **Communication Process in DAGMAR Approach**

The model suggests that before the acceptance of a product by an individual, there is a series of mental steps which the individual goes through. At some point of time, the individual will be unaware of the product or offer in the market. The initial communication task of the advertising activity is to increase consumer awareness of the product or offer.

The second step of the communication process is comprehension of the product or offer and involves the target audience learning something about the product or offer. What are its specific characteristics and appeals, including associated imagery and feelings? In what way does it differ from its competitors? Whom is it supposed to benefit?

The third step is the attitude (or conviction) step and intervenes between comprehension and final action. The action phase involves some overt move on the part of the buyer such as trying a brand for the first time, visiting a showroom, or requesting information.

The whole communication process is a bit more complex. And under different circumstances, it may differ slightly, but the basic concept revolves around what is mentioned in the paragraphs above. The DAGMAR approach emphasises the communication task of advertising. The second important concept of the approach is that the advertising goal be specific. It should be a written, measurable task involving a starting point, a defined audience, and a fixed time period.

Now that the basic theory is told, how to apply in your specific situation?

We are mainly traders dealing with products from other reputed and not so reputed companies and sitting here, we cannot dictate the company's advertising strategy. So, we look forward to developing a model which can reasonably applied in our case.



Let's build your scenario and have the advertising brief:

You are a dealer or distributor and want to sell products of a reputed company. You don't have to worry about the image and perception of the brand. You are just worried that customers might not want to buy from you. And, instead, buy from a competing shop next to yours dealing with the same kinds of products. In such a case, what should be done? What should be your advertising objective? Should you have a advertising strategy? What would be the ingredients of such an advertising plan? What should be the budget?

Let's discuss some of the issues related to your promotion/advertising related activity. You must first distinguish between advertising from your marketing objectives. And DAGMAR is aimed at setting your advertising goals/ planning and not marketing goals.

### **A Measurable Objective**

The DAGMAR approach sounds impractical once we talk of measurements, surveys, questionnaires and all that staff. After all, who'd go for a survey! But, as the approach emphasises the importance of objectives, we must have some form of measurement to indicate the effectiveness of the advertising/ promotional campaign.

So if you are thinking of a promotional campaign, **it must have an objective**. And an objective that is **measurable**.

For a yellow page advertisement, the measurement could be the number of phone calls received before and after the ad was published or the number of referrals through yellow pages. Many of our advertisers are pleasantly surprised by orders/ offers received through phone calls, which were later found to be through advertisements in yellow pages.

Now, the question is, if they did not advertise in the yellow pages, would they have received those orders/ offers? That's another matter, though.

Your measurable objective must be written, clear and unambiguous. Goals like 'Improve store image/Increase awareness of our store' etc are too vague and do not lead to anywhere. A good starting point to work on the goal would be:

*Increase awareness of our store by 10%*

### **Part B - Compulsory (01\*08=08 marks)**

4

- (a) Explain the integrated marketing strategy used in this case.

Ans – The competence of the combined components used in the Coca Cola integrated marketing communications exemplifies the excellence that can be achieved by a single brand. The achievement can further be evaluated by examination of media metrics such as advertising equivalency, the sum total audience which has been attained through particular media outlets, statistical figures of journalists hosted, number of articles published etc. In terms of market share benchmarks, Coca Cola is promoting and selling its products in over two hundred countries, and employs almost one hundred forty thousand associates, lending credence to the consideration of the

company as a market leader in the majority of these marketplaces. Assessment of unique Website visitors, length of visit, search engine results (both free and paid) numbering in the billions on both Google and Bing as well as others offer insight to the combined component efficacy

(b) Highlight the importance of advertising to a brands success.

Ans - Advertising plays very important role for the producers and the sellers of the products, because

- Advertising helps increasing sales
- Advertising helps producers or the companies to know their competitors and plan accordingly to meet up the level of competition.
- If any company wants to introduce or launch a new product in the market, advertising will make a ground for the product. Advertising helps making people aware of the new product so that the consumers come and try the product.
- Advertising helps creating goodwill for the company and gains customer loyalty after reaching a mature age.
- The demand for the product keeps on coming with the help of advertising and demand and supply become a never ending process.