

Advertising &  
Public Relation  
CJMC-02/DJMC-02



## Message for the Students

Dr. Babasaheb Ambedkar Open (University is the only state Open University, established by the Government of Gujarat by the Act No. 14 of 1994 passed by the Gujarat State Legislature; in the memory of the creator of Indian Constitution and Bharat Ratna Dr. Babasaheb Ambedkar. We Stand at the seventh position in terms of establishment of the Open Universities in the country. The University provides as many as 54 courses including various Certificate, Diploma, UG, PG as well as Doctoral to strengthen Higher Education across the state.



On the occasion of the birth anniversary of Babasaheb Ambedkar, the Gujarat government secured a quiet place with the latest convenience for University, and created a building with all the modern amenities named 'Jyotirmay' Parisar. The Board of Management of the University has greatly contributed to the making of the University and will continue to this by all the means.

Education is the perceived capital investment. Education can contribute more to improving the quality of the people. Here I remember the educational philosophy laid down by Shri Swami Vivekananda:

***“We want the education by which the character is formed, strength of mind is increased, the intellect is expand and by which one can stand on one’s own feet”.***

In order to provide students with qualitative, skill and life oriented education at their threshold. Dr. Babaasaheb Ambedkar Open University is dedicated to this very manifestation of education. The university is incessantly working to provide higher education to the wider mass across the state of Gujarat and prepare them to face day to day challenges and lead their lives with all the capacity for the upliftment of the society in general and the nation in particular.

The university following the core motto ‘स्वाध्यायः परमम् तपः’ does believe in offering enriched curriculum to the student. The university has come up with lucid material for the better understanding of the students in their concerned subject. With this, the university has widened scope for those students who are not able to continue with their education in regular/conventional mode. In every subject a dedicated term for Self Learning Material comprising of Programme advisory committee members, content writers and content and language reviewers has been formed to cater the needs of the students.

Matching with the pace of the digital world, the university has its own digital platform Omkar-e to provide education through ICT. Very soon, the University going to offer new online Certificate and Diploma programme on various subjects like Yoga, Naturopathy, and Indian Classical Dance etc. would be available as elective also.

With all these efforts, Dr. Babasaheb Ambedkar Open University is in the process of being core centre of Knowledge and Education and we invite you to join hands to this pious *Yajna* and bring the dreams of Dr. Babasaheb Ambedkar of Harmonious Society come true.



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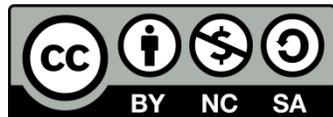
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# Advertising & Public Relation

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# **Unit-1: Concepts and Understanding of Advertising**

## **Structure:**

- 1.0 Objective
- 1.1 Meaning and Concepts
- 1.2 Definitions
- 1.3 Nature, Aims & Objectives and Functions of Advertising
  - 1.3.1 Nature of Advertising
  - 1.3.2 Objectives of advertising
  - 1.3.3 Advertising Agency Set up
- 1.4 Advertising Agency Set up
- 1.5 Keywords
- 1.6 Check your progress
- 1.7 Suggested Books

## **1.0 Objectives**

This unit briefly discuss –

Understanding the essence of Advertising.

Discuss about public relations, its objectives and need of public relations in professional world.

Highlights the different approaches of public relations especially in agency set up.

## **1.1 Meaning and Concepts**

In economics, needs and wants are denoting to have options which helps to fulfil the need of a person or entity. Every organization makes efforts to produce quality products and competitive price to sell in the market but it always need an extra push to reach out to the targeted or potential customers and effort is known as “advertising”. Advertising and promotion refer to activities undertaken to increase sales or enhance the image of a product or service or business. Advertising is used primarily to inform the potential customer of:

the features and quality of products and services,

the availability of products and services in the market,

when they are in season,

availability of products and services nearby by your locality,  
any other special attribute of the products and services.

## **1.2 Definitions**

Advertising is a process of communication whereby a person or group of people are persuaded to take some form of action, usually to make a purchase or participate in a particular behaviour.

Advertising is the non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various channels of communications.

Advertising is a non-personal form of promotion that is delivered through selected media outlets that, under most circumstances, require the marketer to pay for message placement.

Advertising is the most potent influence in adapting and changing the habits and modes of life affecting what we see, what we hear, what we wear, and the work and play of a whole nation.

Advertising has long been viewed as a method of mass promotion in that a single message can reach a large number of people. But, in this mass promotion approach presents problems since many exposed to an advertising message may not be within the marketer's target market, and thus, may be an inefficient use of promotional funds.

Advertising also has a history of being considered a one-way form of marketing communication where the message receiver (i.e. target market) is not in position to immediately respond to the message (e.g. seek more information). This too is changing. For example, in the next few years technologies will be readily available to enable a television viewer to click a button to request more details on a product seen on their favourite TV or Radio programme. In fact, it is expected that over the next 10-20 years advertising will move away from a one-way communication model and become one that is highly interactive.

Another characteristic that may change as advertising evolves is the view that advertising does not stimulate immediate demand for the product advertised. That is, customer cannot quickly purchase a product they see advertised. But as more media outlets allow customers to interact with the messages being delivered the ability of advertising to quickly stimulate demand will improve.

### **Importance of advertising:**

Before getting understanding the importance of advertising, let's understand this pictorial representation-



From the mentioned logical textual understanding, there is a saying in advertising that “Creativity without strategy is called art, creative with strategy is called advertising”. Spending on advertising is huge depending on strategy from concept to execution.

Worldwide advertising is an important contributor to economic growth, individual marketing organizations differ on the role advertising plays. For some organizations little advertising may be done, instead promotional money is spent on other promotion options such as personal selling through a sales team. For some smaller companies advertising may consist of occasional advertisement and on a very small scale, such as placing small ads in the classified section of a local newspaper.

But most organizations, large and small, that rely on marketing to create customer interest are engaged in consistent use of advertising to help meet marketing objectives. This includes regularly developing advertising campaigns, which involves a series of decisions for planning, creating, delivering and evaluating an advertising effort.

Nature, Aims & Objectives and Functions of Advertising

### **1.3.1. Nature of Advertising**

Advertisement is a tool of mass communication carry information intended to persuade buyers to buy products with a view to maximising a company’s profit.

It makes mass production possible.

It is non-personal communication, for it is not delivered by an actual person, nor is it addressed to a specific person.

It is a commercial communication because it is used to help assure the advertiser of a long business life with profitable sales.

Advertising can be economical, for it reaches large groups of people. This keeps the cost per message low.

The communication is speedy, permitting an advertiser to speak to millions of buyers in a matter of a few seconds.

Advertising is identified communication. The advertiser signs his name to his advertisement for the purpose of publicizing the identity.

Thus the objectives of advertising are increased sales, creation of awareness and interest, sustaining the established product, introducing a new product, helping middlemen and public at large. Its aims are to inform, to persuade and to remind customers about the want-satisfying attributes of the products advertising. Sometimes, more than one objective is fulfilled by an advertising communication. Promotional strategy are utilised to attain the objectives of advertising.

Advertising is an informative, persuasive and reminding communication. It assists in the performance of certain activities by the advertiser, the sponsor of the producer and the marketer such as image-building. These activities are performed, economically, effectively and regularly by the advertiser.

Advertising is an art as well as science. It is an art because the advertiser employs his creative abilities to devise effective ways, techniques and professional tents which are essential factors in advertising or communication. Expert and specialist personnel make advertising useful and topically relevant. Based on certain socio-psychological factors which influence marketing decision, therefore, advertising is also a science. It uses cause and effect relationships. By using more scientific methods advertising becomes suitable and relevant to its objectives. It results and performance are measurable. Its drawbacks can be demonstrated by the adoption of causal theories. Its art can be tested on scientific principles. It is a tool of solving many political, social and economical problems.

### **1.3.2. Objectives of advertising**

To Introduce New Product – Advertising introduces a new product to potential customers, who are given information about the attributes, qualities and prices of the product. If the potential buyers are made aware of it a new product may gain sales momentum. Sometimes the producer starts production only after evaluating the results of advertisement. New products are advertised before commencing production. This gives an edge to the new product over the existing products. Market studies reveal desires of the people and extent to which new products may be sold in the market. To arrive at a design of the new product and advertiser analyses the popularity of the existing products. By an advance advertising campaign he can build a more desirable product image.

To Sustain the Established Product – As brand loyalty is maintained through effective advertising, advertising assists in retaining the market share of the established product. The qualities and attributes of the product along with effective advertising methods persuade a large number of consumers not to shift to other products and to stay with the established product. The all purpose activities of a product should be advertised to sustain the market. If the image of the producer is maintained by

advertising and other marketing practices, product market is retained. Effective marketing strategy and advertising decisions sustain and increase its sales in the market. Before an effective advertising campaign is started product life cycle is analysed.

To Help Middlemen – To achieve better performance advertising is designed to help middlemen, who are informed about the prices qualities etc. while they may pass on the information to customers the customers are also pre-informed about these qualities. New letters, coupled with newspaper advertisement provide information about the names of the shops and retailers where the advertised products would be available at a lower cost.

To Increase the Share of Market – By communicating the uses of existing products to the prospective customers, advertising increases the share of market. Different uses should be demonstrated to customers through different media of advertising. The behavioural study of customers indicates how to increase the share of the product in the market. Before the strategy of market expansion through advertisement is implemented the weaknesses and problems of competitors are evaluated.

To Demarcate the Target Group – Advertising gives product information to a target group. It will be a futile exercise if the market segment is not known. It should be made only in the target segments. The market segments therefore should be the advertiser. A segment study reveals the various segments and shows the marketers how to approach and influence public to purchase the advertised products. The most effective segments are approached first. Other people are influenced by the results of the advertising in the most favourable market.

To Increase Public Welfare – Advertising increase the welfare of the public. This is its inherent purpose. Unless public obligations are met it would be a fraud upon the public. It should stress moral and ethical values. It should inform the public how to maintain public hygiene. It should educate them in the conservation of energy and make the environment free from pollution.

To Promote Sales – As a form of promotion, the objectives of advertising are exposure, attention, comprehension, attitude change, and behaviour or action. As in the case of all promotion, advertising objectives should be specific. This requires that the target consumers should be specially identified and that the effect which advertising is intended to have upon the consumer should be clearly indicated.

To Achieve Direct Sales – The objectives of advertising were traditionally stated in terms of direct sales goals. It has communications objectives that seek to inform persuade and remind potential customers of the worthwhileness or the product.

To Condition Customers – Advertising seeks to condition the consumer so that he or she may have a favourable reaction to the promotional message. The goals is to improve the likelihood of the customer buying the particular product. In this sense, advertising is an excellent example of the close

relationship that exist between marketing communication and promotional strategy.

To Serve as Guideline – advertising objectives serve as guidliners for the planning and implementation of the entire advertising programme.

## **1.4 Advertising Agency Set up**

Advertising Set-up - A marketing services firm that assists companies in planning, preparing, implementing, and evaluating all or portions of their advertising programs.

Usually manufacturers and advertisers engage qualified advertising agencies for handling their advertisements. Agencies should first be told about the specific purpose of individual ads or an advertising campaign. The agencies with the help of its research department or a hired market research organization analyse the existing market trends, the quantities and deficiencies of the products concerned in relation to those of the rival company, identifying the target clients, analyse their social, economical and cultural background, their buying habits and so on.

On the basis of this research, the agency would evolve the campaign strategy within the available budget. The more innovative and realistic your ads or campaigns, the greater are your chances of success in advertising. Right selection of the media, and identifying the right slots in a particular media are important to reach your Target Group (TG).

Advertising is a highly creative field and the buyers are not just passive recipients of your advertisement blasts for they have their own preferences and often have pre-dispositions. Therefore, they do not hesitate to hire the right advertising talents like visualizers, art directors, copy writers, script writers or TV commercial producers to have a definite edge over your rivals. Money spent on good advertisement is worth it. Market has repeatedly proved it.

With the advent of social media, a recent trend is that advertising gets the massive support of marketing specialist and Public Relations (PR) initiatives in order to create decisive impact.

## **1.5 Keywords**

Advertising – Advertising is a marketing communication that employs an openly sponsored, non-personal message to promote or sell a product, service or idea.

Target Market – a particular group of consumers at which a product or service is aimed.

Advertising Agency – often referred to as a creative agency, is a business dedicated to creating, planning, and handling advertising and sometimes other forms of promotion and marketing for its clients.

Public Relations – is the professional maintenance of a favourable public image by a company or other organization or a famous person.

## **1.6 Check your progress**

1. What is an advertisement?
2. What are importance of advertisement in our life?
3. Describe the objectives of advertising.
4. Narrate the role of advertising agency for creating ads on behalf of client (Advertiser).

## **1.7 Suggested Book**

1. Tyagi, C.L. and Kumar Arun: *Advertising Management*, Atlantic Publishers & Distributors, New Delhi, 2004.
2. Chaudhary, K.K.: *Advertising and Promotion in Mass Media*, Abhijeet Publications, New Delhi, 2012.
3. Chakraborty, Sanjay: *Marketing Tid Bits*, Ahmedabad Management Association, 2011.
4. Prakash, T.: *Advertising Promotion and Mass Media*, Navyug Publishers and Distributor, New Delhi, 2008.

## **Unit-2: Advertising Perspective**

### **Structure:**

- 2.0 Objectives
- 2.1 Advertising Nature
- 2.2 Historical Development of Advertising
- 2.3 Scope of Advertising
- 2.4 Classification of Advertising
- 2.5 Keyword
- 2.6 Check your progress
- 2.7 Suggested Books

### **2.0 Objectives**

#### **This unit briefly discuss –**

Getting to know the nature of Advertising.

Historical and Development Phases of Advertising.

Different types of advertising used for different purposes.

### **2.1 Advertising Nature:**

Advertising is all about commercial communication, meaning “paid for message” around us. To extend its nature, advertising is obviously something we all recognize when we see it. It is something that entire population experiences, it surrounds us no matter where we turn, intruding into our communication media, our streets, and our very homes. Moreover, advertising designed to attract attention, to be readily intelligible, to change attitudes, and to command our behaviour.

Thus, advertising is not merely value free information around us, it has a multiple meaning and understanding. Here’s is more about the nature of advertising:

**Attention seeker –** The term ‘advertising’ is derived from the Latin word ‘advertere’ that means ‘to turn the attention’. Every piece of advertising attempts to seek the attention of your audience towards a product or service.

**Has a unique selling proposition –** often, the advertiser need to have a unique selling proposition (USP). This unique selling proposition makes the product or service stand out the crowd. Advertising attempts to persuade and influence the audience through the different kinds of appeal.

Visually attractive – the visual and non-visual elements play a dominant role in advertising. An eye-catching advertisement uses crisp information and focuses on the visual treatment to convey the message. The visual elements used in the advertisements not only convey the information, but also tell a story.

Consumer oriented – Advertising broadens the knowledge of the consumers. With this nature of advertising, consumers can have the know how of the products, brands or services that exist in the market. In fact, every product or service is designed in a way to keep the consumers satisfied.

Uses various media – apart from print platforms like newspapers and magazines, its presence can now also be seen in audio-visual platforms like films, hoardings, banners and many such promotional campaigns.

## **2.2 Historical Development of Advertising:**

The dawn of Indian Advertising marked its beginning when hawkers called out their wares right from the days when cities and markets first began. It was when that the signages, the trademarks, the press and the likes evolved.

Concrete advertising history began with classified advertising. Ads started appearing for the first time in print in Hickey's Begal Gazette (1780) which was India's first newspaper. Studios mark the beginning of advertising created in India as opposed to being imported from England. Studios were set up for bold type, ornate fonts, fancier, larger ads, newspaper studios trained the first generation of visualizers and illustrators.

Major advertisers during that time were retailers like Spencer's, Army & Navy and White away and Laidlaw. Retailers' catalogue that were used as marketing promotions provided early example. Patent medicines: the first brand as we know them today was a category of advertisers. Horlicks become the first 'malted' to be patented in 1883.

B. Dattaram and Co. Claims to be the oldest existing Indian agency in Mumbai which was started in 1902. Later, Indian ad agencies were slowly established and they started entering foreign owned ad agencies. Ogilvy and Mather, Hindustan Thompson Associate agencies were formed in the early 1920s. In 1939, Lever's advertising department launched Dalda – the first major example of a brand and a marketing campaign specifically developed for India. In the 1950s, various advertising associations were set up to seen. Various companies now started advertising on television and sponsoring various shows including Humlog and Yeh Jo Hai Zindagi.

In 1986, Murdra Communications created India's first folk-history TV serial Buniyad which was aired on Doordarshan. It became the first o the mega soaps in the country. Later in 1991, first India-targeted satellite channel, Zee TV started its broadcast. The year 1995 saw a great boom in media boom with the growth of cable & satellite and increase of titles in the print medium. This decade also saw the growth of public relations and events and other new promotions that various companies and ad agencies

introduced. Advertising specific website were born, one of them being agencyfaqs now known as afaqs.

## **2.3 Scope of Advertising:**

The scope of advertising is to communicate a message to current customers or potential target new customers. It helps a company get a message or a piece of information across to their customer base regarding a new product or special deal for example. Without advertising, how will customers know what is going on within a company? Indeed, if a company does not tell its customers a big sale is starting the following week, the only people who will know about it are those who just happen to visit the store on that particular day, week or month.

Advertising is therefore often regarded as the most important means of marketing a company's services and tools. Despite the obvious expense involved in advertising, companies still recognize the vital role it plays and despite financial difficulties caused by the economic recession, advertising and marketing is one budget companies are less willing to cut.

### **The scopes of advertising include:**

Processing information to the customer to keep them informed of what is happening within the company, e.g.: new product sales, new store opening etc.

Increase customer loyalty and repeat business. By keeping customers informed of an upcoming sale for instance, you are holding onto loyal customers and may even attract some new business.

Communicating a message directly to the consumer through various channels of communication.

Increased revenue through advertising particular products or informing customers of new services on offer. This will also offer economic benefits for the wider community as it may give a company better scope to offer more employment opportunities.

There are many ways through a company can advertise its services and products:

Television commercials.

Radio commercials.

Advertorials in newspapers and magazines.

Out of Home (OOH)

Direct mail

Social media

## 2.4 Classification of Advertising:

A wide range of products use advertising. Then, advertising uses many different types of media. Thus, it is no surprise that there is a wide variety of advertising.

Advertising is a vital and vibrant link in the modern economic chain. At a basic level, it provides information about product and service alternatives. We, as consumers, want use this information.

Today in the competitive market place, there are a wide variety of advertisers. Also there are a wide variety of consumers whom the advertisers want to reach. And these advertisers want to achieve a variety of objectives. Accordingly, there exist different types of advertising. Advertising can broadly be classified according to the following criteria:

Target audience

Geographical area

Medium

Purpose

Advertising is targeted at a particular segment of the population. This is known as the “target audience”. Rarely any advertising is aimed at all kinds of people. Many times we see advertisements, which we do not like. It could be because of the fact that these advertisements are not aimed at us.

There are two main types of target audiences: consumers and business. Accordingly, there are two types of advertising –

**Consumer advertising:** Most of the advertisements that we see in the major media like TV, radio, newspapers, magazines etc. Are consumer advertisements. These are aimed at the consumers who buy the products for themselves or for someone else’s personal use. Manufactures, marketers, dealers or retailers sponsor these advertisements. Consumer advertising also includes services and ideas that are meant for general consumption.

**Business advertising:** While majority of products are meant for the general population, quite a few products are meant for professional use. These includes machines, machine parts and a variety of services. Advertisements of these kinds of products do not generally appear in the mass media. These ads are usually published in specialized business publications or professional journals.

Often these products are advertised directly through mail in the form of letters. Sometimes these products are advertised during exhibitions or trade shows. The general public is often not aware of this type of advertising. Business advertising is again of three types:

Industrial Advertising

Trade Advertising

Professional Advertising

**Industrial Advertising:** Industrial advertising is meant for who buy or influence the purchase of industrial goods and services. These goods and services are used in the manufacturing of other products. Industrial goods include raw materials, machinery, equipments, semi manufactured goods, machine parts. Industrial products also include those things that are used to conduct business, i.e. office machines, desks, computers, file cabinets etc.

These industrial services include insurance, book keeping or accounting and maintenance. These kinds of products and services are advertised mostly in business or specialized publications and sometimes in general mass publications also.

**Trade Advertising:** The second type of business advertising is trade advertising. Trade means the chain of organizations that manufactures and marketers use to reach the final consumers. These include the stockiest, wholesalers, dealers and retailers. Trade advertising is done to achieve greater distribution by expanding the existing chain of outlets and encouraging existing outlets to stock more of the products.

**Professional Advertising:** Professional advertising, the third type of business advertising, is aimed at professionals like doctors, engineers, architects, teachers, lawyers etc. These advertisements appear in highly specialized professional journals.

### **Professional advertising has three objectives:**

To convince professionals to buy particular brands of equipment or service for use in their work.

To persuade professionals to use the product personally, and to encourage professionals to recommend or prescribe a specific product or service to their clients or patients.

On the basis of geographical area or reach, advertising can be classified in to four groups:

Local advertising

Regional advertising

National advertising

International advertising

### **2.5 Keywords**

**TV Commercial** – A TV Commercial is a span of television programming produced and paid for by an organization to convey its core message about brand, products or services.

**Radio Commercial** – A TV Commercial is a span of Radio programming produced and paid for by an organization to convey its core message about brand, products or services.

Out of Home or Outdoor Advertising (OOH) – It aims to reach the consumers while they are outside their homes.

Direct Mail – it is also known as advertising mail, direct mail, junk mail, mailshot or admail is the delivery of advertising material through courier or email to recipients of postal mail.

Social Media – social media are interactive computer-mediated technologies that facilitate the creation and sharing of information, ideas, career interests and other forms of expression via virtual communities and networks.

## **2.6 Check your progress**

Q.1 Describe the nature of advertising.

Q.2 Explain the types of advertising with example(s).

Q.3 What are the scope of advertising in digital era?

## **2.7 Suggested Books**

Tyagi, C.L. and Kumar Arun: *Advertising Management*, Atlantic Publishers & Distributors, New Delhi, 2004.

