

# Unit II: Objective setting & Market positioning

*Functions of advg; objectives of advg – sales as objective, operational objectives, communication objectives; Hierarchy of effects, FCB Model, DAGMAR approach; behavioral dynamics - Increase Share of Requirements (SOR), Increase Brand Loyalty, Reduction of attrition, Increase Usage, Brand awareness Comprehension, Image, Personality, Brand attitude, Use experiences*

# Functions of Advertising (Manufacturers)

- Introducing new product
- Steadying demand
- Promoting new uses
- Providing economies of Scale
- Meeting competition
- Creating corporate Image

# Functions of Advertising

## Customers

- Educating
- Easing the shopping process

## Salesmen

- Supports salesmen

## Society

- Employment generation
- Revenue generation for the media
- Improving standard of living
- Solving social problems

# Objectives of Advertising (According to Philip Kotler)

- Inform (new uses/new products/price changes/product working/company image)
- Persuade (brand preference/brand switching/changing consumer perceptions/persuading to buy)
- Remind (future need for the product/where to buy/top-of-mind awareness)
- Reinforce (right choice/positive features)

# Objectives of Advertising (Communication objectives)

- To create awareness
- To develop comprehension
- To create conviction
- To secure action

# Advertising objectives

## Sales

- Absolute sales in rupees
- Percentage of sales
- Market share

## Operational

- Brand awareness, Change attitudes, etc. and influence future sales

# Response Hierarchy Models

- *Focus on consumer's specific responses to communications*

**Cognitive:** put something in consumer's mind (inform - brand awareness a learning)

**Affective:** change an attitude (brand awareness and positive attitude)

**Behavioral:** get the consumers to act (induce trial or brand liking from product use/reinforce product attitudes)

# Hierarchy of effects Model a.k.a. Buyer-readiness states by Lavidge and Steiner



# AIDA Model by Elmo Lewis

Attention

*Cognitive stage*



Interest

*Affective stage*



Desire



Action

*Conative/Behavioural stage*

# The FCB Model of Advertising Strategy

- By Richard Vaughn in 1980
- Foote, Cone, Belding (FCB) strategy mix
- Suggests that advertising works differently for different products involved

# The FCB Model

- Sometimes communication of key information and salient emotion is needed to get a sale; at other times consumers will need one, but not both and yet another time purchase may occur with little or no information or emotion
- Identify information, emotion or action leverage for a particular product and then execute it

# The FCB Model

	<b>Think</b>	<b>Feel</b>
<b>High involvement</b>	Informative (economic)	Affective (psychological)
	Learn → Feel → Do	Feel → Learn → Do
<b>Low involvement</b>	Habitual (responsive)	Satisfaction (social)
	Do → Learn → Feel	Do → Feel → Learn

Source: Vaughn (1986, p. 58)

