

PRESENTATION

ON

CLASS: S.Y.BMS

SUBJECT: ADVERTISING

CHAPTER- 4

**BUDGET, EVALUATION, CURRENT TRENDS &
CAREERS IN ADVERTISING**

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FEATURES OF ADVERTISING BUDGET :

1. Basis for advertising plan:-

- The company before actually spending money on advertising, plans for how the amount will be spend on different functions like, marketing research, media selection, payment to advertising agency, and spending on other promotional activities.
- Advertising budget provide basis for planning expenditure to be incurred for all these activities.

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2. Acts as a planning and controlling device :-

- Advertising budget act as a planning and control device.
- It gives information to marketing department that how much amount is apportioned for advertising activities during a specific period of time.
- Accordingly plan can be made about spending money.
- The amount planned to be spend on different activities can be compared with the actual expenditure planned.

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3. Set limits to advertising expenditure :-

- Advertising budgets sets the limit of amount to be spent on advertising.
- Funds are apportioned for various activities keeping in focus the amount sanctioned for a specific period of time.

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4. Time frame :-

- Advertising budget is generally prepared for one year.
- However in certain special circumstances e.g- when a company is launching a new brand, advertising campaign may run for more than one year, then budget is prepared for more than one year time frame.
- Advertising budget can also be prepared on quarterly basis.

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5. Brings Coordination with other functions :-

- Advertising budget is not decided in isolation, it has to be planned with fund allocation for other promotional tools like sales promotion, PR, sponsorship of the events, etc.
- Moreover the budget sanctioned for marketing function has to be fixed keeping in mind other functions performed in the company.
- It is important to coordinate advertising budget with the needs and expectations of various other departments.

FACTORS TO BE CONSIDERED IN DETERMINING THE ADVERTISING BUDGET :

1. Corporate Objectives :-

- The advertising expenditure varies depending upon objectives which the firm desires to achieve through advertising campaign.
- The objectives are to create brand awareness, to increase sales, to fight competition, to develop brand loyalty, to introduce a new product, etc.

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2. Nature of Product :-

- Advertising budget depends on the type of product.
- Advertising budget will be more for consumer products like FMCGs and consumer durables.
- Due to stiff competition advertising budget has to be more in order to maintain brand position.

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3. The Product Life Cycle :-

- Every product has life cycle with different stages i.e. product introduction, growth, maturity and decline.
- Substantial amount is spend on advertising during the introduction stage and growth stage.
- During the maturity stage less amount is spend on advertising.

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4. The budget period :-

- Generally advertising budget is prepared for one year.
- However some companies may prepare long term advertising budget to achieve its long term objectives.
- When advertising campaign is planned for more than one year.

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5. Competitor's strategy :-

- When there is tough competition in the market, advertising expenditure will be high.
- When competitors increase their advertising expenditures, other firms are compelled to raise their advertising budget.
- In case the product is close substitute of each other, the company use advertising to create brand differentiation rather than going for price cut.

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6. Size of the Market :-

- The size of the market is global or national, advertising budget will be more as compared to the local or regional market size.
- MNC's have to spend large amount on advertising due to their global coverage.
- Advertising has to be local looking at the market conditions in each market (country).

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7. Availability of Finances :-

- It is important to keep in mind availability of finances to avoid overspending.
- Companies selling products quickly can afford to spend more money on advertising.

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8. Importance of Middlemen :-

- In marketing of the product, if company rely heavily on middlemen to push its product, then the company has to give more commission to middlemen.
- In such a case the advertising budget will be low.
- On the other side advertising budget will be more if the company rely extensively on advertising and less on middlemen for endorsing the product.

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9. Quality of Campaign :-

- To compensate for a poor quality campaign, an advertiser may have to spend more.
- However when ads are creative, even a limited media budget will be sufficient to seek audience attention.

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10. Crisis Management :-

- The best designed advertising plan can be affected by unexpected changes in the marketing environment.
- The advertiser has to keep aside contingency funds that can be used at the time of crisis situations.

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ADVERTISING STRATEGIES IN RURAL MARKETING :

1. Mobile advertising :-

- The company prepares advertising message fit it on the vehicle or bullock carts and it moves from one village to another.

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2. Small size packages :-

- FMCG companies market their products in small sizes packages meant for one time use.
- Rural customers find it affordable.
- HUL markets shampoo, detergent powder, tea in small sachets.
- Low priced small packages have become affordable and successful in rural markets.

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3. Puppet shows :-

- To promote the sale of goods in rural areas entertainment programmes like puppet show, dance and dramas are used to attract the audience.
- These programmes are presented during melas, fairs and village festivals.

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4. Reusable packages :-

- Marketing products in reusable packages acts as a reminder.
- HUL markets brand Vanaspati Dalda in a plastic jar which can be reused.
- The plastic jar kept by rural customer has reminder value.

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5. Promoting saving habits :-

- In India Central Government, banks and insurance companies have been spending money to run campaigns to encourage saving habits among rural people.
- Banks have employed personnel who collect money from the doorsteps of people on daily basis.
- This promotes saving habits among rural people.

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6. Door-to-door campaign :-

- Certain firms employ salesforce who visit rural people homes and share with them sale brochures, handouts, pamphlets, give them free sample.
- Many companies hire local people to do door-to-door campaigning.

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The image features a large, irregular splash of teal watercolor paint centered on a white background. The paint has a soft, textured appearance with varying shades of blue and green. In the center of this splash, the words "Thank You" are written in a dark teal, elegant cursive script. At the bottom left corner of the image, there is a decorative graphic element consisting of a dark teal triangle with a fine, diagonal grid pattern, which overlaps a white background.