Chaudhary, K.K.: *Advertising and Promotion in Mass Media*, Abhijeet Publications, New Delhi, 2012.

Chakraborty, Sanjay: *Marketing Tid Bits*, Ahmedabad Management Association, 2011.

Prakash, T.: *Advertising Promotion and Mass Media*, Navyug Publishers and Distributor, New Delhi, 2008.

Patra, M.R., *Advertising & Marketing Communication*, Makhn Lal Chaturvedi National University of Journalism and Communication, Bhopal, 2016.

## **Unit-3: Theoretical Background**

### **Structure:**

- 3.0 Objectives
- 3.1 Communication Process
- 3.2 Advertising Process
- 3.3 Advertising Models
- 3.4 Advertising Effectiveness
- 3.5 Keywords
- 3.6 Check your progress
- 3.7 Suggested Books

### **3.0 Objectives**

#### **This unit briefly discuss –**

Understanding of Communication Process.

Helps to understand how advertising process makes a perfect advertisement.

Advertising models clarify the theoretical approach of creating advertising and techniques to measure advertising effectiveness.

### **3.1 Communication Process:**

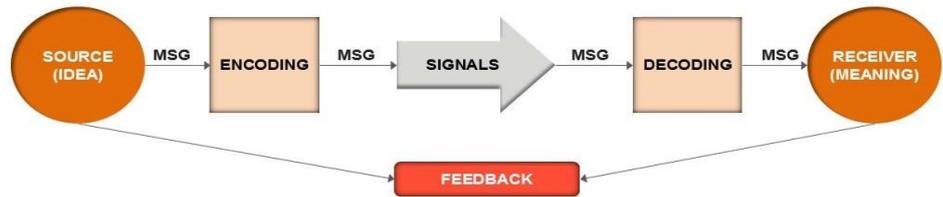
Communication is a process of exchanging verbal and non-verbal messages. It is a continuous process. Pre-requisite of communication is a message. This message must be conveyed through some medium to the recipient. It is essential that this message must be understood by the recipient in same terms as intended by the sender. He must respond within a time frame. Thus, communication is a two way process and is incomplete without a feedback from the recipient to the sender on how well the message

is understood by him.

### Communication Process

Meaning

Communication is a process in which information, ideas, or opinions are shared.



The main components of communication process are as follows:

**Context** - Communication is affected by the context in which it takes place. This context may be physical, social, chronological or cultural. Every communication proceeds with context. The sender chooses the message to communicate within a context.

**Sender / Encoder** - Sender / Encoder is a person who sends the message. A sender makes use of symbols (words or graphic or visual aids) to convey the message and produce the required response. For instance - a training manager conducting training for new batch of employees. Sender may be an individual or a group or an organization. The views, background, approach, skills, competencies, and knowledge of the sender have a great impact on the message. The verbal and non-verbal symbols chosen are essential in ascertaining interpretation of the message by the recipient in the same terms as intended by the sender.

**Message** - Message is a key idea that the sender wants to communicate. It is a sign that elicits the response of recipient. Communication process begins with deciding about the message to be conveyed. It must be ensured that the main objective of the message is clear.

**Medium** - Medium is a means used to exchange / transmit the message. The sender must choose an appropriate medium for transmitting the message else the message might not be conveyed to the desired recipients. The choice of appropriate medium of communication is essential for making the message effective and correctly interpreted by the recipient. This choice of communication medium varies depending upon the features of communication. For instance - Written medium is chosen when a message has to be conveyed to a small group of people, while an oral medium is chosen when spontaneous feedback is required from the recipient as misunderstandings are cleared then and there.

**Recipient / Decoder** - Recipient / Decoder is a person for whom the message is intended / aimed / targeted. The degree to which the decoder understands the message is dependent upon various factors such as

knowledge of recipient, their responsiveness to the message, and the reliance of encoder on decoder.

Feedback - Feedback is the main component of communication process as it permits the sender to analyze the efficacy of the message. It helps the sender in confirming the correct interpretation of message by the decoder. Feedback may be verbal (through words) or non-verbal (in form of smiles, sighs, etc.). It may take written form also in form of memos, reports, etc.

### **3.2 Advertising Process:**

**The following are the steps involved in the process of advertising:**

Briefing - the advertiser needs to brief about the product or the service which as to be advertised and doing SWOT (Strength, Weakness, Opportunity and Threat) analysis of the company.

Knowing the Objective - one should first know the objective or the purpose of advertising. i.e. what message is to be delivered to the audience?

Research- this step involves finding out the market behaviour, knowing the competitors, what type of advertising they are using, what is the response of the consumers, availability of the resources needed in the process, etc.

Target Audience - the next step is to identify the target consumers most likely to buy the product. The target should be appropriately identified without any confusion. For e.g. if the product is a health drink for growing kids, then the target customers will be the parents who are going to buy it and not the kids who are going to drink it.

Media Selection - now that the target audience is identified, one should select an appropriate media for advertising so that the customers who are to be informed about the product and are willing to buy are successfully reached.

Setting the Budget - then the advertising budget has to be planned so that there is no short of funds or excess of funds during the process of advertising and also there are no losses to the company.

Designing and Creating the Ad - first the design that is the outline of ad on papers is made by the copywriters of the agency, then the actual creation of ad is done with help of the art directors and the creative personnel of the agency.

Perfection - then the created ad is re-examined and the ad is redefined to make it perfect to enter the market.

Place and Time of Ad - the next step is to decide where and when the ad will be shown. The place will be decided according to the target customers where the ad is most visible clearly to them. The finalization of time on which the ad will be telecasted or shown on the selected media will be done by the traffic department of the agency.

Execution - finally the advertise is released with perfect creation, perfect placement and perfect timing in the market.

Performance - the last step is to judge the performance of the ad in terms of the response from the customers, whether they are satisfied with the ad and the product, did the ad reached all the targeted people, was the advertise capable enough to compete with the other players, etc. Every point is studied properly and changes are made, if any.

If these steps are followed properly then there has to be a successful beginning for the product in the market.

### **3.3 Advertising Models:**

An advertising model is the strategic use of an advertising medium, with the goal of reaching a specific target audience. An advertising medium is the type of media or vehicle the advertising is placed on. Understanding the target market helps to create an effective message and helps to determine the appropriate advertising medium. In order for a model to be effective, you must clearly understand the advantages and limitations of each medium.

#### **Print**

The most traditional use of advertising is found in newspapers and magazines. Newspapers and magazines are highly targeted to a specific audience, thereby making your advertising efforts more effective. Print ads require eye-catching, concise messages that engage your target audience and the use of a call to action. Newspaper ads are great for reaching local customers but have a short life. Magazines ads expand your advertising message nationally or globally but don't guarantee your placement is effective.

#### **Broadcast**

Broadcast advertising models allow you to reach your target market via television and radio. These mediums focus on audiences that have an interest in the shows and programming offered. If your product or service is connected to a specific program, you can broadcast your audio or video based message with your call to action to that specific audience. Television advertising involves all the senses but can be very expensive. Radio advertising can be a low-cost method, but listeners can have a lower attention span than television viewers.

#### **Direct Mail**

The direct-mail advertising model includes all promotional materials sent through the mail. It usually targets its readers through purchasing or acquiring a list of ideal customers. Traditional direct marketing uses postcards, fliers, coupons or newsletters related to products, services or current promotions. Direct marketing allows you to personalize your message without competition on the same medium. However, direct mail can be viewed as junk mail.

## **Directory**

Service providers depended upon the use of Yellow Pages directories for advertising their business for decades. Every home in America owned a phone book that listed businesses in their local area that solved their problems. The emergence of the Internet caused the traditional phone book to evolve from a printed book to an online version. Yellow Pages is a trusted way to reach local markets; however, the competition is fierce. Search engine companies are now creating their versions of this model for those who search for local vendors.

## **Earned and Paid Digital Media**

Advertising through earned media requires a strong content building program and social media outlets to share that content. Search engine traffic is another aspect of earned media. This not necessarily a true advertising model as customers are not acquired at a dollar rate however it can be combined with paid search campaigns to drive traffic and increase customer acquisition and conversions. Paid social and display advertising campaigns are also common forms of engaging and reaching digital audiences.

### **3.3.1 Mainstream Advertising Models:**

One of the main goals of advertising and marketing is to craft and deliver convincing messages to targeted markets. The best way to deliver these messages can depend on the situation, the audience and the type of business from which it originates. Advertising models, or theory-based outlines for delivering messages, can be helpful as you craft your business's marketing communication plan. Four commonly used and referenced advertising models are the DAGMAR model, the AIDA model, the Ehrenberg model and the DRIP model.

#### **The DAGMAR Model**

DAGMAR is an acronym for defining advertising goals and measuring advertising results. Each of these words stands for goals that are of the utmost importance to a business attempting to reach and make an impression on their target audience. The model also specifies five phases that potential customers pass through as they are made aware of your business or product: unaware, aware, comprehension, conviction and, finally, action. With both the goals and the audience's cycle in mind, a business can apply the theory as a framework for developing its advertising and promotional mix. Ideally, when the theory of the model is used, the target audience moves smoothly through the five phases, which are based in psychology and common decision-making patterns people follow when deciding whether or not to buy something.

#### **The AIDA Model**

AIDA is similar to the DAGMAR model in that it focuses on the buying and selling process. AIDA is an acronym for attention, interest, desire and action, which are the four phases of the psychological process people pass

through as they decide whether or not to buy something. In later versions of this model, which has been around since the late 1800s, a fifth element, "permanent Satisfaction" was sometimes added to the list, as it looks to the importance of repeating sales with prior customers.

### **Ehrenberg Model**

Andrew Ehrenberg's theories are wide-reaching in the marketing and advertising world, and his research contributed a great deal to the modern field of advertising. One of his more commonly used models is the "Weak" theory, which includes the following components: awareness, trial, reinforcement and nudging. When used in order as part of an advertising campaign, Ehrenberg suggested these components could nudge consumers' behaviour and persuade them to buy your products. "Awareness" serves to let a customer know of your existence, "trial" inspires the customer's interest; "reinforcement" encourages trust and finally "nudging" seals the sale.

### **The DRIP Model**

The DRIP advertising model relies on the theory that repeated; carefully planned contact with the customer will increase sales. DRIP is an acronym for differentiate, remind, inform and persuade. Advertising based on the DRIP model uses repeat contact to stand out from the competition, remind potential customers of your company's existence, inform your target market about what you do and sell and then finally, convince them to buy from you. Experts say the DRIP model is most effective if you, the seller, have some research and insight into your target market's buying cycle.

### **3.4 Advertising Effectiveness:**

Advertising effectiveness pertains to how well a company's advertising accomplishes the intended. Small companies use many different statistics or metrics to measure their advertising effectiveness. These measurements can be used for all types of advertising, including television, radio, direct mail, Internet and even billboard advertising. A company's advertising effectiveness usually increases over time with many messages or exposures. But certain advertising objectives can be realized almost immediately.

### **Reach**

One metric for advertising effectiveness is reach. This measurement pertains to the number of people who actually saw a company's advertising. Small business owners usually know how many people can potentially see their ads. Local television stations report the number of viewers for certain shows. Similarly, magazines report circulation figures. But not all of these viewers or readers notice the ads. That is why small business owners often use market research surveys to measure reach. For example, 10 percent of a local restaurant's viewing audience may recall seeing their latest television ad. Advertising should be designed to attract attention, build interest and prompt action, according to the experts at "Mind Tools" online.

## **Sales and Profits**

One of the most important objectives of advertising is to increase sales and profits. A profitable ad is an effective one. The best way to build sales and profits is by reaching the right target audience. In other words, small business owners must make sure their advertising reaches the people who are most likely to purchase their products. Companies often develop customer profiles from warranty cards or marketing research to gather this information. Target audience variables or demographics can include age, gender, income and education. For example, a high-end women's clothing retailer may effectively drive sales and profits by targeting women with higher incomes.

## **Brand Awareness**

Brand awareness is another metric of advertising effectiveness. Brand awareness is the percentage of people who recognize a company's brand of products. It usually takes many years and lots of ad exposures to build high brand awareness. Television and radio are two of the best mediums for building brand awareness. Small companies can also build their brand awareness on the Internet by advertising in online Yellow Pages, or promoting their wares through major search engines like Google and Yahoo.

## **Testing Advertising Effectiveness**

Small companies can test their advertising effectiveness in several different ways. One way is to insert certain "word flags" into the advertising messages, according to "Entrepreneur." This may be a simple phrase or word that customers recognize and can, therefore, mention when inquiring from an advertisement. The word flag can also be in the form of a question. For example, a small restaurant company may prompt customers to ask, "What's the super special of the day?" The restaurant owner can then track the number of people who ask about the super special throughout the day. Those who use direct mail can insert codes on order forms.

## **3.5 Keywords**

Communication Process – the communication process is the steps we take in order to successfully communicate.

Advertising Process – advertising refers to the advertising message, per se, advertising management refers to the process of planning and executing an advertising or campaigns.

Advertising model – is the strategic use of an advertising medium, with the goal of reaching a specific target audience.

### **3.6 Check your progress**

Q.1 What is communication? Explain its process.

Q.2 What is Advertising Process? Explain the process with example (s).

Q.3 Narrate the Advertising Models and its relevance in present context.

### **3.7 Suggested Books**

1. Tyagi, C.L. and Kumar Arun: *Advertising Management*, Atlantic Publishers & Distributors, New Delhi, 2004.
2. Chaudhary, K.K.: *Advertising and Promotion in Mass Media*, Abhijeet Publications, New Delhi, 2012.
3. Chakraborty, Sanjay: *Marketing Tid Bits*, Ahmedabad Management Association, 2011.
4. Prakash, T.: *Advertising Promotion and Mass Media*, Navyug Publishers and Distributor, New Delhi, 2008.
5. Patra, M.R., *Advertising & Marketing Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2016.

## **Unit-4: Advertising Ethics and Legal Framework**

### **Structure:**

- 4.0 Objectives
- 4.1 Understanding Ethics and Legal Framework
- 4.2 Ethical Consideration
- 4.3 Legal Consideration
- 4.4 Keywords
- 4.5 Check your progress
- 4.6 Suggested Books

### **4.0 Objectives**

#### **This unit briefly –**

Define ethics and its importance.

Define legal and its importance.

Role of Advertising Standard Council of India (ASCI) regulating standards of good advertising.

### **4.1 Understanding ethics and legal framework**

Advertisements are the most common marketing method used by businesses. Ads last longer than word of mouth or networking, and ads have a greater potential to reach a large number of people, especially in the digital age. Because the public is bombarded by advertising on a daily basis, ads are subject to many regulations. When advertising, you should keep legal and ethical considerations in mind. Following Consideration always helps to create, develop and release quality advertisement -

#### **False, Not Misleading**

The basic legal standard for advertising is that ads must be truthful and not misleading. Several factors are considered when analysing whether an ad is truthful and not deceptive. These include whether the claim made by the advertisement is express or implied, who the reasonable consumer is for the product and whether the false or misleading content (if any) is material enough such that it would influence consumer buying behavior.

#### **Evidence for Claims**

The other legal standard for advertisements is reliable evidence that supports any claims being made by the advertisements. Not every ad needs evidence. However, if a garbage bag company boasts that its bags are 50 percent larger than the leading competition, the garbage bag company needs to have actual evidence to support such claim. According to the

Federal Trade Commission, the exact level of evidence needed varies depending on the claim. At the very least, an advertiser must be able to produce the level of evidence it says it has. Using the previous example, the garbage bag company must identify the leading competition and demonstrate that its bags are actually 50 percent larger.

### **Ethical Considerations**

Ethical considerations fall into a gray area for advertisements. It is possible for an advertisement to be legally permissible (in that it is truthful, not misleading and supported by objective evidence), but for it to be unethical. Ethical considerations relate to the manner in which the content is being delivered and the message of the advertisement. According to the International Charter, ads that play on fear would be unethical. An advertisement for car tires that claim (truthfully) to be safer from the competition in bad weather conditions may be unethical if it displays actual photos from accident scenes with gory imagery and sensationalized, emotionally charged content. It is also unethical to market products towards groups for which those products would be inappropriate, such as advertising cigarettes to teens.

### **Advertising Regulation**

The Federal Trade Commission regulates advertising in the United States, Advertising Standards Council of India (ASCI) regulates in India. False, misleading ads fall into the sphere of the FTC's jurisdiction. Advertisers face criminal and civil penalties for illegal ads. The same penalties may not apply for unethical ads. A legal ad that happens to be unethical could still harm the business, however, particularly in the form of consumer backlash and damage to reputation.

## **4.2 Ethical Consideration**

The advertising industry operates within strict federal regulations and is monitored by the Federal Trade Commission (USA) and Advertising Standard Council of India (ASCI) in India. Even with truth-in-advertising laws in place, advertisers have significant leeway to violate the ethical standards of a wide range of consumers. Advertisers have to be especially careful to act ethically at all times, taking extra care when advertising to children, advertising potentially harmful products and using psychological tactics to stimulate demand. Having a list of ethical and legal issues at hand when creating advertisements can help you to craft legal, responsible ad messages.

### **Truth in Advertising**

The Federal Trade Commission Act set forth requirements for truth in advertising and created the FTC to enforce the provisions of the act. The Bureau of Consumer Protection's Business Bureau notes that advertisements in the U.S. must be truthful, not deceptive and not unfair. Advertisers must also have evidence available to back up claims they make.

The FTC and ASCI defines deceitful statements as those that are likely to mislead consumers who act reasonably under normal circumstances and that are likely to affect consumers' purchase decisions. The FTC defines unfair advertisements as those that are likely to cause substantial, unavoidable injury when using a product, unless the injury is outweighed by the provable benefits.

### **Advertising to Children**

Although the FTC places special emphasis on truth-in-advertising laws when applied to children, the law allows for a great deal of unethical behavior here. Former FTC commissioner Roscoe B. Starek states that children are not likely to understand exaggerated statements or images, citing the example that children may believe a toy helicopter to come fully assembled when in fact assembly is required.

This interpretation of the law completely ignores the unethical ramifications of purely legal advertising, such as building brand loyalty in children before they even understand what a brand is, encouraging children to develop negative self-images or getting children hooked on products that can impede social development. The best way to act ethically in this area is to advertise to parents, not children.

### **Advertising Harmful Products**

Different countries look differently on the advertising of vice products and services, striking a balance between placing personal responsibility on citizens and regulating what citizens are allowed to indulge in. The United States highly regulates some forms of vice, prohibits others and gives still others a free hand. For example, cigarette advertising is only permitted on specific media, excluding television and radio, while alcohol advertising is allowed on all media.

Companies have to take a good look at the true nature of their product lines when deciding whether they are acting ethically as advertisers. Television ads for fast food hamburgers are completely legal and effective at building demand, for example, but doctors in the 21st century are beginning to find links between fast food and a national obesity epidemic. Pharmaceutical ads with lists of side effects, as another example, are often followed 10 years later by attorneys' ads for class-action lawsuits against the companies for wrongful injury.

### **Advertising Tactics**

Advertising tactics present additional ethical challenges. Advertisers have a range of less-than-ethical yet legal tools at their disposal, including subliminal advertising, emotional appeals, taking advantage of less educated individuals, spreading propaganda for political campaigns, and other tactics ethical advertisers consistently refrain from using. At the end of the day, consumers will be more attracted to companies that do not use underhanded, psychologically manipulative tactics to gain their business.

### **4.3 Legal Consideration**

#### **ASCI Code of Legal and Ethical Consideration -**

The Advertising Standards Council of India (ASCI), established in 1985, is committed to the cause of Self-Regulation in Advertising, ensuring the protection of the interest of consumers. ASCI seeks to ensure that advertisements conform to its Code for Self-Regulation, which requires advertisements to be legal, decent, honest and truthful and not hazardous or harmful while observing fairness in competition. ASCI is a voluntary Self-Regulation council, registered as a not-for-profit company under Section 25 of the Indian Companies Act. The sponsors of ASCI, who are its principal members, are firms of considerable repute within the industry in India, and comprise of Advertisers, Media, Advertising Agencies and other Professional/Ancillary services connected with advertising practices. ASCI is not a Government body, nor does it formulate rules for the public or the relevant industries.

#### **The Code for Self-Regulation in Advertising Purpose**

The purpose of the Code is to control the content of advertisements, not to hamper the sale of products which may be found offensive, for whatever reason, by some people. Provided, therefore, that advertisements for such products are not themselves offensive, there will normally be no ground for objection to them in terms of this Code.

#### **Declaration of Fundamental Principles**

This Code for Self-Regulation has been drawn up by people in professions and industries in or connected with advertising, in consultation with representatives of people affected by advertising, and has been accepted by individuals, corporate bodies and associations engaged in or otherwise concerned with the practice of advertising, with the following as basic guidelines, with a view to achieve the acceptance of fair advertising practices in the best interest of the ultimate consumer:

To ensure the truthfulness and honesty of representations and claims made by advertisements, and to safeguard against misleading advertisements.

stTo ensure that advertisements are not offensive to generally accepted standards of public decency.

To safeguard against the indiscriminate use of advertising for the promotion of products, which are regarded as hazardous to society or to individuals to a degree or of a type and which is unacceptable to society at large.

To ensure that advertisements observe fairness in competition so that the consumer's need to be informed of choices in the marketplace and the canons of generally accepted competitive behaviour in business is both served. The Code's rules form the basis for judgment whenever there may be conflicting views about the acceptability of an advertisement, whether it is challenged from within or from outside the advertising business. Both the general public and an advertiser's competitors have an equal right to expect

the content of advertisements to be presented fairly, intelligibly and responsibly. The Code applies to advertisers, advertising agencies and media.

### **Responsibility for the Observance of this code**

The responsibility for the observance of this Code for Self-Regulation in Advertising lies with all who commission, create, place or publish any advertisement or assist in the creation or publishing of any advertisement. All advertisers, advertising agencies and media are expected not to commission, create, place or publish any advertisement which is in contravention of this Code. This is a self-imposed discipline required under this Code for Self-Regulation in Advertising from all involved in the commissioning, creation, placement or publishing of advertisements. This Code applies to advertisements read, heard or viewed in India even if they originate or are published abroad, as long as they are directed to consumers in India or are exposed to a significant number of consumers in India.