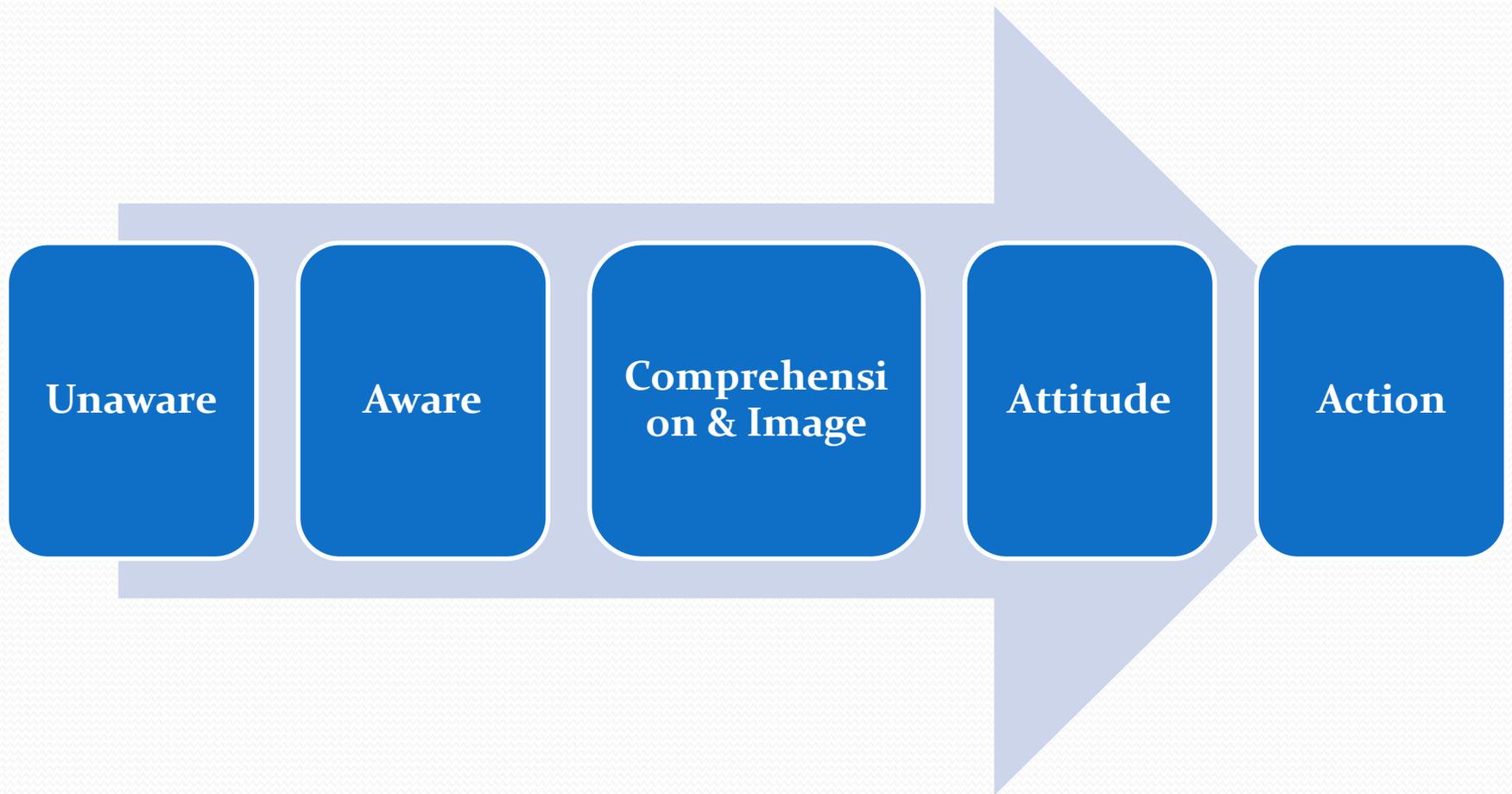
# The FCB Model

- 2 dimensions of advertising strategy – thinking vs feeling & low involvement vs high involvement
- “ there are purchase decisions where thinking is most involved and others which are feeling dominated; there are situations that require more involvement and those that require less
- Different versions of learn-feel-do sequence
- Informative, affective, habitual and satisfaction strategies

# DAGMAR approach

- Defining Advertising Goals for Measured Advertising Results by Russel H Colley
- An advertising goal is a specific communication task to be accomplished among a defined audience, in a given period of time

# DAGMAR approach - Communication task



# DAGMAR approach

- Specific, Written, measurable task involving a starting point , a defined audience and a fixed time period;
- For ex., to increase awareness (communication task) of brand X detergent from 20% to 70% (amount of change) within 2 months (time period) among housewives (target)

# Behavioural dynamics in Advertising

- Increase in sales or increase in product use comes from
  - New customers from other brands
  - New customers from other categories
  - Increasing share of requirements

Defensive strategy:

- Increasing brand loyalty; reducing attrition rate & Price elasticity and increasing the usage rate of existing customers

# Setting Advertising Objectives

- Who is the target segment?
- What is the ultimate desired behaviour?
- How can advertising help in achieving the desired behaviour?