### **The Code and The Law**

The Code's rules are not the only ones to affect advertising. There are many provisions, both in the common law and in the statutes, which can determine the form or the content of an advertisement. The Code is not in competition with law. Its rules, and the machinery through which they are enforced, are designed to complement legal controls, not to usurp or replace them.

### **Definitions**

#### **For the purpose of this Code:**

- An advertisement is defined as a paid-for communication, addressed to the Public or a section of it, the purpose of which is to influence the opinions or behaviour of those to whom it is addressed. Any communication which in the normal course would be recognized as an advertisement by the general public would be included in this definition, even if it is carried free-of-charge for any reason.
- A product is anything which forms the subject of an advertisement, and includes goods, services and facilities.
- A consumer is any person or corporate body who is likely to be reached by an advertisement, whether as an ultimate consumer, in the way of trade or otherwise.
- An advertiser is anybody, including an individual or partnership or corporate body or association, on whose brief the advertisement is designed and on whose account the advertisement is released.
- An advertising agency includes all individuals, partnerships, corporate bodies or associations, who or which work for planning, research, creation or placement of advertisements or the creation of material for advertisements for advertisers or for other advertising agencies.

- Media owners include individuals in effective control of the management of media or their agents; media are any means used for the propagation of advertisements and include press, cinema, radio, television, hoardings, hand bills, direct mail, posters, internet, etc.
- Minors are defined as persons who are below the age of 18 years.
- Any written or graphic matter on packaging, whether unitary or bulk, or contained in it, is subject to this Code in the same manner as any advertisement in any other medium.
- To publish is to carry the advertisement in any media; be it by printing, exhibiting, broadcasting, displaying, distributing, etc.

### **Standards of Conduct**

Advertising is an important and legitimate means for the seller to awaken interest in his products. The success of advertising depends on public confidence. Hence, no practice should be permitted which tends to impair this confidence. The standards laid down here should be taken as minimum standards of acceptability which would be liable to be reviewed from time to time in relation to the prevailing norm of consumers' susceptibilities.

### **Truthful & Honest Representation**

To ensure the Truthfulness and Honesty of representations and claims made by advertisements and to safeguard against misleading advertisements

- Advertisements must be truthful. All descriptions, claims and comparisons which relate to matters of objectively ascertainable fact should be capable of substantiation. Advertisers and advertising agencies are required to produce such substantiation as and when called upon to do so by The Advertising Standards Council of India.
- Where advertising claims are expressly stated to be based on or supported by independent research or assessment, the source and date of this should be indicated in the advertisement.
- Advertisements shall not, without permission from the person, firm or institution under reference, contain any reference to such person, firm or institution which confers an unjustified advantage on the product advertised or tends to bring the person, firm or institution into ridicule or disrepute. If and when required to do so by The Advertising Standards Council of India, the advertiser and the advertising agency shall produce explicit permission from the person, firm or institution to which reference is made in the advertisement.
- Advertisements shall neither distort facts nor mislead the consumer by means of implications or omissions. Advertisements shall not contain statements or visual presentation which directly or by implication or by omission or by ambiguity or by exaggeration are likely to mislead the consumer about the product advertised or the advertiser or about any other product or advertiser.
- Advertisements shall not be so framed as to abuse the trust of consumers or exploit their lack of experience or knowledge. No

advertisement shall be permitted to contain any claim so exaggerated as to lead to grave or widespread disappointment in the minds of consumers.

**For example:**

(a) Products shall not be described as 'free' where there is any direct cost to the consumer other than the actual cost of any delivery, freight, or postage. Where such costs are payable by the consumer, a clear statement that this is the case shall be made in the advertisement.

(b) Where a claim is made that if one product is purchased, another product will be provided 'free', the advertiser is required to show, as and when called upon by The Advertising Standards Council of India, that the price paid by the consumer for the product which is offered for purchase with the advertised incentive is no more than the prevailing price of the product without the advertised incentive.

(c) Claims which use expressions such as "Upto five years' guarantee" or "Prices from as low as Rs. Y" are not acceptable if there is a likelihood of the consumer being misled either as to the extent of the availability or as to the applicability of the benefits offered.

(d) Special care and restraint has to be exercised in advertisements addressed to those suffering from weakness, any real or perceived inadequacy of any physical attributes such as height or bust development, obesity, illness, impotence, infertility, baldness and the like, to ensure that claims or representations directly or by implication, do not exceed what is considered prudent by generally accepted standards of medical practice and the actual efficacy of the product.

(e) Advertisements inviting the public to invest money shall not contain statements which may mislead the consumer in respect of the security offered, rates of return or terms of amortisation; where any of the foregoing elements are contingent upon the continuance of or change in existing conditions, or any other assumptions, such conditions or assumptions must be clearly indicated in the advertisement.

(f) Advertisements inviting the public to take part in lotteries or prize competitions permitted under law or which hold out the prospect of gifts shall take clearly all material conditions as to enable the consumer to obtain a true and fair view of their prospects in such activities. Further, such advertisers shall make adequate provisions for the judging of such competitions, announcement of the results and the fair distribution of prizes or gifts according to the advertised terms and conditions within a reasonable period of time. With regard to the announcement of results, it is clarified that the advertiser's responsibility under this section of the Code is discharged adequately if the advertiser publicizes the main results in the media used to announce the competition as far as is practicable and advises the individual winners by post.

- Obvious untruths or exaggerations intended to amuse or to catch the eye of the consumer are permissible provided that they are clearly to

be seen as humorous or hyperbolic and not likely to be understood as making literal or misleading claims for the advertised product.

- In mass manufacturing and distribution of goods and services it is possible that there may be an occasional, unintentional lapse in the fulfilment of an advertised promise or claim. Such occasional, unintentional lapses may not invalidate the advertisement in terms of this Code.

In judging such issues, due regard shall be given to the following:

- (a) Whether the claim or promise is capable of fulfilment by a typical specimen of the product advertised.
- (b) Whether the proportion of product failures is within generally acceptable limits.
- (c) Whether the advertiser has taken prompt action to make good the deficiency to the consumer.

**NON-OFFENSIVE TO PUBLIC** to ensure that advertisements are not offensive to generally accepted standards of public decency. Advertisements should contain nothing indecent, vulgar, especially in the depiction of women, or nothing repulsive which is likely, in the light of generally prevailing standards of decency and propriety, to cause grave and widespread offence.

#### **Against Harmful Products / Situations**

To safeguard against the indiscriminate use of advertising in situations or of the promotion of products which are regarded as hazardous or harmful to society or to individuals, particularly minors, to a degree or of a type which is unacceptable to society at large.

#### **No advertisement shall be permitted which:**

- (a) Tends to incite people to crime or to promote disorder and violence or intolerance.
- (b) Derides any race, caste, colour, creed, gender or nationality.
- (c) Presents criminality as desirable or directly or indirectly encourages people - particularly minors - to emulate it or conveys the modus operandi of any crime.
- (d) Adversely affects friendly relations with a foreign state.
  - Advertisements addressed to minors shall not contain anything, whether in illustration or otherwise, which might result in their physical, mental or moral harm or which exploits their vulnerability.

### **For example, Advertisements:**

(a) Should not encourage minors to enter strange places or to converse with strangers in an effort to collect coupons, wrappers, labels or the like.

(b) Should not feature dangerous or hazardous acts which are likely to encourage minors to emulate such acts in a manner which could cause harm or injury.

(c) Should not show minors using or playing with matches or any inflammable or explosive substance; or playing with or using sharp knives, guns or mechanical or electrical appliances, the careless use of which could lead to their suffering cuts, burns, shocks or other injury.

(d) Should not feature minors for tobacco or alcohol-based products.

- Advertisements shall not, without justifiable reason, show or refer to dangerous practices or manifest a disregard for safety or encourage negligence.
- Advertisements should contain nothing which is in breach of the law, nor omit anything which the law requires.
- Advertisements shall not propagate products, the use of which is banned under the law.
- Advertisements for products whose advertising is prohibited or restricted by law or by this Code must not circumvent such restrictions by purporting to be advertisements for other products the advertising of which is not prohibited or restricted by law or by this Code. In judging whether or not any particular advertisement is an indirect advertisement for a product whose advertising is restricted or prohibited, due attention shall be paid to the following:

(a) Whether the unrestricted product which is purportedly sought to be promoted through the advertisement under the complaint is produced and distributed in reasonable quantities, having regard to the scale of the advertising in question, the media used and the markets targeted.

(b) Whether there exist in the advertisement under complaint any direct or indirect clues or cues which could suggest to consumers that it is a direct or indirect advertisement for the product whose advertising is restricted or prohibited by law or by this Code.

(c) Where advertising is necessary, the mere use of a brand name or company name that may also be applied to a product whose Advertising is restricted or prohibited, is not a reason to find the advertisement objectionable provided the advertisement is not objectionable in terms of (a) and (b) above.

### **Fair in Competition**

To ensure that advertisements observe fairness in competition such that the consumer's need to be informed on choice in the marketplace and the canons of generally accepted competitive behaviour in business is both served.

- Advertisements containing comparisons with other manufacturers or suppliers or with other products including those where a competitor is named are permissible in the interests of vigorous competition and public enlightenment, provided:
  - (a) It is clear what aspects of the advertiser's product are being compared with what aspects of the competitor's product.
  - (b) The subject matter of comparison is not chosen in such a way as to confer an artificial advantage upon the advertiser or so as to suggest that a better bargain is offered than is truly the case.
  - (c) The comparisons are factual, accurate and capable of substantiation.
  - (d) There is no likelihood of the consumer being misled as a result of the comparison, whether about the product advertised or that with which it is compared.
  - (e) The advertisement does not unfairly denigrate attack or discredit other products, advertisers or advertisements directly or by implication.
    - Advertisements shall not make unjustifiable use of the name or initials of any other firm, company or institution, nor take unfair advantage of the goodwill attached to the trademark or symbol of another firm or its product or the goodwill acquired by its advertising campaign.
    - Advertisements shall not be similar to any other advertiser's earlier run advertisements in general layout, copy, slogans, visual presentations, music or sound effects, so as to suggest plagiarism.
    - As regards matters covered by sections 2 and 3 above, complaints of plagiarism of advertisements released earlier abroad will lie outside the scope of this Code except in the under-mentioned circumstances:
      - (a) The complaint is lodged within 12 months of the first general circulation of the advertisements/campaign complained against.
      - (b) The complainant provides substantiation regarding the claim of prior invention/usage abroad.

#### **4.4 Keywords**

**Ethics** - Ethics or moral philosophy is a branch of philosophy that involves systematizing, defending, and recommending concepts of right and wrong conduct.

**Legal** - Law is a system of rules that are created and enforced through social or governmental institutions to regulate behavior. It has been defined both as "the Science of Justice" and "the Art of Justice". Law is a system that regulates and ensures that individuals or a community adhere to the will of the state. State-enforced laws can be made by a collective legislature or by a single legislator, resulting in statutes, by the executive through decrees and regulations, or established by judges through precedent, normally in common law jurisdictions.

FTC – The Federal Trade Commission is an independent agency of the United States government, established in 1914 by the Federal Trade Commission Act. Its principal mission is the promotion of consumer protection and the elimination and prevention of anticompetitive business practices, such as coercive monopoly.

ASCI - Self-Regulatory Voluntary Organization" The Advertising Standards Council of India", established in 1985, is a self-regulatory voluntary organization of the advertising industry in India. It is a non-Government body. ASCI is committed to the cause of self- regulation in advertising ensuring the protection of the interest of consumers.

## **4.5 Check your progress**

Q.1 What is ethical and legal consideration in Advertisement?

Q.2 Explain the ASCI Code of Ethics in Advertising.

## **4.6 Suggested Books**

1. Sawant, P.B and Bandhopadhyay, P.K: *Advertising Law & Ethics*, Universal Law Publishing Co.Pvt. Ltd., Delhi, 2002.
2. Tyagi, C.L. and Kumar Arun: *Advertising Management*, Atlantic Publishers & Distributors, New Delhi, 2004.
3. Chaudhary, K.K.: *Advertising and Promotion in Mass Media*, Abhijeet Publications, New Delhi, 2012.
4. Chakraborty, Sanjay: *Marketing Tid Bits*, Ahmedabad Management Association, 2011.
5. Prakash, T.: *Advertising Promotion and Mass Media*, Navyug Publishers and Distributor, New Delhi, 2008.
6. Patra, M.R., *Advertising & Marketing Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2016.

# **Unit-5: Integrated Marketing Communication (IMC)**

## **– Advertising Approach**

### **Structure:**

5.0 Objectives

5.1 Concept of IMC

5.2 Role of IMC in Advertising

5.3 Factors Impacting IMC

5.4 IMC Process and Organizational Approaches

5.5 Keywords

5.6 Check your progress

5.7 Suggested Books

## **5.0 Objectives**

**This unit briefly discuss –**

Explain and define the concept of Integrated Marketing Communication (IMC).

Role of IMC and different factors impacting IMC in advertising.

IMC helps a brand to grow 360 degrees.

## **5.1 Concept of IMC:**

### **Integrated Marketing Communications**

Integrated Marketing Communications is a simple concept. It ensures that all forms of communications and messages are carefully linked together. At its most basic level, Integrated Marketing Communications, or IMC, as we'll call it, means integrating all the promotional tools, so that they work together in harmony. Promotion is one of the Ps in the marketing mix. Promotions have its own mix of communications tools.

All of these communications tools work better if they work together in harmony rather than in isolation. Their sum is greater than their parts – providing they speak consistently with one voice all the time, every time. This is enhanced when integration goes beyond just the basic communications tools. There are other levels of integration such as Horizontal, Vertical, Internal, External and Data integration. Here is how they help to strengthen Integrated Communications.

“Marketing communications are the means by which firms attempt to inform, persuade and remind consumers – directly or indirectly – about the products and brands that they sell. In a sense, marketing communications represent the “voice” of the brand and are a means by which it can establish a dialogue and build relationships with consumers.”

Horizontal Integration occurs across the marketing mix and across business functions – for example, production, finance, distribution and communications should work together and be conscious that their decisions and actions send messages to customers.

While different departments such as sales, direct mail and advertising can help each other through Data Integration. This requires a marketing information system which collects and shares relevant data across different departments.

Vertical Integration means marketing and communications objectives must support the higher level corporate objectives and corporate missions.

Meanwhile Internal Integration requires internal marketing – keeping all staff informed and motivated about any new developments from new advertisements, to new corporate identities, new service standards, new strategic partners and so on.

External Integration, on the other hand, requires external partners such as advertising and PR agencies to work closely together to deliver a single seamless solution – a cohesive message – an integrated message.

## **5.2 Role of IMC in Advertising -**

Although Integrated Marketing Communications requires a lot of effort it delivers many benefits. It can create competitive advantage, boost sales and profits, while saving money, time and stress. IMC wraps communications around customers and helps them move through the various stages of the buying process. The organisation simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers.

This ‘Relationship Marketing’ cements a bond of loyalty with customers which can protect them from the inevitable onslaught of competition. The ability to keep a customer for life is a powerful competitive advantage. IMC also increases profits through increased effectiveness. At its most basic level, a unified message has more impact than a disjointed myriad of messages. In a busy world, a consistent, consolidated and crystal clear message has a better chance of cutting through the ‘noise’ of over five hundred commercial messages which bombard customers each and every day.

At another level, initial research suggests that images shared in advertising and direct mail boost both advertising awareness and mail shot responses. So IMC can boost sales by stretching messages across several communications tools to create more avenues for customers to become aware, aroused, and ultimately, to make a purchase.

Carefully linked messages also help buyers by giving timely reminders, updated information and special offers which, when presented in a planned sequence, help them move comfortably through the stages of their buying process... and this reduces their ‘misery of choice’ in a complex and busy world.

IMC also makes messages more consistent and therefore more credible. This reduces risk in the mind of the buyer which, in turn, shortens the search process and helps to dictate the outcome of brand comparisons. Un-integrated communications send disjointed messages which dilute the impact of the message. This may also confuse, frustrate and arouse anxiety in customers. On the other hand, integrated communications present a reassuring sense of order.

Consistent images and relevant, useful, messages help nurture long term relationships with customers. Here, customer databases can identify precisely which customers need what information when... and throughout their whole buying life.

Finally, IMC saves money as it eliminates duplication in areas such as graphics and photography since they can be shared and used in say, advertising, exhibitions and sales literature. Agency fees are reduced by using a single agency for all communications and even if there are several agencies, time is saved when meetings bring all the agencies together – for briefings, creative sessions, tactical or strategic planning. This reduces workload and subsequent stress levels – one of the many benefits of IMC.

### **5.3 Factors Impacting IMC –**

The following are some of the reason due to which it is inevitable to integrate the Marketing Communication of the organization.

Fragmentation of the mass market:

This mass-marketing strategy focuses on what is general in the needs of consumers rather than on what is different. The organization offer single Marketing Mix consists of one type of product with small or no variation, one pricing strategy, one promotion program aimed at every person and one distribution system aimed at the entire market.

In the last two decades, the mass marketing strategy has lost its impact due to fragmentation of the markets across the world. Consumers around the world now have a more options of what to buy, what to watch to listen or read. The emergence of new market segment which was previously homogeneous, having distinct needs, requirements, and preferences. These fragments reduce the effectiveness of mass marketing techniques and erode brand loyalty.

#### **Media Fragmentation:**

Market fragmentation has resulted in media fragmentation because the of alternative media channels available to the consumer and all messages seen as one single message to consumer. Today's consumers are being irritated with a bundle of television channels, and a steady stream of new magazines that hit the newsstands every week. Coupled with rising level of ad dodging and the future for some mass media might seem austere. Therefore advertising has to spread further, covering massive amount of channels to gain the same exposure.

## **Explosion of New Technologies**

The Technology is evolving today with much speed and has a very disruptive impact on our daily life. Something that has been considered as status symbol today is a myth of past now. Also this explosion allow customer to have greater control over the communication. Consumer can now select what to see, and what to hear more easily as in past.

## **Emergence of Global Markets**

Due to advent of IT the whole world has collapse to a global village. The culture around the world is merging and a unified culture is emerging. Although this has created some opportunities for organization, but is also posing some potential threat as they need now to be very cautious while designing there promotional programs and unless the promotional program are well coordinated and integrated it will not have any impact on the target market. The global market has also led to increase in advertising mess due more channels and more group placing ad on mass media.

## **Shifts of Power from Manufacturers to Retailer**

The power that historically rests with manufacturer has been shifted to retailer. The retailers due to this power now demands huge promotion fees and can offer better retail information from due to the usage of checkout scanner technology.

## **Shifting of Promotion Cost from Advertising to other Forms of Promotion**

Due to the increase usage of Internet, growth of customer databases, customer lack of time, companies are moving toward concentrated and niche segmentation, as consumer has the convenience to order what he needs and wants from direct marketers. This had led to change on the percentage of promotion spent on advertising. Traditionally this percentage used to be very high but now as the market conditions are changing it is eroding and taking the form of direct marketing, point of sales activities, online advertising etc.

## **Emergence of Lower Cost and More Target Communication Tools**

As the traditionally used media tools is losing its impact, the exploration of lower-cost and more targeted communication tools continues. Marketer now have the option to use promotional tools like event marketing and direct mail etc. that are more targeted and have less cost as compared to of mass media.

## **Development of Database and Relationship Marketing**

One of the most important Direct Marketing is the Customer Databases. It is a controlled collection of absolute data about individual customers or prospects, together with geographic, demographic, psychographic, and behavioural data. These databases help companies in influencing and building customer relationships and the organization can also tailor its

message or market offering according to the personal needs of the target market.

### **Increase Usage of Internet**

The usage of Internet around the world is increasing with the passage of time, and this had led to change how a company does its business and how the organization communicate and interact with its target market. Companies around the world are using the Internet as a competitive tool to change how they transact the business. They can a company does business and how they communicate and interact with customers as they can reach prospects at just the right moment and can offers a low-cost, well-organized way to reach markets.

### **Agency Accountability**

The terms and conditions of the relation that the company and agency used to have are changing, due to changes in the competitive setup of the industry. The organization now demands for greater accountability from the advertising agencies and changes in return and incentives of the agency.

### **Marketing Strategy Results Measurement**

Organization now calls that the activities that the marketing department carries out should be measurements appropriately and expectations from marketing strategy.

### **Change in Shopping Approach**

The reason behind why the consumer goes for shopping has been change. Traditionally people used to went for shopping in order to get the desired products and/or services from the market. But now the shopping approach has been changed, it is now taking form of freedom and entertainment.

### **Growth of Digital Media**

Multi-track media society that is constantly developing and changing with the passage of time has led to advent of digital media. In digital media consumer have extraordinary control over the information and entertainment choice. With new digital media in place, people have thousands of viewing options they can select from.

## **5.4. IMC Process and Organizational Approaches –**

“Integrated Marketing Communications is a way of looking at the whole marketing process from the view point of the customer” – Philip Kotler.

It is a brave new world with rapidly changing technologies, social media, and apps entering the market at a lightning fast-pace that can give you a headache. Traditional media methods to reach consumers have changed with the Internet and social media adding complexity to the marketing mix. Traditional media, Internet, and social media provide opportunities to reach consumers in various ways. Brand messages can be inconsistent or get lost across the different media options for your target audience.

If you are not currently using an Integrated Marketing Communications (IMC) approach, you may have had some of the common thoughts and feelings most marketers have without IMC. Ask yourself the following questions, and this will help you determine if IMC is appropriate for your organization.

Do you feel like your organization is lacking a cohesive marketing strategy?

Does your company have a single voice in the marketplace?

Is your marketing outperforming the competition?

Is quality research and data driving strategy or gut instincts?

The good thing is that all is not lost. In spite of all the technology advances, the heart of any quality marketing effort is a sound strategy. A quality strategy making use of the right technology, tools, and resources is the key component to achieving your goals.

### **Benefits of IMC**

An IMC approach provides benefits at every level of the organization including:

Operational level – reduces transaction costs, interdepartmental conflict, and duplication of effort.

Campaign level – creates synergy with the communications mix and provides a higher return on campaign investment vs. the competition.

Brand level – provides clarity and consistency to brand messages to create brand loyal customers.

Customer level – positively impacts consumer awareness, customer attitudes, and customer experiences at every touch point.

Market level – decreases the rate of defection, increases market position, sales, and sales growth.

Financial level – increases the ability to achieve higher sales, sales growth, profitability, return on investment (ROI), and return on brand investment (ROBI) vs. the competition.

### **Brand Strategy First, Then IMC**

Forming a well-constructed brand strategy is the first step before IMC can be used. Once a brand strategy is formed, an IMC plan can be created to influence perceptions of the brand across all media and channels. If an organization has a corporate brand with sub-brands (product or service), then IMC provides the ability to achieve a consistent corporate branding across all the sub-brands.

## IMC Planning Process

The IMC strategy planning process using the zero-based campaign approach, includes identifying the target audience, performing an environmental analysis (five-force analysis and SWOT), and determining the marketing communications objectives. The next steps in the IMC process include developing strategies and tactics, deciding on a budget, implementation, and evaluating the IMC plan's effectiveness.

### Integrated Marketing Communications Plan



Source: Google Image

## 5.5 Keywords

IMC - Integrated Marketing Communication (IMC) is the application of consistent brand messaging across both traditional and non-traditional marketing channels and using different promotional methods to reinforce each other.

Marketing - Marketing is the study and management of exchange relationships. Marketing is the business process of creating relationships with and satisfying customers. With its focus on the customer, marketing is one of the premier components of business management.

Integrated marketing - Integrated Marketing is an approach to creating a unified and seamless experience for consumers to interact with the brand/enterprise; it attempts to meld all aspects of marketing communication such as advertising, sales promotion, public relations, direct marketing, and social media, through their respective mix of tactics, methods, channels, media, and activities, so that all work together as a unified force.

## 5.6 Check your progress

- Q.1 Explain Integrated Marketing Communications and its relevance in present scenario.
- Q.2 What are the process of Integrated Marketing Communication?

## 5.7 Suggested Books

1. Kotler, Philip: *Marketing Management*, Prentice-Hall of India, New Delhi, 2006.
2. Tyagi, C.L. and Kumar Arun: *Advertising Management*, Atlantic Publishers & Distributors, New Delhi, 2004.
3. Chaudhary, K.K.: *Advertising and Promotion in Mass Media*, Abhijeet Publications, New Delhi, 2012.
4. Chakraborty, Sanjay: *Marketing Tid Bits*, Ahmedabad Management Association, 2011.
5. Prakash, T.: *Advertising Promotion and Mass Media*, Navyug Publishers and Distributor, New Delhi, 2008.
6. Patra, M.R., *Advertising & Marketing Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2016.
7. Shah, Kruti and D'Souza Alan, *advertising & promotions: an IMC perspective*, McGraw Hill Education (India) Private Limited, New Delhi, Sixth Reprint 2013.

## **Unit-6: Branding and Advertising Contribution**

### **Structure:**

Objectives

6.1 Introduction

6.2 The Role of Brand

6.3 Benefits of Branding

6.3.1 Benefits of Brand for the Organization

6.3.2 Benefits of Brand for the Customer

6.4 Branding Approach

6.5 Branding Valuation

6.6 Keywords

6.7 Check your progress

6.8 Suggest Books

### **6.0 Objectives**

**This unit briefly discuss –**

Concept, and definition of Brand.

The need and advantages of Branding.

Approaches for evaluating the Brand.

### **6.1 Introduction**

Branding is a process that is used by the businesses to utilize marketing strategies to enhance their product or service image so that it is more readily recollected by the customer. Branding helps the product or service to make a favourable impact on the target customer while the branding concepts help in outlining the guidelines that should be followed during the branding process. It's for the products, services and ideas to build the trust and ultimately satisfy the customers' needs and wants. Branding of any product and service should follow some constants that help in establishing a brand in the long run

### **6.2 The Role of Brand**

The world of marketing is supposed to begin with a product or concept also one of the basic 4P of Marketing. Product or a Service is supposed to be the basic proposition which any organization or an individual wishes to present to it's target market. But as the proposed Product or Service enters into a competitive market arena wherein there are many similar products or

offerings, competing screaming to get or divert the customer's attention, there is an obvious need of creating a strong differentiator or a recognition which can bring confidence in mind of the customer. It's here that the role of a brand comes into play. The word brand is a promise, is an unique proposition, is a symbol of loyalty, is a differentiator which helps a product, service, concept or an idea to win over markets and customers in the long run.

## **6.3 Benefits of Branding**

The American Marketing Association defines a brand as “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Branding offers a dual advantage – both to the Organization as well as the Final Customer”.

### **6.3.1 Benefits of Brand for the Organization**

It's easier to duplicate a product, or copy an idea but a brand can never be copied. Once a brand is established, it's an invaluable asset for an organization.

More than a raw product or a new idea, it's actually a brand which sets newer standards, benchmarks and expectations for any organization. Once any brand sets an expectation level in the market, then it's up to the organization and its employees to ensure that the promises made to loyal existing customers and the new ones are met and higher standards are established to survive in the market.

For a firm, the brand provides legal protection towards unique features or aspects of the product.

Brand loyalty helps organization to retain their existing customers. Its unique promises and service offerings create barrier to easily tap existing customers.

A well-established brand adds towards the overall value of the firm while calculating its net worth. Once the brand is established, firm can start charging a premium as well and identify a niche target segment. The power of brand is so strong that loyal customers can go at any length to pay premium and loyalties to the brand as long as he/she is deriving the promises and are able to match their expectations from a Brand.

### **6.3.2 Benefits of Brand for the Consumer**

It helps to identify the source of manufacturer of the product and simultaneously assigns a responsibility towards an organization for the branded product.

Experience of customers with products of same brand help them to quickly decide whether they will want to go with their purchase decision or not.

Brands bring with them a certain level of quality assurance.

Brands help the customers to dream. It helps customers to aim for a better lifestyle and to set certain goals and ambitions to achieve in life.

## **6.4 Branding Approach**

A brand is a perceptual entity that is rooted in reality but reflects the perceptions and perhaps even the idiosyncrasies of consumers. Ultimately a brand is something that resides in the minds of consumers. Therefore the scope of branding expands beyond boundaries.

A branding approach shall be considered successful only when the consumers have an answer to three fundamental questions which are strong enough to make them believe that there are significant differences in the products or services provided by a brand than others.

What does the Product do? (The Idea / Concept)

What is the Product? (The Individual or the Organization)

Why should a target customer choose that particular product? (Create a Brand by highlighting it's USP)

The above three take deep understanding of consumer and therefore the scope of branding becomes critical.

**Branding approaches include the following:**

### **a. Individual Product Branding**

Under an individual branding approach, each brand builds its own separate equity which allows the company, to potentially sell off individual brands without impacting other brands owned by the company. The most famous marketing organization to follow this strategy is Procter & Gamble, which has historically introduced new brands without any link to other brands or even to the company name.

### **b. Family Branding**

Under this branding approach, new products are placed under the umbrella of an existing brand. The principle advantage of this approach is that it enables the organization to rapidly build market awareness and acceptance of a new product, since the brand is already established and known to the market. But the potential disadvantage is that the customers have already established certain perceptions of the brand. This brand image may create customer confusion and hinder the efforts of a Lower Priced company if they attempt to introduce higher-end, higher priced products using the same brand name. Additionally, with family branding any negative publicity that may occur for one product within a brand could spread to all other products that share the same name.

### **c. Private or Store Branding**

Some suppliers are in the business of producing products for other companies, including placing another company's brand name on the product. This is most often seen in the retail industry where stores or online

sellers contract with suppliers to manufacture the retailer's own branded products. In some cases the supplier not only produces product for the retailer's brand but also markets their own brand so that store shelves will contain both brands.

#### **d. Co-Branding**

This approach takes the idea of individual and family branding a step further. With co-branding a marketer seeks to partner with another firm, which has an established brand, in hope that synergy of two brands on a product is even more powerful than a single brand. The partnership often has both firms sharing costs but also sharing the gains.

#### **e. Generic Branding**

Certain suppliers supply products that are intentionally "brandless". These products are mostly basic commodity-type products that consumer or business customers purchase as low-price alternatives to branded products.

#### **f. Brand Licensing**

Under brand licensing, a contractual arrangement is created in which a company owning a brand name allows others to produce and supply products carrying the brand name.

### **6.5 Brand Valuation**

Brand valuation is the process used to calculate the value of brands. Brands are valued for many different reasons, such as for legal disputes, strategic management, internal communications, business management, brand securitisation and Merger and Acquisition (M&A). Brand valuation models follow standard guidelines. Models for valuing brands follow the same principles of valuation that are used for valuing other tangible assets – economic income approach, market approach and cost approach.

The application of the brand valuation models require specialist knowledge and experience.

The ISO 10668 standard sets out the appropriate process of valuing brands, and sets out six key requirements:

Transparency,

Validity,

Reliability,

Sufficiency,

Objectivity, and

Financial, behavioural, and legal parameters.

Brands today are not restricted to marketing or profits made by a company, but are a part of our everyday life. In the light of emergence of concepts of consumer awareness and the new world economy, brands have a quintessential role to play. The term brand, infers to names, terms, signs, symbols and logos that identify goods, services and companies; 'Brand Value' is not just a financial number. Brands have three primary functions – navigation, reassurance and engagement. Brand Valuation can be defined as the process used to calculate the value of a brand or the amount of money another party is willing to pay for it or the financial value of the brand.

The concept of 'Brand Value', although similarly constructed to that of 'Brand Equity', is distinct. To put it simply, while brand equity deals with a consumer based perspective, brand value is more of a company based perspective. Brand equity is a phrase used in the marketing industry which describes the value of having a well-known brand name, based on the idea that the owner of a well-known brand name can generate more revenue simply from brand recognition; that is from products with that brand name than from products with a less well known..

## **6.6 Keywords**

**Brand**—A brand is an overall experience of a customer that distinguishes an organization or product from its rivals in the eyes of the customer. Brands are used in business, marketing, and advertising. A brand is an identifying symbol, mark, logo, name, word and/or sentence that companies use to distinguish their product from others.

**Branding** -The difference between brand and branding is that one is a marketing tool and the other is an action. Branding is the act of creating a brand. The process involves positioning your company or product in the market (carving out your own place), devising brand strategy (how you will reach your goals), creating your name (your verbal identity), designing corporate identity or product identity (your visual identity), writing brand messaging (verbal and written tone), and setting brand standards (how you keep your brand consistent and strong).

**Brand Value** - It considers the valuation of future net earnings that can be attributed directly to the brand to determine the value of the brand in its current use. The brand value using this method is equal to the present value of income, cash flows, or cost savings actually or hypothetically due to the asset.

## **6.7 Check Your Progress**

Q.1 Are you a Brand Loyal Customer? List down at least 5 important Brands, you have been

using in your daily life for at least last 10 years and note down it's unique propositions and benefits.

Q.2 What are the various techniques of Brand Valuation.

## 6.8 Suggested Books

1. Sawant, P.B and Bandhopadhyay, P.K: *Advertising Law & Ethics*, Universal Law Publishing Co.Pvt. Ltd., Delhi, 2002.
2. Tyagi, C.L. and Kumar Arun: *Advertising Management*, Atlantic Publishers & Distributors, New Delhi, 2004.
3. Chaudhary, K.K.: *Advertising and Promotion in Mass Media*, Abhijeet Publications, New Delhi, 2012.
4. Chakraborty, Sanjay: *Marketing Tid Bits*, Ahmedabad Management Association, 2011.
5. Prakash, T.: *Advertising Promotion and Mass Media*, Navyug Publishers and Distributor, New Delhi, 2008.
6. Patra, M.R., *Advertising & Marketing Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2016.

# Unit-7: Case Study - Advertising

## Structure:

- 7.0 Objectives
- 7.1 Why Case Study?
- 7.2 How to Prepare Case Study?
- 7.3 Opportunity based Case Study
- 7.4 Crisis based Case Study.
- 7.5 Keywords
- 7.6 Check your progress
- 7.7 Suggested Books

## 7.0 Objectives

### **This unit briefly discuss –**

Case Study approach to understand advertising.

Diagnosis and analysis of Case Study.

Opportunity vs. Obstacle based Case Study.

### **7.1 Why Case Study?**

Advertising and Branding are core areas of marketing which form Customer Perception. In a competitive marketing scenario, every organization tries to come up with innovative advertising campaigns and newer ideas to gain confidence of its target customers and to achieve higher sales targets. However, every geographical market presents newer challenges and learning which could be based on traditions, culture, language, and symbolism. Hence every renowned global brand also needs to refer to some old data, research or case studies to understand the dynamics of different markets. Every globally renowned brand may have made some advertising decisions and campaign designs which would have been a masterstroke to win over the hearts and minds of its customers. However many cases and decisions would have been utter failures and complete disasters which would have put even the best of brands in compromising and disgraceful positions in front of its stakeholders, customers and also the global media. Hence Case Studies helps brands to understand what strategies may work in certain markets and what could be a disaster.

### **Case Studies help to:**

Understand how different markets function in a different manner and how cultures, religions, and different nationalities effect advertising and branding campaigns.

Understand how Global Brands have experienced successes and failures from their various advertising campaigns.

Pave the way for future managers to ideate newer advertising campaigns and branding strategies to win over markets.

## **7.2 How to Prepare Case Study?**

In the field of advertising and branding, ‘Organizations’ and ‘Advertising Agencies’ are monitored on basis of their creative campaigns. Many award functions are being organized to accolade the effectiveness of advertising campaigns and the campaigns which have failed are also referred to by the marketers to get effective learning about the markets. All these case studies are duly referred to in Management colleges and courses around the globe so that Modern age students can get critical inputs from the same. Many case study examples are quoted and researched upon and they are also being critically examined by the students during their examination, cases are reconstructed and multiple options and solutions are also being discussed so that the mistakes are not repeated in future and better solutions could be explored.

### **Preparing for Case Studies**

Global brands keep on experimenting different kinds of advertising campaigns across geographical locations around the World. Some campaigns are successful and some may also result in failure. But each case study brings different kinds of learnings and challenges. So it is imperative to closely monitor every campaign and build a case study around the same.

It is important to measure the success ratio or acceptance levels around each campaign carefully so that a case study could be created around the same for future references.

Successful campaigns and cases need to be studied carefully to be able to achieve a winning formula out of the same; whereas disastrous campaigns need to be carefully re-examined and multiple solutions should be prepared to understand what went wrong so that the same mistakes are not repeated by marketers in future and such case studies could act as a guiding light.

## **7.3 Opportunity based Case Study**

Here are 4 real life case studies wherein Global Brands conceptualized some ‘Positive Advertising Campaigns’ to tap new markets in innovative fashion.

### **Case-1**

#### **Pepsi: The Icon of Youth**

##### **Campaign details**

**Brand:** Pepsi

**Brand owner:** Suntory PepsiCo Vietnam Beverage

**Lead agency:** Mindshare Vietnam

**Contributing agencies:** Happiness Sai Gon

**Country:** Vietnam

**Industries:** Carbonated soft drinks

**Media channels:** Events & experiential, Livestreaming, Merchandise & free gifts, Mobile & apps, Online video, Packaging & design, Public relations, Social media, Websites & microsites, Word of mouth, advocacy

**Budget:** 500k - 1 million

### **Executive Summary**

Pepsi has been present throughout every epic moment of young people's lives; however, fierce competition has challenged its iconic brand status. In this milestone 120th anniversary year, Pepsi's mission was to regain brand love by reinforcing its position as a leading brand for youth.

The big idea, 'Pepsi – the choice of generations', was created to celebrate the best moments from the past, build new iconic moments for today, and set the stage for a new future, making Pepsi the choice for decades to come. This was achieved by creating limited-edition, trendy and iconic fashion merchandise which leveraged retro Pepsi packaging designs. The campaign's key hook was to use this retro packaging to catch the attention of young people who are always craving new styles, and currently enjoy the retro trend.

## **Case-2**

### **Sensodyne: Sensodyne Ramadan – Storytelling Works**

#### **Campaign details**

**Brand:** Sensodyne

**Brand owner:** GlaxoSmithKline

**Lead agency:** Mindshare Indonesia

**Contributing agencies:** Havas Creative Agency

**Country:** Indonesia

**Industries:** Oral Health

**Media channels:** Mobile & apps, Online video, Social media

**Budget:** Up to 500k

#### **Executive Summary**

The Ramadan month is one of the most important periods of the year in Indonesia, with people gathering with family and friends to celebrate the end of fasting each day. During this period, most people consume desserts like *kolak*, *ice cendol*, *esbuah*, as well as hot food. This kind of food can trigger pain in people that who suffer from sensitive teeth.

Sensodyne, the GlaxoSmithKline brand, wanted to celebrate Ramadan with Indonesian people and help them enjoy food during *iftar* (the evening meal for breaking the fast) with the message 'Sensodyne helps you to be closer to your family and friends during iftar.' Naturally, with healthy teeth, people can smile, laugh and share happiness.

### Case-3

#### **Bajaj Almond Drops: Sliding into the Guinness World Record**

##### **Campaign details**

**Brand:** Bajaj Almond Drops

**Brand owner:** Bajaj Corp Limited

**Lead agency:** Motivator India (GroupM)

**Country:** India

**Industries:** Hair care

**Media channels:** Events & experiential, Online display, Social media, Word of mouth, advocacy

**Budget:** Up to 500k

##### **Executive Summary**

Bajaj Almond Drops, the leading brand in the hair oil market in India, decided to gain market share from other hair oils in urban India by reinforcing the importance of a traditional habit: oiling hair for nourishment.

In India, hair oiling is a traditional grooming practice, however, over the last two decades or more, the product started to lose market to new products like hair serums, or just everyday shampoos and conditioners, as the younger target group (females) do not believe in the benefits of oiling hair and rely on cosmetic products to keep their hair healthy.

### Case-4

#### **Lifebuoy: First Line of Defence**

##### **Campaign details**

**Brand:** Lifebuoy

**Brand owner:** Unilever

**Lead agency:** Mindshare

**Contributing agencies:** Inmobi

**Country:** Indonesia

**Industries:** Bath toiletries, soaps

**Media channels:** Mobile & apps, Programmatic display

**Budget:** Up to 500k

##### **Executive Summary**

This case study describes how soap brand Lifebuoy created a data-led campaign in Indonesia to raise awareness about the need for washing hands with soap. Every year, millions of children die due to preventable infections such as respiratory infections and diarrhoeal disease. The problem is that people are unaware of these deaths and do not realise the life-saving role, daily hygiene plays in disease prevention.

Lifebuoy's 'First Line of Defence' is a first-of-its-kind intelligent system that can elaborately trigger multiple alerts based on specific location and health intelligence; and deliver creative messaging through mobile dynamic

creative optimisation. The uniqueness of the system is that it can act in real-time, based on various signals attuned to health-related conversations, weather and location and can empower mothers to spread the hand-washing message.

## **7.4 Crisis-based Case Study**

### **Failures in Marketing**

#### **Dove: *Body Positive Packaging***

For 15 years, Dove had a win with the positive body image [“Real Beauty” campaign](#); featuring real women in a positive light. It was widely noted as one of the most successful marketing campaigns. The company is striving to help reinforce a positive body image for women. But then disaster happened in England when Dove released limited edition packaging designed to present diverse representations of female bodies. Their packaging compared women's figures to abstract, shapeless soap bottles. Simply put, the packaging sent the wrong message.

The release became a punchline and a source of genuine concern on social platforms like Twitter and Facebook. They only released 7 different shapes to choose from, forcing women to choose the bottle that matched their shape. Instead of reinforcing a strong body image, it ended up increasing self-consciousness.

**Marketer’s Lesson:** Keep your overall goal in mind when you’re developing campaign strategies. If you lose sight of this, your efforts could be wasted and even damage your brand in the long run.

### **2. Ford: Print Misfire**

In the year where the misdeeds of Harvey Weinstein and #MeToo dominated the news, Ford ran the worst possible visual for their ad campaign. It featured three women who were bound, gagged, and stuffed in the trunk of their new Ford hatchback. The ad was pulled, and Ford had to issue a public apology because many people rightly found the ad offensive and felt that it encouraged violence against women.

**Marketer’s Lesson:** Timing and taste are two important considerations you need to have on top of mind. This depiction of women is both tasteless and poorly timed. It should have never even been pitched, and it just so happened to come out during one of the most important moments in social justice.

### **3. Audi: Chinese Wedding Commercial**

It’s always important to check out a car before you purchase it. Audi turned this idea on its head.

A mother-in-law walks on the altar and starts checking out her soon-to-be-daughter-in-law. She pinches her lip, pulls on her ears, and looks at her teeth and tongue, before nodding in approval.

Then, the tagline reads, “An important decision must be made carefully.” Unfortunately, this commercial misses the mark by objectifying women

and reducing their value to that of a vehicle. It was far more offensive than it was humorous.

Marketer's Lesson: Funny wins big, but don't sacrifice your brand's values and beliefs for a few chuckles. Remember, comedy is subjective. While you may not intend to offend your audience, if you're addressing a touchy subject, you might cause a backlash and hurt your brand and reputation.

### **Adidas: *Boston Marathon Email***

Customers who participated in the Boston Marathon in 2017 received a very poorly worded email from the major shoe and sports attire company. The subject line simply read, "Congrats, you survived the Boston Marathon!".

In the context of any other fitness event, this might seem harmless. In fact, many people use this kind of phrasing when they refer to completing an event. For example, some might say they survived their first Cross fit class. But this message is on the heels of the 2013 Boston Marathon bombing, which killed three people and injured more than 250 people. Needless to say, many people were offended. They immediately issued an apology, but the damage was done.

Marketer's Lesson: Always consider alternative meanings behind the copy you use in your marketing campaigns. This blunder could have easily been avoided if another person or team proofread the email body as well as the subject line.

## **7.5 Used Glossary**

### **Advertising Campaign –**

An advertising campaign is a series of advertisement messages that share a single idea and theme which eventually make up an integrated marketing communication (IMC). An IMC is a platform in which a group of people can group their ideas, beliefs, and concepts into one large media base. Advertising campaigns utilize diverse media channels over a particular time frame and target identified audiences.

Advocacy Campaign – Advocacy is an activity by an individual or group which aims to influence decisions within political, economic, and social systems and institutions. Lobbying (often by lobby groups) is a form of advocacy where a direct approach is made to legislators on an issue which plays a significant role in modern politics.

Tagline – In [entertainment](#), a tagline is a short text which serves to clarify a thought for, or is designed with a form of, [dramatic effect](#).

## 7.6 Check Your Progress

1. Advertising Case Studies help marketers develop a global perspective. Share your views.
2. Analyze some recent advertisement campaigns in terms of its success appeal amongst masses and some campaigns which may have been a failure.

## 7.7 Suggested Books

Tyagi, C.L. and Kumar Arun: *Advertising Management*, Atlantic Publishers & Distributors, New Delhi, 2004.

Chaudhary, K.K.: *Advertising and Promotion in Mass Media*, Abhijeet Publications, New Delhi, 2012.

Chakraborty, Sanjay: *Marketing Tid Bits*, Ahmedabad Management Association, 2011.

Prakash, T.: *Advertising Promotion and Mass Media*, Navyug Publishers and Distributor, New Delhi, 2008.

Patra, M.R., *Advertising & Marketing Communication*, MakhanlalChaturvedi National University of Journalism and Communication, Bhopal, 2016.

Kotler, Philip: *Marketing Management*, Prentice-Hall of India, New Delhi, 2006.

Shah, Kruti and D'Souza Alan, *advertising & promotions: an IMC perspective*, McGraw Hill Education (India) Private Limited, New Delhi, Sixth Reprint 2013.

# **Unit-8: Introduction of Public Relations**

## **Structure:**

- 8.0 Objectives
- 8.1 Meaning and Concepts
- 8.2 Definition of Public Relations
- 8.3 Objectives and Functions of PR
- 8.4 Public Relations Agency Set-up
- 8.5 Keywords
- 8.6 Check your progress
- 8.7 Suggested Books

## **8.0 Objectives**

### **This unit briefly explains –**

meaning, concept, understanding and definition of Public Relations.

the need, advantages and functions of Public Relations.

role of Public Relations Agency, Agency Structure.

## **8.1 Meaning and Concepts of Public Relations**

Famous philosopher, Aristotle, said, ‘Man is a social animal’. There is hardly an individual or an organization, which is able to accomplish their goals without the help from public. Business people depend on customers for sales and profits; organizations depend on employees for productivity and quality of their products; industry relies on several engineers and skilled men and women to produce products that satisfy human needs, like food, clothing, cars, and homes; society depends on the government to provide utilities, law and order; the younger generation depends on schools and colleges for education and career advancement; and men and women of all ages depend on religious institutions for spiritual and moral guidance. All these have culminated into a great need for relationships and communications among people at all levels.

The birth of democracies worldwide and the concept of ‘powers to the people’ have generated the importance of people’s opinions on various issues concerning the human race. Today, matters are not resolved by the use of force or wars, but by exchange of ideas and opinions, popularly called ‘public opinion’. As such, our society can be said to have been arranged into opinion groups sharing various values and ideas among the group members. Never before in history has the opinion of an individual or groups of people or ‘public’ been more vital to the success of business, social, religious, and political institutions than at present times.

The inter-dependence of people, business, governments, and social and religious organizations, has given birth to a new philosophy and a function of management, which has come to be known as ‘public relations’.

## **8.2 Definition of Public Relations (PR)**

Dr. Rex F. Harlow, an American PR Professional states that – Public relations is a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and cooperation between organization and its publics; involves the management of problems or issues; helps management to keep informed on and responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest; helps management keep abreast of and effectively utilize change; serving as an early warning system to help anticipate trends; and uses research and sound and ethical communication as its principal tools.

In the 35<sup>th</sup> National Conference of the PRSA, in November 1982, presented a more competent and comprehensive definition highlighting the roles and goals of public relations in the total structure of today’s complex, pluralist, and inter-dependent society. Another definition says that, “Public Relations is ninety per cent doing good and ten per cent communicating about it. Public relations cannot and should not gloss over the bad deeds of an organization to make them look good, but can and should professionally help to get credit for a job well done by the organization”.

“Public relations is the attempt by information, persuasion and adjustment to engineer public support for an activity, cause, movement or institution” – Edward L. Bernays.

“Public Relations is the communication and interpretation and communication of ideas from an institution to the publics and the communication of information, ideas and opinions from those publics to the institution, in a sincere effort to establish a maturity of interest and thus achieve the harmonious adjustment of an institution to its community” – Scott M. Cutlip and Allen H. Center.

“Relations with the general public, as through publicity; specially, those functions of a corporation, organization, etc., concerned with attempting to create favourable public opinion for itself” – Webster’s New Word Dictionary.

## **8.3 Objectives and Functions of PR**

**Within the overall objective of understanding the public and making itself favorably understood, public relations have these objectives -**

1. Creating awareness about the company, its goals, products and services where necessary counts.
2. Sustaining the awareness as an on-going process, keeping in mind what the competitors are doing, and knowing that public memory is short.

3. Striving to be accepted by the various publics. Special efforts are required to be accepted by employees. A foreign company has its own requirements for being accepted on this soil.

4. Creating a bond of trust. In times of rumours, misinformation, etc., a company has to establish the truth. In normal times, too, a company has to promote its reliability. Just consider the frequent use of words like believe, trust, reliable, safe, 100%, etc. in building a company image.

5. Getting cooperation from various quarters. A company has many publics on whom it has to depend. Government organizations, providers of various services etc. have to be wooed in such a way that they willingly help the company.

6. Earning recognition. It is not enough to perform feats but it is necessary to get these noticed and talked about. Through winning awards, certifications, etc. and getting these read and seen, a company gets recognition. Having so-and-so as a client or collaborator may itself be a recognition. This has to be publicized.

### **Function of PR is to build a beneficial relationship with the public -**

#### **Media Representation**

Representing a company or individual to the media is one of the more well-known functions of public relations. Media management includes developing and distributing both written and video news releases, pitching stories to journalists and responding to reporter inquiries. Depending on the organization, spokesperson duties may also be handled by the public relations department. Media representation also includes monitoring and measuring news coverage of the organization or individual.

#### **Crisis Communication**

Protecting a company from a threat to its reputation is another public relations function. While media representation is a part of crisis communication, preparing a crisis communication plan and training leadership and employees in its components is handled by a public relations department. A crisis communication plan developed by a public relations team typically includes - determining specific logistics for expected reporters, the designation of an official spokesperson for the crisis, the development of targeted messages for internal and external audiences and training for company leadership on how to handle tough or hostile questions.

#### **Content Development**

Preparing documents, written and electronic, is another function of public relations. Examples of content developed by a public relations department include company newsletters, blogs, speeches and annual reports. Content may also be written for another member of the company, such as a letter to employees from the CEO. Often, a public relations department will work with another department to ensure that a project fits with an overall company message. For example, a public relations department may work

with advertising and marketing departments on creating a description, report, or other content about a new product or service.

### **Stakeholder Relations**

Stakeholders are any persons or groups who have an interest in or could be affected by an organization's objectives or actions, such as the company's employees, lenders and government agencies. Representing an organization to stakeholder groups is another function of public relations. For example, you'll want to give employees and prospective employees a positive image of the business, and make it seem relevant, successful and important, so people want to work for you.

### **Social Media Management**

Establishing, monitoring or growing an organization's or individual's online presence is another function of public relations. Specific tasks may include creating or updating Facebook pages, tweeting information and keeping an eye on what others are saying in cyberspace about an organization.

## **8.4 Public Relations Agency Set-up**

PR agencies, as opposed to advertising agencies, promote companies or individuals via editorial coverage. This is known as "earned" or "free" media -- stories appearing on websites, newspapers, magazines and TV programs -- as compared to "paid media" or advertisements.

PR agencies and advertising agencies share the same goals: promoting clients and making them seem as successful, honest, important, exciting or relevant as possible. But the paths to creating awareness are vastly different. Most people understand advertising is paid for by the client and should be viewed with scepticism. Articles or TV appearances in respected publications have the advantage of third-party validation and are generally viewed more favourably.

The Public Relations Society of America defines the management of public relations as:

"Anticipating, analyzing and interpreting public opinion, attitudes and issues that might impact, for good or ill, the operations and plans of the organization.

Counselling management at all levels in the organization with regard to policy decisions, courses of action and communication, taking into account their public ramifications and the organization's social or citizenship responsibilities.

Researching, conducting and evaluating, on a continuing basis, programs of action and communication to achieve the informed public understanding necessary to the success of an organization's aims. These may include marketing; financial; fund raising; employee, community or government relations; and other programs.

Planning and implementing the organization's efforts to influence or change public policy. Setting objectives, planning, budgeting, recruiting

and training staff, developing facilities — in short, managing the resources needed to perform all of the above."

**List of some PR Agencies –**

Aarohan Communications

Aavriti Sellmore Services

Absolute Factor

Accolade Public Relations

Ace Bandwidth Communications

Actimedia Pvt Ltd

Active Relations

Aditi Consulting Services

Aditya Integrated Communication

Adoniya Cavern

Adroit PR

Advento Communications

Agate Communications & PR Private Limited

Aim High Consulting

Alliance Public Relations Pvt Ltd

Alphabet Media

Anka Services

Approach Communications

Archer Communication

Aria Communications

Aspire Communications

Avian Media

Azury Communications

Consocia Advisory Pvt. Ltd

THOT Consultants

Alphabet Media

Einovate Brand Consulting

Treize Communications

PITCH PERFECT PR

Team PR Goa

## Impressions Public Relation

Blue Pigeon Image Management Pvt. Ltd

(Source: <http://resources.afaqs.com/index.html?category=PR+Agencies>)

### **8.5 Keywords**

PR - Public relations is the practice of managing the spread of information between an individual or an organization and the public.

PR Agency - Agency is the capacity of an actor to act in a given environment. The capacity to act does not at first imply a specific moral dimension to the ability to make the choice to act, and moral agency is therefore a distinct concept.

PRSA - The Public Relations Society of America is a non-profit trade association for public relations professionals headquartered in New York City. It was founded in 1947 by combining the American Council on Public Relations and the National Association of Public Relations Councils.

### **8.6 Check Your Progress**

Q.1 Define Public Relations.

Q.2 Describe the objectives and functions of Public Relations

Q.3 Explain the role of Public Relations Agency in modern PR practices.

### **8.7 Suggested Books**

1. Dhar, Neemo: *Public Relations and Corporate Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2014.
2. Reddi, C.V.Narasimha: *Effective Public Relation is and Media Strategy*, PHI Learning Private Limited, New Delhi, 2009.
3. Butterick, Keith: *Introducing Public Relations – Theory and Practice*, SAGE Publications India Pvt. Ltd., New Delhi, 2011.
4. Berneys L. Edward: *Crystalizing Public Opinion*, 1923
5. Kotler, Philip: *Marketing Management, Prentice-Hall of India*, New Delhi, 2006.
6. Patra, M.R.: *Advertising & Marketing Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2016.
7. Sachdeva, Iqbal: *Public Relations Principles and Practices*, Oxford University Press, New Delhi, 2209.

# **Unit-9: Evolution of Public Relations**

## **Structure:**

- 9.0 Objectives
- 9.1 Nature of PR
- 9.2 Historical Development of Public Relations
- 9.3 PR Perspective
- 9.4 Classification of Public Relations
- 9.5 Keywords
- 9.6 Check your progress
- 9.7 Suggested Books

## **9.0 Objectives**

**This unit briefly discuss –**

the nature of Public Relations.

the history of Public Relations.

Types of PR, PR Tool and PR Scope.

## **9.1 Nature of PR**

A public is any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives. Public relations involves a variety of programs designed to promote or protect a company's image or its individual products.

The wise company takes concrete steps to manage successful relationships with its key publics. Most companies have a public relations department that monitors the attitudes of the organization's publics and distributes information and communications to build goodwill. The best PR departments spend time counselling top management to adopt positive programs and to eliminate questionable practices so that negative publicity does not arise in the first place.

No one can provide a magic formula for figuring out what form and nature of PR and organization will need. The approaches are many but the time constraints and budget limitation will prevent the organization or the PR person from pursuing all the avenues at one and the same time. It would be sensible to decide about specific jobs which are relevant to particular PR programmes for an organization.

In any kind of human activity may it be in industry, commerce, education, health, local government or social service, they need to understand and use public relations and communication. Public relations involve two-way

communication between an organization and its public. It requires listening to the constituencies on which an organization depends as well as analysing and understanding the attitudes and behaviours of those audiences. Only then can an organization undertake an effective public relations campaign.

Public relations should be seen as a management function in any organization. An effective communication, or public relations, plan for an organization is developed to communicate to an audience (whether internal or external publics) in such a way the message coincides with organizational goals and seeks to benefit mutual interests whenever possible.

Various form of PR communication that is primarily directed to image building and that tends to deal with issues rather than specifically with products or services. Public relations uses publicity that does not necessitate payment in a wide variety of media and is often placed as news or items of public interest. It would be better to make a checklist to find out what exactly the organization wants and what the PR person himself wants to achieve.

## **9.2 Historical Development of Public Relations**

Public relations is considered to be a relatively modern business venture, only really picking up in the past few decades. The reality however, is far from the prevalent view. PR dates back all the way to the Romans and Egyptians, with a lot of the same general practices as we see today. Cleopatra, Julius Caesar and Jesus Christ himself are all public relations practitioners that we can look back and trace our roots to.

"The three main elements of public relations are practically as old as society: informing people, persuading people, or integrating people with people" -Edward Bernays.

Ancient Era -In Egypt, PR made its home as early as 2,200 B.C. For the mathematically challenged that's over 4,000 years ago. An Egyptian politician by the name of Ptah-hotep wrote about the need for honesty, addressing an audience's interests and for acting in a manner consistent with both. That's about as close a definition to public relations as you can muster. Fast forwarding about 2,000 years to a marginally popular pharaoh by the name of Cleopatra. Cleopatra learned Egyptian despite her Greek ancestry to better connect with the people she ruled over. In addition, she built relationships with other powerful nations such as our next one.

The Roman Empire was hugely involved in public relations from as early as Caesar's rule (not technically the Empire yet). Caesar, in addition to his love affair with Cleopatra that connected the two most powerful nations in the world at the time, would report military victories back to Rome in order to boost public favour. The Gallic Wars were commentaries written by Caesar. Also under Caesar, the 'Acta Diurna', the first public newsletter, was released to citizens in order to keep them updated on affairs of the empire. It would be posted in popular areas of town such as the Roman Forum so citizens would be more likely to see it.

In all of these ancient societies (Greece, Egypt, Rome, etc.) and to a point even today, statues, temples and monuments of rulers and gods in every city and town square remind the public of their presence and influence. Likewise, artworks throughout history have been huge PR tactics as traditionally they were one of the only ways to send a visual message to a large group of people.

### **PR in India:**

The globalization of the Indian economy in the 1990s gave its rightful place to PR in India. The emergence of multi-national corporations on the scene in the early 1990s, the opportunity of foreign direct investment increased especially with the deregulation of industries. The market became suddenly competitive and business felt it necessary to build their reputation in order to gain more and more access to new market and new customers. This led to the proliferation of PR and advertising agencies in the country.

Over a century old, the profession of Public Relations has come a long way. Although every organization and all famous people use public relations to create a desired image for themselves, they often would not like others to believe that they use PR. This is so because critics see PR as an effort at half-truth and concoction to organize favourable media coverage for undeserving people or causes!

Efforts at persuading others and influencing public opinion date back to antiquity. The Greeks though did not use the word public relations or public opinion, but believed in the power of public opinion when they coined the maxim “Vox Populi, Vox Dei”- the voice of the people is the voice of God. In the US, the seeds of PR could be traced in the American Revolution, when the slogan “No taxation without representation” rent the air.

Before we look at the evolution of public relations in India, an overview about the renaissance and evolution of PR per se would be a good way to start the discourse.

### **PR- the beginning**

Edward L. Bernays considered one of the fathers of PR is believed to have contributed richly in reconciling the development of PR. His book *Crystallizing Public Opinion* that he wrote in 1923 laid down the principles, practice and ethics of the profession. In his view a PR practitioner was a “special pleader” with two big hurdles to overcome, viz., a) the public’s reluctance to acknowledge a dependence on people or groups, b) the establishment of the profession itself.

In the midst of the Great Economic Depression of 1930s, the governments and organizations felt the necessity for proactive information about the policies and renewed outlook. The governments needed the tool of persuasive publicity for which various kinds of media were needed to reach out to stakeholders.

The Bolshevik Revolution of 1917 was indeed a manifestation of people’s frustration with the tyrannical Czar and their desire to be free. It is

however, a different matter that the USSR turned into a regimented society, until about six decades later, when people supported by the right leadership brought about glasnost followed by the disintegration of the country into a number of independent states.

The advent of 20th century was marked by the invention of mass communication, beginning with the printing of newspaper, followed by the invention of radio, cinema and later television. The power of the pen came to be recognized when newspapers regularly carried stories on the seamier side of things- the evils of business, the corruption in politics, the double standards in religion, exploitation of children, women and Blacks. The journalists who were writing negative stories came to be known as the “muckrakers”. Such articles had tremendous impact on the general public. The organizations and people against whom such dispatches were written, felt the need to give their points of view, thus paving the way for the birth of Public Relations.

### **PR in India – the Pre-Independence phase**

India as a country has been through various upheavals being invaded from outside from various races and countries for hundreds of years. ‘India as an idea’ to ‘India as an entity’ has always drawn much enthusiasm and intrigue. James Mill in his book *History of British India* (1817) divided the history of India into three distinct characteristics viz., Hindu, Muslim and British civilizations. Not many agree with this characterization. Some scholars have divided India to ‘ancient, classical, medieval and modern periods’. Famous historian Romilla Thapar posits that a country can’t be periodized based on rule alone. History needs to reflect ‘significant social and economic changes which may not be strictly related to change in the ruling power’. The coming of invaders from distinct religions, races and culture and settling down here had its pros and cons. There is however no denying that in the melting pot, many races, languages and cultures got assimilated making India a culturally composite nation. India is an interesting case study for communicators, given the multiplicity of religions, culture, castes, languages and ethnicity. History is replete with examples of kings going incognito (in disguise) to feel the pulse of the people about governance and to listen to their grievances. Ashoka, one of the greatest kings in India spread Buddhism far and wide through his emissaries. His iron pillars have stood the test of times that inscribe the obligations of the government towards its people.

The growth of PR as a profession in India has been a topic of much debate and deliberations. Many scholars have analyzed the historical evolution and growth of Public Relations in India from varied perspectives. J. M. Kaul, for instance, chronicles four stages of historical evolution of Public Relations, viz., early stage, the stage of conscious PR, the third stage of PR and finally Professionalism in PR. Similarly, Rahul Jain, in his paper PR Landscape, published by Global Alliance for Public Relations and Communication Management for information only, categorizes the historical progression of Public Relations in India into three broad phases –

propaganda, publicity and public information, and public relations in the modern post-independent India.

The process of professional public relations, it is believed started in the pre-independence era when the British Government needed to win over the support of the Indians towards World War I. It was also the time when family owned corporate houses such as Tata's and Birla's were emerging on the scene.

The advent of Mahatma Gandhi on the political front changed the strategy of freedom struggle in the country then. Non-violence, Civil disobedience, Satyagraha (Insistence on truth) were the new strategies that needed mass support and understanding from the Indian perspective. Mass media, especially newspapers played a great role in disseminating information and creating a national fervour among Indians.

The British Government too, felt the need to build the public opinion and disseminate information to the public through the media on World War I. It established a Central Publicity Board under the chairmanship of Sir Stanley Reed, the editor of the *Times of India*, Bombay; which was the first organized PR set-up in the country. Once the war ended the board was taken over by Central Bureau of Information in 1921. This bureau functioned as a link between the government and the media. One of its important functions was to scrutinize the negative and critical stories about the government, appearing in the media. It also acted as a major tool of feedback for the government machinery. For the first time an Indian, Mr. J Natarajan of *The Pioneer* newspaper, Lucknow was appointed as its Deputy Principal Information Officer. In 1923, the Central Bureau was re-designated as the Directorate of Public Instruction and later in 1939, it became the Directorate of Information and Broadcasting.

### **Origin of PR in Indian companies**

Some scholars believe that in the initial stages, PR as a management's voice emerged more as a tool of 'liberal' philanthropy by the pioneering industrialists. Kaul gives the example of Tata Iron and Steel Company (TISCO) which went into production in 1912. From the very beginning, the Tata's were involved in community relations as they built the model town of Jamshedpur wherein they not only provided housing, water, electricity, free primary education, hospital and technical institutes, but also promoted social, cultural and economic development of the community. Tata's have been the forerunners in introducing employee welfare schemes.

India at that period of time was fragmented into hundreds of kingdoms and principalities and it was not an easy task for the crusaders of the freedom movement; viz., various political leaders and political parties, Congress being the foremost to reach out to the length and breadth of the country in making people understand and participate in the freedom struggle against the British. Persuasive communication obviously played a great role. It may or may not have been seen as PR, but undoubtedly had its roots in it.

It was during this period that Tata opened their public relations department at their head office in Bombay (now Mumbai) in 1943. It also started a monthly newsletter next year for employee communication.

A systematic and organized practice of public relations in India, some believe, began with the Indian Railways. It was found that the building of railways for the purpose of carrying raw materials from the hinterland to various ports in the country was proving to be an expensive affair and soon they realized that they had to introduce passenger traffic in order to recover the cost, which led to promotional messages for railways as a mode of commuting.

### **Growth of PR in the post-independent India**

After achieving independence from the British yoke in August 1947, the government of India set up a full-fledged Ministry of Information and Broadcasting, a premier agency for disseminating information to people at large on various welfare programs undertaken by the government. Successive governments have been criticized for using the state machinery for propagating the 'achievements' of the party in power. In times of crisis, the governments both at central and state levels have used the PR machinery to salvage their reputation. The redeeming thing however in India, that makes our democracy a robust one, is that we have a free and vibrant media that works as a watchdog in public interest and has constantly questioned the successive governments on their various decisions and unearthed many a scams. The Right to Information that came into existence in 2005, besides empowering the common man has been used vigorously by the media in India in pursuance of their investigative stories.

### **Practice of Public Relation in Public sector**

India opted for a mixed economy model after independence. Public sector however was conceived as a pro-choice of the Government. This guiding factor led to the passage of Industrial Policy Resolution of 1948 and followed by Industrial Policy Resolution of 1956. The 1948 Resolution envisaged development of core sectors through the public enterprises.

The Government implemented policies based on import substitution industrialization and advocated a mixed economy where the government controlled public sector was expected to co-exist with the private sector.

A decision at the top government level was taken around that time; that all the central public sector enterprises (CPSEs) that now number about 250 would have a public relations department headed by a professional. It was also conveyed to the public sector chiefs that for informing and motivating the employees, every public sector undertaking under the Central government would bring out a house journal for employee communication.

When we look at the media scene in India from its Independence time until the 70s when many public sector companies were being set up, the television and radio were under the government control. Now with more than 350 news channels in the private sector also, Doordarshan competes

with them but at the same time reflects government's perspective rather than being an independent news broadcaster. All India Radio still has the monopoly on the news. The print media has always been independent and vibrant and continues to be so. Efforts at gagging the print media from time to time have not really succeeded.

### **Professionalism in PR**

The 70s saw the establishment of Public Relations Society of India (PRSI) which gave huge impetus to the public relations industry, still at a nascent stage.

It will not be an exaggeration to say that the globalization of the Indian economy in the 1990s gave its rightful place to PR in India. The emergence of multi-national corporations on the scene in the early 1990s, the opportunities of foreign direct investment increased especially with the deregulation of industries. The market became suddenly competitive and businesses felt it necessary to build their reputation in order to gain more and more access to new market and new consumers. This led to the proliferation of PR and advertising agencies in the country. As the multinational corporations wanted to gain foothold in the country, they needed professional guidance in creating a friendly environment for themselves. Soon one saw some of the global agencies like the Ogilvy & Mather opening their PR arm in the country. Hindustan Thompson's IPAN and Taj Hotel's Good Relations also began their offices around that time.

PR increasingly was also seen as a launch pad for brand building and crisis communication. The PR consultancies were engaged by global corporate organizations for giving them a hang of the situation, strategies for sailing through difficult times, and using advocacy for influencing legislation and responding to the criticism from adversary groups who were against 'globalization of India' a term often used by the 'Swadeshi' lobbies. Some of the global corporates like Pepsi, Coke, MacDonald, KFC would bear this out.

While everyone uses PR in India, be it central or state governments, corporate organizations or the non-governmental sector, the tools, techniques and tactics often differ. For the private and multinational companies, advocacy and lobbying (it may not be called so in India as Lobbying is not legal) are essential part of PR, the public sector organizations, by and large have a standard media mix for PR activities that include press/media relations for image build up with the outside world through non-paid media, and internal communication with employees and investor relations in companies that have gone public. For achieving that; the departments use various tools such as films, exhibitions, inter-personal communication, outreach, house journals, company web sites, intra communication, and open houses among others. The public sector is often criticized for not strategizing their PR communication in order to achieve the 'desired response'. The government PR often is propagandist in nature leveraging welfare programs (out of tax payer's money) to gain positive public opinion for the party in power. The non-governmental sector uses PR more often for advocacy and fund raising.

A common trend noticed in the private and public sector in India has been the rechristening and re-designation of PR departments as corporate communications departments and from PR managers to corporate communications managers.

### **Current State of Public Relations in India**

Public Relations is a thriving profession in India. There are hundreds of large and small PR consultancies in the country, employing thousands of practitioners. Most companies in private sector and almost all companies in the public sector have public relations departments. According to a survey conducted by the Associated Chamber of Commerce and Industry in India (Assocham, 2012), the PR industry in India is growing at an annual rate of 32 percent. Many believe the definition of traditional PR has undergone a change. PR in its new avatar not just encompasses media relations and employee communication, but is used increasingly for strategic communication, brand building, customer relations and crisis management. From an executive function, PR is now becoming a part of the high-level management job touching upon the core values of an organization.

PR in India is fast emerging as an institution especially with its growing acceptance as a skilled and specialized profession.

### **PR Education in India**

Public relations teaching in India is not very old, though reference of the subject being taught at the Aligarh Muslim University (AMU) as a part of the Journalism course can be found in a paper presented by Prof. NAK Durrani of the Department of Journalism at the AMU at a conference in Hyderabad in 1993. Following the British models of education, the journalism teaching at various universities in India, both at the undergraduate and postgraduate levels have invariably a paper on advertising and public relations. The Indian Institute of Mass Communication started its exclusive one year PGD in Advertising & Public Relations in 1981. A paper in Advertising & PR is also taught in its Journalism courses.

Mass communication education received a spurt in the 1990s in India after the economy was thrown open to international bidding. The multinational companies brought with them the PR culture in the country. This resulted in the mushrooming of PR consultancies, especially in the metros and mini-metros. Many transnational PR consultancies also opened shop in India. Advertising agencies on their part spruced up their PR departments/outfits. Suddenly the job market looked promising.

The boom in the satellite television channels created a perception of job potential in this area.

Makhan Lal Chaturvedi University of Journalism was set up to exclusively cater to mass communication teaching and training. The university undertakes various programs in the fields of Journalism, Public Relations, Library and Information Sciences and Computer applications. A number of universities even in remote Indian states also started mass communication

departments. However, without an adequate infrastructure and faculty support, the mass communication departments in most of the colleges, especially in non-metro areas have not been able to manage adequately.

The last quarter of the decade of the Nineties witnessed a terrible market slump. The industry prognosis in the beginning of the decade of a boom in the advertising sector did not happen the way it was projected. However, PR has been doing fairly good business. Some of the reasons ascribed to this spurt in business as indicated above include the globalization of the market and an increasing emphasis on integrated communication for brand management. Social marketing, advocacy communication and perception management are also some the emerging fields that are increasingly being handled by public relations experts. There is a demand for youngsters who have a strong grounding in public relations.

The Role of Public Relations Society of India (PRSI) in promoting PR Education

The PRSI had set up the India Foundation for PR Research (IFPR) in early 1980s which brought out some volumes of PR case studies and Monographs, but became dysfunctional after two of its pioneering members who did immense work namely Mr. Anita Gopal and Mr. Anil Basu (From Indian Airlines and Goodyear Tyres) passed away.

### **9.3 PR Perspective**

In general, public relations professionals can be communication managers who organize and integrate communication activities, or they can be communication technicians who primarily write and construct messages. Research in this area led to the identification of four specific roles: the technician role and three types of communication managers.

Most practitioners begin their careers as communication technicians. This role requires executing strategies with the communication tactics of news releases, employee newsletters, position papers, media placements, website content, speeches, blogs, and social media messaging. Practitioners in this role are usually not involved in defining problems and developing solutions, but base their tactics on the technical skill of writing. The expert prescriber is similar to the role a doctor performs with a patient: He or she is an authority on a particular industry, problem, or type of public relations and is given the primary responsibility to handle this function as a consultant or with little input or participation by other senior management.

The communication facilitator is a boundary spanner who listens to and brokers information between the organization and its key publics. According to Cutlip, Center, and Broom, the goal of this role is “to provide both management and publics the information they need for making decisions of mutual interest.” Cutlip, Center, and Broom (2006). The problem-solving facilitator collaborates with other managers to define and solve problems. This role requires that the professional is a part of the dominant coalition of the organization and has access to other senior

managers. The problem-solving facilitator helps other managers think through organizational problems using a public relations perspective.

In other words, an expert prescriber was also likely to fulfill the role of the communication facilitator and the problem-solving facilitator. To resolve the lack of mutual exclusiveness in the latter three roles, they were combined into one role: communication manager. The dichotomy between the communication technician and the communication manager more accurately explained the responsibilities of public relations practitioners within organizations.

Typically, those in this role are creative and talented with language and images. Their capacity to create and produce messages with powerful imagery and evocative language is very important to the execution of public relations tactics. However, technicians rarely have a seat at the management table and do not have a voice in the strategy of the organization. Once the strategy is decided, the technician is brought in to execute the deliverables (or tactics) in the strategy.

The communication manager is involved in the strategic thinking of an organization and must be able to conduct research and measurement and share data that informs better decisions for managing relationships with key publics. The communications manager thinks strategically, which means he or she will be focused on the efforts of the organization that contribute to the mutually beneficial relationships that help an organization achieve its bottom-line goals. These efforts are not limited to communication strategies, but include monitoring an organization's external environment, scanning for issues that might impact the organization, and helping an organization adapt to the needs of its stakeholders.

## **9.4 Classification of Public Relations**

### **Media relations**

Media relations is all about dealing with the media – writing press releases, scheduling interviews and giving press conferences. The goal is to generate positive coverage of your company or your product. Basically, you want the media to do your advertising for free.

Key to media relations is generating a 'hook' to draw in audiences. You need to have an eye for a compelling story that the media will want to cover. You also need to have the skills to get the story out there, which can vary depending on the role. Copywriters produce snappy, well-written press releases, while company spokespeople stand up and give speeches to the press. In smaller organisations, one person is responsible for everything.

Some stories can be planned in advance. Others must be written at a moment's notice. Media relations people need to be excellent forward planners and also very flexible.

## **Community relations**

Community engagement officers work to develop a company's relationship with the local (and not-so-local) community. Reasons for doing this include:

getting local support for a project, such as building a new manufacturing plant

'giving something back', which improves the company's ethical reputation

getting people interested in your products or services

changing people's mindset about an issue

To be a community engagement officer you need to understand how people in the community think and act, and how best to engage with them – whether by organizing events, visiting schools or writing newsletters. You need to be organised, intuitive, enthusiastic and strategic.

## **Corporate and Social responsibility**

Related to community engagement, there is PR that improves the company's reputation for ethics, environmental responsibility, community and charity works. This area of PR can hugely affect an organisation's business practices. A CSR PR officer might recommend the company to change its entire recycling policy, or even its business direction.

To be a good CSR officer you need the ear of the company leaders – which takes networking skills, people skills, persuasion and the ability to endear yourself to your colleagues.

## **Public affairs**

Public affairs, also known as lobbying, is all about getting the government on your side. Say you wanted a change in farming legislation so you could sell your product for more money. You'd need to make contact with a minister, convince them of your case, and provide them with information so they can talk confidently about your issue and fight your corner.

Public affairs professionals work to make contacts within government and other organisations. They're personable, tenacious, and occasionally sneaky.

## **Crisis Management**

Crisis management is the PR you need when disaster strikes: a faulty product has to be recalled, an oil tanker spills, an employee accuses the company of wrongdoing, or the CEO is arrested for public indecency. These things could ruin the company's reputation and need to be dealt with quickly.

Crisis managers are quick thinkers who know how to spin an issue. They can manage teams and delegate tasks. They understand every media channel so they can tell which problems need a press conference and which can be solved with a single tweet.

Crisis management is great for confident people who thrive on adrenaline.

### **Social Media**

Many companies use social media campaigns as a form of marketing, but social media also has huge PR potential. Some company's greatest PR successes (and disasters) can happen on social media. It's a place where your interactions with a single customer are visible to the whole world. It allows companies to show their lighter side – for example, two fast food chains exchanging friendly Twitter insults. It's also a good place for honest public apologies. To be a good social media professional you need to be tech-savvy and intuitive and have a great sense of humour.

### **Employee Relations**

Also known as internal PR, employee relations is the business of giving employees a positive view of the company they work for. The goal is to keep them satisfied, motivated and loyal. Employee relations work might include:

organising employee events

creating internal newsletters and other communications

resolving disputes

liaising with unions

helping line managers develop good relationships with their team

This is perhaps the most sensitive form of PR, as it's based less on image and more on action. For example, in resolving disputes you can only offer as much as the higher-ups as the company will let you – and it's very difficult to put a positive spin on the word 'no'. Employee relations professionals have to be excellent negotiators, understanding, perceptive and tenacious.

### **Integrated Marketing and Communications (IMC)**

Integrated marketing and communications (IMC) isn't exactly a form of public relations – it's a way to take all your activities, from advertising to media relations to internal communications, and ensure that you provide a consistent message that serves your overall strategy.

To be a successful IMC professional you need to be great at dealing with people so you can get all the different arms of your communications working together. You also need to be interested in all areas of communication so you enjoy doing a little bit of everything.

## **9.5 Keywords**

PR – Public relations is the practice of managing the spread of information between an individual or an organization and the public.

Media Management – Media management is seen as a business administration discipline that identifies and describes strategic and

operational phenomena and problems in the leadership of media enterprises.

**Crisis Communication** – Crisis communication is a sub-specialty of the public relations profession that is designed to protect and defend an individual, company, or organization facing a public challenge to its reputation.

**Media Relations** – Media Relations involves working with media for the purpose of informing the public of an organization's mission, policies and practices in a positive, consistent and credible manner.

## 9.6 Check Your Progress

Q.1 Narrate the history of PR.

Q.2 Describe the classifications of Public Relations.

Q.3 Explain the role of Public Relations Agency in modern PR practices.

## 9.7 Suggested Books

1. Dhar, Neemo: *Public Relations and Corporate Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2014.
2. Reddi, C.V. Narasimha: *Effective Public Relations and Media Strategy*, PHI Learning Private Limited, New Delhi, 2009.
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# **Unit-10: Internal and External Public Relations**

## **Structure:**

10.0 Objective

10.1 Communication Process and Tools of Public Relations

10.2 PR Communication Process

10.3 Four Theories of Public Relations

10.4 Role of Public Relations

10.5 Keywords

10.6 Check your progress

10.7 Suggested Books

## **10.0 Objectives**

### **This unit explain –**

Communication and tools used in PR Communication;

PR communication process and four theories of PR;

Roles of Public Relations in various sectors.

## **10.1 Communication Process and Tools of Public Relations**

### **Internal Public Relations**

It is curious that when we say a company, sometimes, we mean all its employees and sometimes only the top management or owners. For the top management, the rank and file is a public, to be entertained and befriended as a category -

Counselling and dialogue

Employees may have to be advised suitably to get adjusted to their jobs.

Self-expression forums

Employees should have access to higher management to convey their problems and useful ideas. The employees may express themselves through suggestion schemes. These contribute a fund of ideas based on actual working conditions. However, it is necessary not to promise that the suggestions would all be translated into schemes.

At the same time, good ideas need to be rewarded. If a company conducts its own slogan contest, it may give a prize to the winning slogan and save on publicity expenditure.

House journals help to create a family feeling in an organisation. If a house journal is supplemented by get-togethers (of employees within a town) and camps (of employees from different towns), a bond of cordiality is created. The publication can serve as a base for such get-togethers and camps.

Free films, entertainment shows, and educative lectures

Even in the days of overexposure to films through TV, rare and attractive films can be screened specially for employees. Similarly, magic shows, hypnotism shows, gymnastics show, etc. can be arranged for them. Educative lectures, yoga and meditation camps and celebration of special days (e.g. Hindi Day), poetry meets, etc. are some more means of solidifying employee bonds.

### **Felicitations**

Employees and their family members can be felicitated for their achievements – merit ranks, scholarships, adventure feats, etc.

Inviting family members by creating occasions

A campaign like a tree plantation drive can be used to create a good image in the outside world and an occasion for employees' family members to meet in informal surroundings. Family members may also be invited for national days like the Independence Day and the Republic Day.

### **External PR**

**This is a wider area, with many interest groups:**

#### **1. Customers**

They constitute the biggest public for a company. They can be wooed by having a grievance cell, enquiry booth, “disinterested” educational campaigns (e.g. “night brushing is vital” – message from a toothpaste company), display of posters and pamphlets explaining schemes, creating convenience for weaker age groups and weaker sections, etc.

Courtesy and promptness are time-honoured PR devices that function through every representative of the company.

#### **2. Financiers**

The company's shareholders, bankers, depositors, etc. like to know about the financial status of the company. By issuing prompt, truthful, and self-explanatory and reader- friendly financial publications and reaching them into the hands of the financial partners, a company can earn their goodwill.

#### **3. General public**

There is a vast group of people who are not actual consumers of the company but may be potential consumers. For an airline, there are many who have no plans to fly in the near future but who still view with interest

the coming into existence of a new company in this line, its standard of service, etc.

Their general discussions help to create a climate of opinion. Thus an overall good image needs to be projected at all times. A company can stay in the memory of the general public by doing society-useful jobs, e.g. cleanliness campaigns, eco-friendly activities, help in disaster management, etc.

#### **4. Institutions**

They include government departments, corporations and public bodies. They are power centres with much capacity to do or undo.

To stay good in their eyes, a company needs to do that which appeals to an enlightened group. It needs to project an image as a law- friendly company. A clean administration and standards of probity in the product help to woo institutions.

#### **Feedback in PR**

To know what the public is thinking of the company in general and on specific points in particular is necessary for its image-building. This becomes especially necessary when sales decline despite heavy publicity campaigns. Publicity is a heady wine and likely to induce pride and self-complacency.

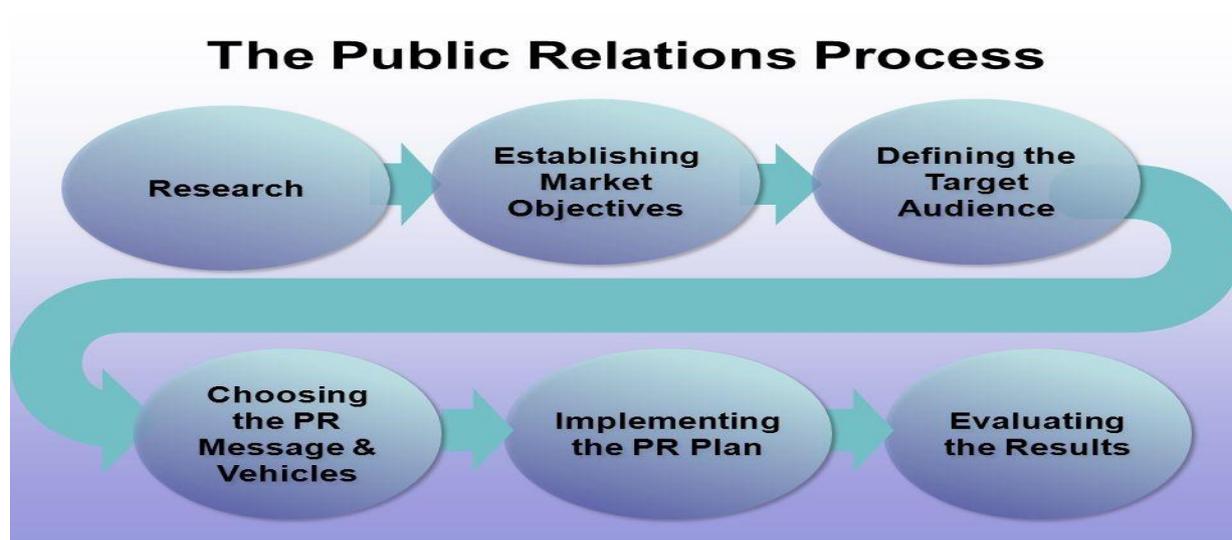
Excessive publicity sometimes produces a reverse reaction – sympathy for the underdog. People sometimes don't want to go where everybody goes. And yet monolithic reputations (one company outshining all others) are possible. They are achieved by staying close to the ground.

A company can stay in touch with the public at large by getting constant feedback from its publics. This is done through surveys and questionnaires, also through "casual" talk and by listening to casual remarks. Some film-makers arrange for a pre-release show and watch the facial expressions of the spectators as they leave the theatre. Good face-readers and listeners are an asset to a feedback campaign.

Just as a company uses celebrity endorsements (support of famous persons) as a tool of advertisements, it does well to listen to disinterested intellectuals who may not be celebrities. Because of their superior intellect and dispassion, they can mouth an opinion that may be of lasting value.

At the same time, an ignored warning from this precious minority can be a sign of decline of a company. Publishers get their books read by such disinterested intellectuals for a frank and balanced opinion.

## 10.2 PR Communication Process



These processes are based on fifteen steps of public planning process –

Audience and goal identification

Who are the organization's key target audiences?

Why is this audience important to the organization?

What view does the organization want this audience to have of it?

Reporting research findings

What is this audience's current view of the organization?

What issues and appeals are important to this audience?

Which media does this audience use and trust the most?

Assessment and plan development

How does this audience's current view of the organization differ from the desired one? This is determined by comparing responses to items 3 and 4 above.

What message themes will have the greatest impact on this audience? These should reflect the findings from question 5 above.

What are the best ways of reaching this audience? These should be selected in light of the findings from question 6 above.

Who will serve as the organization's primary contact for working with this audience?

Selecting and setting objectives

What short-term objectives will lead to the goals of the strategic plan? Actions needed to reach these objectives. Answer questions 12-15 for each objective identified in 11 above.

What specific actions or messages will lead to achieving this objective?

What resources will be needed for these tasks? Identify specific people, equipment, and funds needed for each item in question 12 above

When should it be done? Specify a timetable for accomplishing each item listed in 12 above.

How will success in achieving each objective be evaluated?

### **10.3 Four Theories of Public Relations**

As it pertains to public relations; early on there were no theories that had been formulated, so early practitioners had little or no guidelines for directing them to crafting communications, plans, tactics, strategies, or programs.

James Grunig who has been practicing public relations for over 20 years and is widely regarded as a public relations authority and Todd Hunt's suggested models that have helped tremendously to create advances in the field of public relations. His theories have guided practitioners to become better and more ethical in their field. The four models in Grunig's and Hunt's theories have developed into models by which the practices of today are analysed and judged by. Here is a review of the four models:

**Public Relations Theories / Press Agency Model** – During the 19th century press agents laboured to create news to influence public opinion. A press agent does not conduct surveys or research they just want to manipulate behaviour. Accuracy and credibility are not priorities with this kind of model.

This is a one way communication from the press agents to their publics that uses persuasion and manipulation to influence behaviour of an audience. This method is usually employed by practitioners for one way communications to sell products or services without any quantitative analysis of the results.

**Public Relations Theories / Public Information Model**- This model is still a one way communications method but accuracy of the message becomes more vital. This model does not consider information about the audience to be essential in constructing messages and releases. In the early 20th century there was move among some enlightened public relations practitioners towards more truthful and accurate messages.

The move away from half-truths and outright falsehoods was the precursor to increasing ethical practices. Although this model still does not have any methods for quantitative analysis of the results; practitioners are slightly more inclined to gather feedback from their audiences. This model is used mostly by government agencies, military units, and law enforcement agencies.

Public Relations Theories / Two-Way Asymmetric Model - Feedback is more important to practitioner but the aim is not to improve organizational practices but rather to influence attitudes of their audiences. After World War I there was an increase in consumer products which also dictated the need for marketing that was targeted specifically for a definite demographic or audience.

Although this model advocates two way communication, practitioners are hardly thinking about balanced communication. The goal of this model is to get into the psychology of their audience so that messages can be tailored to get the most effective reaction. This is the method most used by advertisers all round the world.

Two-Way Symmetric Model -This is probably the most ethical method of all the models. The aim of this model is dialogue not monologue. The feedback that the organization gathers is used to change organizational practices.

Negotiation, resolution of conflict, mutual understanding, and mutual respect between the organization and its publics are the desired results of this model. This model is often employed by business or non-profit organizations that find themselves in a conflict situation. This model attempts to find a mutually advantageous solution to a problem.

## **10.4 Role of Public Relations**

Public relations professionals shape an organization's image. They build the brand, spread the organization's message and minimize the effect of negative publicity. At a small company, the PR person may have to handle all the roles – cheerleader, media contact person, the deflector of criticism – themselves. At larger companies or big PR firms, staffers can have more specialized roles to handle different organizational needs.

### **Manager or Technician**

One way to divide up roles is between communication technicians and communication managers. Communication technicians are PR writers. They turn out press releases, newsletters, website content, speeches, blogs and social media posts. Managers handle the bigger picture, assessing the PR goals to accomplish or the problems to solve and determining the PR strategy required.

Different Missions - Another way to segment public relations is looking at what different roles accomplish for the organization:

Crisis management deals with emergencies affecting the organization. They help establish policies for dealing with emergencies, such as who gets to communicate with the media, and how management shares information with employees.

Relationship management establishes strategies for building and maintaining relationships with important segments of the public such as customers and reporters.

Image management professionals work to present the company as socially responsible, compassionate and involved in the community.

Resource management looks at the budget and resources for the organization's PR and figures out how to make the best use of it.

An organization usually needs its PR team to fill more than one role. Managing relationships and shaping the company's image can generate a lot of goodwill. When a crisis or negative news breaks out, the PR role has to be the minimization of any damage or blowback from the events.

### **Different Skills**

Different PR roles call for different skill sets. PR communication technicians have to be good writers. Their talent lies in writing messages with strong imagery and evocative language that steers listeners to the point to which the organization wants them to reach. These technicians execute the strategy drawn out by the managers.

Communications managers are more into the big picture. They don't have to be gifted writers themselves, but they set the goals for the people who are. Communications managers have a seat at the management table, discussing strategy, resource management and how to improve the company's image or build relationships given the resources at hand. Sometimes they watch for potential threats to the organization's success, and then craft a PR strategy to head the problem off.

The roles aren't bound by anything but ability and opportunity. A skilled technician may shift from image management to relationship management in different situations. If technicians have the right skills, they may eventually step up and become communications managers.

## **10.5 Keywords**

Internal PR –Responsible for managing public relations internally.

External PR – Responsible for managing public relations externally.

PR - Public relations is the practice of managing the spread of information between an individual or an organization and the public.

Communication Process - Communication is the act of conveying meanings from one entity or group to another through the use of mutually understood signs, symbols, and semiotic rules.

## **10.6 Check Your Progress**

Q.1 Define internal and external tools of public relations.

Q.2 Discuss PR Process.

Q.3 Explain four theories of Public Relations.

## 10.7 Suggested Books

1. Dhar, Neemo: *Public Relations and Corporate Communication*, MakhanlalChaturvedi National University of Journalism and Communication, Bhopal, 2014.
2. Reddi, C.V.Narasimha: *Effective Public Relationis and Media Strategy*, PHI Learning Private Limited, New Delhi, 2009.
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# Unit-11: PR Ethics and Legal Framework

## Structure:

- 11.0 Objectives
- 11.1 Understanding Ethical and Legal Framework
- 11.2 PRSI Code of Ethics
- 11.3 Other Legal Approaches
- 11.4 Regulatory Bodies
- 11.5 Keywords
- 11.6 Check your progress
- 11.7 Suggested Books

## 11.0 Objectives

### This unit talks about

Understanding why ethics and legal concerns are very important in PR practices.

Professional and ethical commandments laid down by the PRSI.

Regulatory bodies in the field of Public Relations

### 11.1 Understanding Ethical and Legal framework:

The Internet encyclopaedia of Philosophy specify: “The field of ethics, also called moral philosophy, involves systematizing, defending, and recommending concepts of right and wrong behaviour”.

Definition of ‘ethics’ normally have in common the elements of requiring some form of systematic analysis, distinguishing right from wrong, and determining the nature of what should be valued. In the public relations discipline, ethics includes values such as honesty, openness, loyalty, fair-mindedness, respect, integrity, and forthright communication.

Generally, the message communicated in the public relations demands strict and intellectual honesty and integrity in all aspects of one’s professional demeanour, appears to be simple enough. In reality, however, it is very complex. Ethics in the field of public relations goes beyond knowing right from wrong on a personal level. A public relations practitioner must not only come to terms with his or her own value system, but must know how to deal with value systems that are incongruent with his or her own. The public relations practitioner serves many masters. He or she should be loyal to his or her clients, but at the same time have enough of consciences to persuade clients to make decisions for the good of

society. This does not always happen. Practitioners, as with professionals in other fields, are sometimes tempted by money, power, and greed.

### **Evolution of Public Relations Ethics**

In the US, early public relations practices introduced many ethical concerns because the press agency (J. E. Grunig & Hunt, 1984) approach prevalent then emphasized hyperbole, sensationalism, and often lacked truth. The so-called “father of public relations,” Edward Bernays, called this time period of 1850-1905 as “the public be damned era” (Cutlip et al., 2006). Press agents were concerned with generating publicity at almost any cost, and this approach engendered the unethical reputation of modern-day public relations. Ethics as a consideration entered the development of modern practice in about 1906, with prominent practitioner Ivy Lee’s declaration of principles. His declaration moved the practice into “the public be informed” era with his emphasis on telling the truth and providing accurate information.

One of the earliest public relations executives to argue for the role of acting as an ethical counsel to management was John W. Hill (Heath & Bowen, 2002). Hill had a very developed philosophy of corporate responsibility and issue management, and this recent analysis found that ethics pervaded both his work as executive counsel and his books about public relations (Hill, 1958, 1963). Hill’s grasp of the interaction between ethics, issues management, and “far-reaching effects of corporate policy” (Hill, 1958, p. 16) made him not only one of the most successful practitioners of his century but also established to ethical public relations practitioners. John W. Hill was a progenitor of what scholars called public relations as the “corporate conscience” (Ryan & Martinson, 1983, p. 22).

As the civil unrest of the 1960s called both government and businesses to a higher level of accountability, their communication functions responded with the creation of more open, ethical, and socially responsible forms of public relations. The function of issues management (Chase, 1976) began to advise executives on ethically responsible policy decisions, and symmetrical public relations (J. E. Grunig & Hunt, 1984) began to incorporate the desires of publics for more fair and balanced decision making. Although research (Bivins, 1989; Pratt & Rentner, 1989) showed that scant attention was given to ethics in major public relations textbooks before this time, the last decade has shown an improvement. This interest in teaching and discussing public relations ethics is good news, especially for new practitioners so that they do not inadvertently limit their prospects for promotion. As newer data reveals, job promotion options may be constrained for practitioners who do not know ethics or feel prepared to advice on ethical dilemmas.

Despite the strides made in modern public relations toward becoming ethical advisors in management, the field holds “a tarnished history” in the words of one scholar (Parsons, 2004, p. 5). Like any young profession, the historical development of public relations shows a progression toward more self-aware and ethical models of communication. By reviewing this development, the historically negative reputation of public relations, as well

as its potential for encouraging ethical communication, we can be seen as the maturation of profession from one engaged in simple dissemination of information to one involved in the creation of ethical communication.

## **11.2 PRSI Code of Ethics**

**International Code of Ethics for Public Relations which was adopted by the Public Relations Society of India at its 1st National Conference at New Delhi on 21-4-1968.**

Considering that all Member countries of the United Nations Organisation have agreed to abide by its Charter which reaffirm “its faith in fundamental human rights, in the dignity and worth of the human person” and that have regard to the very nature of their profession, Public Relations practitioners in these countries should undertake to ascertain and observe the principles set out in this Charter, Considering that apart from “rights”, human beings have not only physical or material needs but also intellectual, moral and social needs, and that their rights are of real benefit to them only insofar as these needs are essentially met, Considering that, in the course of their professional duties and depending on how these duties are performed, Public Relations practitioners can substantially help to meet these intellectual, moral and social needs, And lastly, Considering that the use of techniques enabling them to come simultaneously into contact with millions of people give Public Relations practitioners a power that has to be restrained by the observance of strict moral code.

On all these grounds, the Public Relations Society of India hereby declares that it accepts, as its moral charter, the principle of the following Code of Ethics, and that if, in the light of evidence submitted to the Society, a member of this Society should be found to have infringed this Code in the course of his professional duties, he will be deemed to be guilty of serious misconduct calling for an appropriate penalty. And accordingly, each Member of this Society,

### **Shall Endeavour**

To contribute to the achievement of the moral and cultural conditions enabling human beings to reach their full stature and enjoy the indefeasible rights to which they are entitled under the “Universal Declaration of Human Rights”;

To establish communication patterns and channels which, by fostering the free flow of essential information, will make each member of the group feel that he is being kept informed, and also give him an awareness of his own personal involvement and responsibility and of his solidarity with other members;

To conduct himself always and in all circumstances in such a manner as to deserve and secure the confidence of those with whom he comes into contact;

To bear in mind that, because of the relationship between his profession and the public, his conduct – even in private – will have an impact on the way in which the profession as a whole is appraised;

### **Shall Undertake**

To observe, in the course of his professional duties, the moral principles and rules of the “Universal Declaration of Human Rights”;

To pay due regard to, and uphold, human dignity, and to recognize the right of each individual to judge for himself;

To establish the moral, psychological and intellectual conditions for dialogue in its true sense, and to recognize the right of the parties involved to state their case and express their views;

To act, in all circumstances in such a manner as to take account of the respective interest of the parties involved: both the interests of the organisation which he serves and the interests of the public concerned;

To carry out his undertakings and commitments which shall always be so worded as to avoid any misunderstanding, and to show loyalty and integrity in all circumstances so as to keep the confidence of his clients or employers, past or present, and of all the public’s that are affected by his actions;

### **Shall Refrain From**

Subordinating the truth to other requirements;

Circulating information which is not based on established and ascertainable facts;

Taking part in any venture or undertaking which is unethical or dishonest or capable of impairing human dignity and integrity;

Using any “manipulative” methods or techniques designed to create subconscious motivations which the individual cannot control of his own free will and so cannot be held accountable for the action taken on them.

## **11.3 Other Legal Approaches**

The Law is defined as a “Rules of Conduct established and enforced by an authority in a society whereas ‘Ethics is the criteria for determining as to what is right or wrong’. Organizations have to carry out public relations in a legal environment thus PR practitioners must suggest management regarding how to avoid illegal communication with such stakeholders like employees, unions, government officials etc. These laws differ from country to country.

Law of Defamation

Copyright

Right to Privacy

Right to Information

## 11.4 Regulatory Bodies

There are numerous regulatory or watch dog bodies functioning in public relations sector –

Public Relations Society of America

<https://www.prsa.org>

Public Relations Society of India

<https://prsi.in>

International Public Relations Associations

<https://www.ipra.org>

International Communications Consultancy Organizations

<https://iccopr.com>

The Holmes Report

<https://www.holmesreport.com>

## 11.5 Keywords

**Ethics** - Ethics or moral philosophy is a branch of philosophy that involves systematizing, defending, and recommending concepts of right and wrong conduct.

**Law** - Law is a system of rules that are created and enforced through social or governmental institutions to regulate behaviour. It has been defined both as "the Science of Justice" and "the Art of Justice". Law is a system that regulates and ensures that individuals or a community adhere to the will of the state.

## 11.6 Check your progress

Q.1 What is ethical and legal consideration in Public Relations?

Q.2 Explain the PRSI Code of Ethics in Public Relations.

## 11.7 Suggested Books

1. Dhar, Neemo: *Public Relations and Corporate Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2014.
2. Reddi, C.V.Narasimha: *Effective Public Relations and Media Strategy*, PHI Learning Private Limited, New Delhi, 2009.
3. Butterick, Keith: *Introducing Public Relations – Theory and Practice*, SAGE Publications India Pvt. Ltd., New Delhi, 2011.
4. Berneys L. Edward: *Crystalizing Public Opinion*, 1923

# **Unit-12: Integrated Marketing Communication (IMC) – Public Relations Approach**

## **Structure:**

- 12.0 Objectives
- 12.1 Concept of IMC
- 12.2 Role of IMC in Public Relations
- 12.3 Factors Impacting IMC
- 12.4 Interaction between PR and Marketing
- 12.5 IMC Process and Organizational Approaches
- 12.6 Several Components of a Successful Integrated Marketing Strategy
- 12.7 Various Integrated Marketing Communication Tools
- 12.8 Keywords
- 12.9 Check your progress
- 12.10 Suggested Books

## **12.0 Objectives**

### **This unit briefly talks about –**

Concept and Understanding of IMC.

IMC helps in Public Relations.

IMC Process and marketing approach.

## **12.1 Concept of IMC:**

### **Integrated Marketing Communications**

Integrated Marketing Communications is a simple concept. It ensures that all forms of communications and messages are carefully linked together. At its most basic level, Integrated Marketing Communications, or IMC, as we'll call it, means integrating all the promotional tools, so that they work together in harmony. Promotion is one of the Ps in the marketing mix. Promotions have its own mix of communications tools.

Promotional and publicity activities should not be undertaken just for the sake of it and as a mere formality. What is the purpose of brand communication activities if the message does not reach customers at the right time and the right place? Planning is important but what is more crucial is executing the plan effectively for maximum results.

Also while creating a Plan we need to forecast and visualize how much business would the end-users bring to your organization, even before

allocating budgets for the implementation of the plan. Careful analysis is essential before you finally implement the plan. Integrated marketing communication plans need to be implemented in the most cost effective way.

### **Various key components of Integrated Marketing Communication:**

The Foundation - As the name suggests, foundation stage involves detailed analysis of both the product as well as target market. It is essential for marketers to understand the brand, its offerings and end-users. Marketers need to know the needs, attitudes and expectations of the target customers. Keep a close watch on competitor's activities.

Respecting the Corporate Culture – Every Organization has a Vision and a Mission Statement and hence the features of products and services ought to be in line with the work culture of the organization. The Corporate Culture hence provides the basic guideline for every IMC planner to strategize in a certain manner while adhering to the Corporate Culture.

### **Brand Focus - Brand Focus represents the corporate identity of the brand.**

Brand communication is an initiative taken by organizations to make their products and services popular among the end-users. Brand communication goes a long way in promoting products and services among target consumers. The process involves identifying individuals who are best suited to the purchase of products or services (also called target consumers) and promoting the brand among them through any one of the following means:

Advertising

Sales Promotion

Public Relation

Direct Marketing

Personal Selling

Social media, and so on

Consumer Experience - Marketers need to focus on consumer experience which refers to what the customers feel about the product. A consumer is likely to pick up a product which has good packaging and looks attractive. Products need to meet and exceed customer expectations.

Communication Tools - Communication tools include various modes of promoting a particular brand such as advertising, direct selling, promoting through social media such as Facebook, Twitter, Orkut and so on.

Promotional Tools - Brands are promoted through various promotional tools such as trade promotions, personal selling and so on. Organizations need to strengthen their relationship with customers and external clients.

Integration Tools - Organizations need to keep a regular track on customer feedbacks and reviews. You need to have specific software like customer relationship management (CRM) which helps in measuring the effectiveness of various integrated marketing communications tools.

It is essential for organizations to promote their brands well among the end-users not only to outshine competitors but also to survive in the long run. Brand promotion increases awareness of products and services and eventually increases their sales, yielding high profits and revenue for the organization.

## **12.2 Role of IMC in Public Relations -**

Integrated Marketing Communications is a concept which ensures that all forms of communications and messages are carefully linked together. Integrated Marketing Communications, or IMC, as we'll call it, means integrating all the promotional tools, so that they work together in harmony.

Promotion which is one of the basic Ps in the marketing mix has its own mix of communications tools. All of these communications tools work better if they work together in harmony rather than in isolation. Their sum is greater than their parts if they speak consistently with one voice all the time. This is enhanced when integration goes beyond just the basic communications tools.

There are many levels of integration such as Horizontal, Vertical, Internal, External and Data integration.

Horizontal Integration occurs across the marketing mix and across business functions – for example, production, finance, distribution and communications should work together and be conscious that their decisions and actions send messages to customers.

Vertical Integration means marketing and communications objectives must support the higher level corporate objectives and corporate missions.

Data Integration requires a sound marketing information system which collects and shares relevant data across different departments such as sales, direct mail and advertising.

Internal Integration requires internal marketing – keeping all staff informed and motivated about any new developments from new advertisements, to new corporate identities, new service standards, new strategic partners and so on.

External Integration on the other hand, requires external partners such as advertising and PR agencies to work closely together to deliver a single seamless solution – a cohesive message – an integrated message.

Integrated marketing communication integrates all aspects of marketing mix to promote products and services among the end-users at the right time and right place. You need to promote your products well for maximum awareness among the end-users. According to integrated marketing

communication plan, various methods of promoting a brand are put together for maximum effectiveness and better results.

### **12.3 Factors Impacting IMC –**

The following are some of the reasons due to which it becomes inevitable to integrate the Marketing Communication of the organization.

#### **Fragmentation of the mass market:**

This mass-marketing strategy focuses on what is general in the needs of consumers rather than on what is different. The organization offer single marketing mix including one type of product with small or no variation, one pricing strategy, one promotion program aimed at every person and one distribution system including the entire market.

In the last two decades, the mass marketing strategy has lost its impact due to fragmentation of the markets across the world. Consumers around the world now have a more options of what to buy, what to watch to listen or read. The emergence of new market segment which was previously homogeneous, having distinct needs, requirements, and preferences. (Groucutt; 2004). These fragments reduce the effectiveness of mass marketing techniques and erode brand loyalty.

#### **Media Fragmentation**

Market fragmentation has resulted in media fragmentation because of the alternative media channels available to the consumer and all messages seen as one single message to consumer. Today's consumers are being irritated with a bundle of television channels, and a steady stream of new magazines that hit the newsstands every week. Coupled with rising level of ad dodging and the future for some mass media might seem austere. Therefore advertising has to spread further, covering massive amount of channels to gain the same exposure.

#### **Explosion of New Technologies**

The Technology is evolving today with much speed and has a very disruptive impact on our daily life. Something that has been considered as status symbol today is a myth of past now. Also this explosion allow customer to have greater control over the communication. Consumer can now select what to see, and what to hear more easily as in past.

#### **Emergence of Global Markets**

Due to advent of IT the whole world has collapsed to a global village. The culture around the world is merging and a unified culture is emerging. Although this has created some opportunities for organization, but is also posing some potential threat as they need to be very cautious while designing there promotional programs and unless the promotional program are well coordinated and integrated it will not have any impact on the target market. The global market has also led to increase in advertising mess due more channels and more group placing ad on mass media.

### **Shifts of Power from Manufacturers to Retailer**

The power that historically rests with manufacturer has been shifted to retailer. The retailers, due to this power, now, demands huge promotion fees and can offer better retail information from due to the usage of checkout scanner technology.

### **Shifting of Promotion Cost from Advertising to other Forms of Promotion**

Due to the increase usage of Internet, growth of customer databases, customer lack of time, companies are moving toward concentrated and niche segmentation, as consumer has the convenience to order what he needs and wants from direct marketers. This had led to change on the percentage of promotion spent on advertising. Traditionally this percentage used to be very high, but now, as the market conditions are changing, it is eroding and taking the form of direct marketing, point of sales activities, online advertising etc.

### **Emergence of Lower Cost and More Target Communication Tools**

As the traditionally used media tools is losing its impact, the exploration of lower-cost and more targeted communication tools continues. Marketer now have the option to use promotional tools like event marketing and direct mail etc. that are more targeted and have less cost as compared to of mass media.

### **Development of Database and Relationship Marketing**

One of the most important Direct Marketing is the Customer Databases. It is a controlled collection of absolute data about individual customers or prospects, together with geographic, demographic, psychographic, and behavioural data. These databases help companies in influencing and building customer relationships and the organization can also tailor its message or market offering according to the personal needs of the target market.

### **Increase Usage of Internet**

Usage of Internet around the world is increasing with the passage of time, and this had led to change how a company does its business and how the organization communicate and interact with its target market. Companies around the world are using the Internet as a competitive tool to accelerate business 24x7.

### **Agency Accountability**

The terms and conditions of the relation that the company and agency used to have are changing, due to the changes in the competitive setup of the industry. The organization now demands for greater accountability from the advertising agencies and changes in return and incentives of the agency.

## **Marketing Strategy Results Measurement**

Organization now calls that the activities that the marketing department carries out should be measured appropriately from marketing strategy.

### **Change in Shopping Approach**

The reason behind why the consumer goes for shopping has been changed. Traditionally, people used to go for shopping in order to get the desired products and/or services from the market. But now, the shopping approach has changed, it is now taking form of freedom and entertainment.

### **Growth of Digital Media:**

Multi-track media society, that is constantly developing and changing with the passage of time, has led to advent of digital media. In digital media consumer have extraordinary control over the information and entertainment choice. With new digital media in place, people have thousands of viewing options they can select from.

## **12.4 Interaction between PR and Marketing**

Marketing is the entire system of developing products or services and communicating their benefits to customers to entice them to make purchases. The Public relations is a component of a company's marketing plan which emphasizes on the promotion of goodwill with the public and support of the company image.

### **Planning**

Companies typically develop marketing plans every three to five years and review them on at least an annual basis. They include strategic planning, such as formulation of the company's marketing mix and developments of research and communication plans. Within the marketing plan, each component of the promotional system is laid out, including advertising, public relations, personal selling and other forms of promotion used by the company.

### **Building an Image**

A shared trait of public relations and the broader umbrella of marketing is the importance of building and maintaining a brand image. Market research is used to design and develop products that suit target customer needs, and subsequent messaging is used to communicate benefits to the customers. Public relations include unpaid marketing for media exposure, feature stories, press releases and other efforts to contribute to the company's image. A family-friendly company, for instance, often participates in community events and family-related activities to strengthen its reputation.

### **Paid or Unpaid**

One key distinction between public relations and advertising as two prominent marketing tools is that PR is unpaid, while ads are paid messages. Companies use both to convey brand image and to promote products. However, they have more control over advertising, since media

are paid to place those messages. Companies use PR tools to share information and to put forth positive messages, but they don't have as much authority over how media take and present the information.

### **Proactive vs. Reactive**

Marketing, as an entire umbrella of activities, typically emphasizes proactive methods to understand and meet the desires of customers. Companies plan research and creative messaging to convey product or service benefits. PR has both proactive and reactive strategies. The proactive strategy is aligned with marketing in that it includes an assessment of company strengths that should come out in PR activities. A reactive strategy is a thoughtful plan on how to address potential criticisms that may come from media or the public. This reactive strategy is a key distinction of PR in the marketing system.

## **12.5 IMC Process and Organizational Approaches –**

An integrated marketing communication plan needs to keep in mind the available resources and time to promote a particular product or service. Budgeting and allocating right resources for promoting products and services through integrated marketing communication plan are of utmost importance. The objective of the marketing plan needs to be clear.

The second step is to gather as much information as you can about your company, brand, features and most importantly target audience. Understand who all would be the best buyers of your products and services and what they expect of you and your organization? A marketer needs to be very clear of the vision, goals and objectives of his/her organization. Know what your product is offering and how would it benefit the customers?

Plan out how you would like to proceed with the integrated marketing communication plan. Always adopt a step by step approach. Do not forget to do your homework carefully before writing an integrated marketing communication plan. Thorough research is essential.

### **Integrated marketing communication plan needs to include:**

Background, history and vision of your organization.

Detailed summary of your marketing plan as to how it intends to promote products and services among target customers.

Know your products well. Include features and essential components of your brand.

Well described Target market.

Plan out how your brand can meet and exceed customer expectations. Have clarity as to how your brand is better than your competitors and why should consumers only buy your product and not go anywhere else. It is essential to read customer's mind and know their perceptions.

Compare your brand with the competitors. Write down how your brand is better than competitors? You need to keep a close watch on competitor's activities.

Do a SWOT analysis which highlights the strengths, weaknesses, threats and opportunities of the marketing plan.

Specify the tools and methods which would help you create awareness of your brand.

Integrated marketing communication plan blends essential components of marketing mix to promote brands effectively among end-users. Integrated marketing communication plan integrates various methods of marketing such as advertising, public relation, promotion through social networking sites and so on to create awareness of products and services among target audience. Brand communication methods instead of being used in isolation are all put together under one umbrella to increase the visibility of a particular brand and eventually yield higher profits for the organization.

During IMC planning all products need to be promoted simultaneously at multiple places. Marketing tactics, instead of being used in isolation, need to work in unison communicating the same message to the end-users. Integrated marketing communication plan needs to reflect similar strategies employed by organizations to promote their brands. Assigning fixed time and resources to implement integrated marketing communication plan is essential.

Marketers need to strive hard to implement integrated communication plans within the stipulated time frame with the budget allocated for the same. It is always advisable to focus on the best customers. Best customers are those who generate maximum revenues for the organization. It is crucial to keep a close watch on the competitor's activities as well. Once the integrated marketing communication plan is well implemented, it is essential to measure its effectiveness as well.

An integrated marketing strategy is successful only when it creates awareness of a particular brand among a large number of end-users.

A marketer needs to carefully blend and make the best possible use of all promotional tools so that the right message reaches the right customer at the right time and right place.

It is essential to ensure that an organization's integrated marketing strategy communicates similar message to target audience for them to invest in their brand and also develop a sense of attachment and loyalty towards the same.

## **12.6 Several components of a successful integrated marketing Strategy**

Customer Focus - No strategy would yield results unless and until you value your customers. Successful marketing strategies ought to start and end with customers. Customers are indeed "Gods" who play a crucial role in the success or failure of an organization. Do not ignore your customers

while formulating essential marketing strategies for brand promotion. The needs and requirements of the end-users need to be kept in mind. Customer feedbacks are essential and need to be monitored regularly. Every business has some set of customers who are loyal and would never think of going to competitors. Design your initial marketing strategies around such customers as you do not have to try too hard to convince them.

**Product Focus** - Make sure your products or services meet and exceed customer expectations. Understand, why would an individual invest in your brand if you do not have anything new and unique to offer? Integrated marketing strategy is successful only when the features and benefits of the brands reach the target customers in the desired manner and prompt them to buy the products or services immediately.

**Co-operation** - Remember, only marketing professionals are not responsible for promoting brands and making them popular in the market. In fact, the responsibility lies on the shoulders of each and every individual who is directly associated with the organization. Interdepartmental cooperation is essential. Individuals need to work in unison, brainstorm ideas and come to innovative ideas and unique solutions. All departments, example - marketing, sales, customer care, service delivery need to work in close coordination for better results and maximum customer satisfaction.

**Database Communication** - Employees need to communicate with each other effectively. Information needs to reach all in its desired form. Employees associated with a particular project need to have access to all relevant information, data, figures and so on required for its successful implementation. Managers need to share correct information with all related employees.

**Leverage** - Understand how each marketing channel promotes your brand among target customers and also find out the costs associated with the same. Analyze which all channels are the most cost effective for you to effectively integrate for promoting various products and services to yield maximum profitability.

**Profitability** – Remember any strategy or idea is successful only when it generates additional revenues for the organization. Every function and process needs to contribute to the earnings of the organization. Make sure, marketing strategies influence customer decisions who in turn remain loyal towards the organization concerned, eventually yielding higher profits.

**Communicate effectively with the clients:** You need to know how your products or services would benefit your end-users. The more effectively you promote your brand, the more demand would it have in the market. Identify your target audience. Remember, not everyone would need your product. Understand why would an individual invest in your brand unless and until you have something unique and interesting to offer? The benefits of the brand need to be communicated effectively.

## **12.7 Various Integrated Marketing Communication Tools**

Integrated marketing communication effectively integrates all modes of brand communication and uses them simultaneously to promote various products and services among customers effectively and eventually yield higher revenues for the organization.

### **Advertising**

Advertising helps organizations reach a wider audience within the shortest possible time frame. Advertisements in newspaper, television, Radio, billboards help end-users to believe in your brand and also motivate them to buy the same and remain loyal towards the brand. Advertisements not only increase the consumption of a particular product/service but also create brand awareness among customers. Marketers need to ensure that the right message reaches the right customers at the right time. Be careful about the content of the advertisement, after all you are paying for every second. But be beware, that Advertising is becoming cluttered and costlier by the day!!

### **Sales Promotion**

Brands (Products and services) can also be promoted through discount coupons, loyalty clubs, membership coupons, incentives, lucrative schemes, and attractive packages for loyal customers, specially designed deals and so on. Brands can also be promoted effectively through newspaper inserts, danglers, banners at the right place, glorifiers, wobblers etc. But does Incentives and Schemes really ensure Loyalties??

### **Direct Marketing**

Direct marketing enables organizations to communicate directly with the end-users. Various tools for direct marketing are emails, text messages, catalogues, brochures, and promotional letters and so on. Through direct marketing, messages reach end-users directly. But can we ensure that Direct Mailers are being delivered, read and comprehended properly.

### **Personal Selling**

Personal selling is supposed to be one of the most effective tools for integrated marketing communication and takes place when marketer or sales representative sells products or services to clients directly. Personal selling goes a long way in strengthening the relationship between the organization and the end-users. Through steps of Prospecting, Making First Contact, Sales Call, Objection Handling, and proper closing of deal, Personal selling ensures success. But can everyone be an effective and visionary Salesman?

### **Public Relation Activities**

Public relations activities help promote a brand through press releases, news, events, public appearances etc. The role of public relations officer is to present the organization in the best light. Slowly and steadily PR

Campaigns and activities are on a rise and Effective Long term PR Campaigns are being strategized nowadays. But are we expecting a bit too much from PR or does PR campaigns guarantee results every single time.

IMC - Integrated Marketing Communication (IMC) is the application of consistent brand messaging across both traditional and non-traditional marketing channels and using different promotional methods to reinforce each other.

Marketing - Marketing is the study and management of exchange relationships. Marketing is the business process of creating relationships with and satisfying customers. With its focus on the customer, marketing is one of the premier components of business management.

Integrated Marketing - is an approach to creating a unified and seamless experience for consumers to interact with the brand/enterprise; it attempts to meld all aspects of marketing communication such as advertising, sales promotion, public relations, direct marketing, and social media.

## 12.8 Check your progress

Q.1 Explain Integrated Marketing Communications and its relevance in public relations sector.

Q.2 What are the process of Integrated Marketing Communication?

## 12.9 Suggested Books

1. Dhar, Neemo: *Public Relations and Corporate Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2014.
2. Reddi, C.V. Narasimha: *Effective Public Relations and Media Strategy*, PHI Learning Private Limited, New Delhi, 2009.
3. Butterick, Keith: *Introducing Public Relations – Theory and Practice*, SAGE Publications India Pvt. Ltd., New Delhi, 2011.
4. Berneys L. Edward: *Crystalizing Public Opinion*, 1923
5. Kotler, Philip: *Marketing Management, Prentice-Hall of India*, New Delhi, 2006.
6. Patra, M.R.: *Advertising & Marketing Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2016.

# Unit-13: Corporate Communications

## Structure:

13.0 Objectives

13.1 Understanding and Overview of Corporate Communication

13.2 Corporate Social Responsibility and its Linkages with Corporate Communications

13.3 Corporate Communication Approach

13.4 Corporate PR

13.5 Keywords

13.6 Check your progress

13.7 Suggested Books

## 13.0 Objectives

### This unit briefly talks about –

Concept and Understanding of Corporate Communication.

Corporate Social Responsibility as a new age communication tool of corporate communication.

Corporate communication and Corporate PR.

## 13.1 Understanding and Overview of Corporate Communication

Corporate communications is the term used to describe the communication that takes place between a company and its external audiences. These communication programmes can include not only PR but also other forms of communication such as advertising and marketing.

Corporate communications is the communication activities that an organization undertakes as a corporate entity and includes PR, the company website, the annual report, corporate identity programmes, the company logo, and any form of corporate advertising that the company carries out.

Definition from Financial Times Lexicon

Corporate communications is a management function or department, like marketing, finance, or operations, dedicated to the dissemination of information to key constituencies, the execution of corporate strategy and the development of messages for a variety of purposes for inside and outside the organisation.

In today's global corporation, this function serves as the conscience of the corporation and is responsible for the organisation's reputation. Previously called "public relations" or "public affairs," corporate communication has taken on new importance in the 21st century as a result of corporate scandals or crises at companies like Enron and Toyota.

The department usually oversees communication strategy, media relations, crisis communications, internal communications, reputation management, corporate responsibility, investor relations, government affairs and sometimes marketing communication.

The person running the department is the chief communications officer of the firm, and reports directly to the chief executive officer in many of the top global organisations due to the critical importance of the function today.

## **13.2 Corporate Social Responsibility and its Linkages with Corporate Communications –**

### **Definition of Corporate Social Responsibility**

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. The term "corporate social responsibility" came into common use in the late 1960s and early 1970s after many multinational corporations formed the term stakeholder, meaning those on whom an organization's activities have an impact. It was used to describe corporate owners beyond shareholders as a result of an influential book by R. Edward Freeman, *Strategic management: a stakeholder approach* in 1984. Proponents argue that corporations make more long term profits by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. Others argue CSR is merely a window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations.

CSR is titled to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers. Development business ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment. ISO 26000 is the recognized international standard for CSR. Public sector organizations (the United Nations for example) adhere to the triple bottom line (TBL). It is widely accepted that CSR adheres to similar principles but with no formal act of legislation. The United Nations (UN)

has developed the principles for responsible investment as guidelines for investing entities.

### **Definition of Sustainability:**

#### **According to Webster, sustainability means:**

Able to be used without being completely used up or destroyed

Involving methods that do not completely use up or destroy natural resources

As it relates to corporate social responsibility, sustainability means managing a business using sustainable methods:

Methods that will not deplete, destroy, or completely use up natural resources

Methods that can persist over long periods of time

Methods that are able to last perpetually

#### **What is CSR?**

The global context: While there may be no single universally accepted definition of CSR, each definition that currently exists underpins the impact that businesses have on society at large and the societal expectations of them. Although the roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations, globally, the concept of CSR has evolved and now encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility. This is evident in some of the definitions presented below: The EC1 defines CSR as “the responsibility of enterprises for their impacts on society”. To completely meet their social responsibility, enterprises “should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders” The WBCSD defines CSR as<sup>2</sup> “the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large.”

According to the UNIDO, “Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line Approach), while at the same time addressing the expectations of shareholders and stakeholders. In this sense, it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even globally, the notion of CSR and sustainability seems to be converging, as is evident from the various definitions of CSR put forth by global organisations.

The genesis of this convergence can be observed from the preamble to the recently released draft rules relating to the CSR clause within the Companies Act, 2013 which talks about stakeholders and integrating it with the social, environmental and economic objectives, all of which constitute the idea of a triple bottom line approach. It is also acknowledged in the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by the DPE in April 2013, 5. The new guidelines, which have replaced two existing separate guidelines on CSR and sustainable development, issued in 2010 and 2011 respectively, mentions the following: “Since corporate social responsibility and sustainability are so closely that it can be said that corporate social responsibility and sustainability is a company’s commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.”

CSR in India: CSR in India has traditionally been seen as a philanthropic activity. And in keeping with the Indian tradition, it was an activity that was performed but not deliberated. As a result, there is limited documentation on specific activities related to this concept. However, what was clearly evident that much of this had a national character encapsulated within it, whether it was endowing institutions to actively participating in India’s freedom movement, and embedded in the idea of trusteeship. As some observers have pointed out, the practice of CSR in India still remains within the philanthropic space, but has moved from institutional building (educational, research and cultural) to community development through various projects. Also, with global influences and with communities becoming more active and demanding, there appears to be a discernible trend, that while CSR remains largely restricted to community development, it is getting more strategic in nature (that is, getting linked with business) than philanthropic, and a large number of companies are reporting the activities they are undertaking in this space in their official websites, annual reports, sustainability reports and even publishing CSR reports.

The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point. On the other hand, by discussing a company’s relationship to its stakeholders and integrating CSR into its core operations, the draft rules suggest that CSR needs to go beyond communities and beyond the concept of philanthropy. It will be interesting to observe the ways in which this will translate into action at the ground level, and how the understanding of CSR is set to undergo a change.

CSR and sustainability: Sustainability (corporate sustainability) is derived from the concept of sustainable development which is defined by the Brundtland Commission as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” 4. Corporate sustainability essentially refers to the role that companies can play in meeting the agenda of sustainable development and

entails a balanced approach to economic progress, social progress and environmental stewardship. CSR in India tends to focus on what is done with profits after they are made. On the other hand, sustainability is about factoring the social and environmental impacts of conducting business, that is, how profits are made. Hence, much of the Indian practice of CSR is an important component of sustainability or responsible business, which is a larger idea, a fact that is evident from various sustainability frameworks. An interesting case in point is the NVGs for social, environmental and economic responsibilities of business issued by the Ministry of Corporate Affairs in June 2011.

Principle eight relating to inclusive development encompasses most of the aspects covered by the CSR clause of the Companies Act, 2013. However, the remaining eight principles relate to other aspects of the business. The UN Global Compact, a widely used sustainability framework has 10 principles covering social, environmental, human rights and governance issues, and what is described as CSR is implicit rather than explicit in these principles.

Benefits of a robust CSR programme: As the business environment gets increasingly complex and stakeholders become vocal about their expectations, good CSR practices can only bring in greater benefits, some of which are as follows:

- Communities provide the licence to operate: Apart from internal drivers such as values and ethos, some of the key stakeholders that influence corporate behaviour include governments (through laws and regulations), investors and customers. In India, a fourth and increasingly important stakeholder is the community, and many companies have started realising that the 'licence to operate' is no longer given by governments alone, but communities that are impacted by a company's business operations. Thus, a robust CSR programme that meets the aspirations of these communities not only provides them with the licence to operate, but also to maintain the licence, thereby precluding the 'trust deficit'.
- Attracting and retaining employees: Several human resource studies have linked a company's ability to attract, retain and motivate employees with their CSR commitments. Interventions that encourage and enable employees to participate are shown to increase employee morale and a sense of belonging to the company.
- Communities as suppliers: There are certain innovative CSR initiatives emerging, wherein companies have invested in enhancing community livelihood by incorporating them into their supply chain. This has benefitted communities and increased their income levels, while providing these companies with an additional and secure supply chain.
- Enhancing corporate reputation: The traditional benefit of generating goodwill, creating a positive image and branding benefits continue to exist for companies that operate effective CSR programmes. This allows companies to position themselves as responsible corporate citizens.

## CSR and the Companies Act, 2013

### • **Who is required to spend & how much?**

The law applies to all Indian companies that are subject to the Companies Act, 2013. CSR requirements come into place during any financial year in which a company has:

- Rs. 500 crore or more net worth
- Rs. 1000 crore or more in turnover, or
- Rs. 5 crore or more net profit

Companies that meet one or more of these conditions are required to spend 2% of the average net profit for the preceding three financial years on CSR initiatives.

Source : Epstein, Marc J., Kristi Yuthas, and Deval Sanghavi. "Be a Global Leader in This New Era of CSR-engaged Enterprise". Dasra - Catalysts for Social Change. Web.

## 13.3 Corporate Communications Approach:

A frustrated CEO recently shared with me that her employees had lost their edge. They were internally focused, their speed-to-market was down, and they couldn't find a good balance between serving customers well while making healthy margins. The result was slow progress against the company strategy and an inability to profitably deliver on the value proposition. She had attempted to motivate employees and be clear about the strategy, but she was falling short and was looking for answers on what to do next. The solution in many cases is to overhaul internal communications strategies in order to convince employees of the authenticity, importance, and relevance of their company's purpose and strategic goals. Here are just a few communications approaches that will help you effectively reach your employees and encourage behaviors that advance your strategy and improve your results.

**Keep the message simple, but deep in meaning** – Most organizations have a deeper meaning as to why do they exist. This tends to influence strategy, decision-making and behaviours at executive levels, but often isn't well articulated for employees. What you call it doesn't matter, your purpose, your why, your core belief, your centre, but what, does matter is that you establish its relevance with employees in a way that makes them care more about the company and about the job they do. It should be at the core of *all* of your communications, a simple and inspiring message that is easy to relate to and understand. Strategy-specific messages linked to your purpose become tools to help employees connect their day-to-day efforts with the aspiration of the company.

**2. Build behaviour based on market and customer insights** - For employees to fully understand how your strategy is different and better than the competition they need to be in touch with market realities. The challenge is in how to effectively convey those realities so that your people can act on them. By building internal campaigns based on market and customer insights, you bring your strategy to life for your employees through this important lens. Package your content so that it can be shared

broadly with all departments in your organization, but in a hands-on way. Expose managers first then provide them with easy-to-implement formats for bringing their teams together, with toolkits that include all the materials they'll need. The purpose is to encourage their teams to develop department-specific responses, and to generate new ideas and new behaviours based on what they've learnt.

**3. Use the discipline of a framework** - Not all messages are created equal. They need to be prioritized and sequenced based on their purpose. I suggest using an Inspire/Educate/Reinforce framework to map and deliver messages on an annual basis.

**Inspire.** Messages that inspire are particularly important when you are sharing a significant accomplishment or introducing a new initiative that relates to your strategy. The content should demonstrate progress against goals, showcase benefits to customers, and be presented in a way that gets attention and signals importance. The medium is less important than the impression that you want to leave with employees about the company. Whether you're looking to build optimism, change focus, instill curiosity, or prepare them for future decisions, you'll have more impact if you stir some emotion and create a lasting memory.

**Educate.** Once you've energized your team with inspiring messages, your explanations of the company's strategic decisions and your plans for implementing them should carry more weight. To educate your teams most effectively on the validity of your strategy and their role in successful execution, make sure you provide job-specific tools with detailed data that they can customize and apply in their day-to-day responsibilities. It is most important for these messages to be delivered through dialogues rather than monologues, in smaller group sessions where employees can build to their own conclusions and feel ownership in how to implement.

**Reinforce.** It isn't enough to explain the connection between your company's purpose and its strategy — and between that strategy and its execution — once. You'll need to repeat the message in order to increase understanding, instill belief and lead to true change overtime. These reinforcing messages need to come in a variety of tactics, channels, and experiences and I've highlighted some approaches below. Ultimately, they serve to immerse employees in important content and give them the knowledge to confidently connect to the strategy. You'll also want to integrate these messages with your training and your human resource initiatives to connect them with employee development & performance metrics. Recognize and reward individuals and teams who come up with smart solutions and positive change.

**4. Think broader than the typical CEO-delivered message. And don't disappear.**

Often corporate communications has a strictly top-down approach. I've found that dialogue at the grassroots is just as important, if not more so. Employees are more likely to believe what leaders say when they hear similar arguments from their peers, and conversations can be more persuasive and engaging than one-way presentations. Designate a team of

employees to serve as ambassadors responsible for delivering important messages at all levels. Rotate this group annually to get more people involved in being able to represent the strategy inside the company. And when the message comes from leadership, make sure it's from your most visible, well-regarded leaders. Another mistake is the “big launch event and disappear” approach. Instead, integrate regular communications into employee's daily routines through detailed planning against the messages mapped in your Inspire/Educate/Reinforce framework.

**5. Put on your “real person” hat** – And take off your “corporate person/executive” hat. The fact is, not many people are deeply inspired by the pieces of communication that their companies put out. Much of it ignores one of the most important truths of communication — and especially communication in the early 21st century: be real. “Corporate speak” comes off hollow and lacking in meaning. Authentic messages from you will help employees see the challenges and opportunities as you see them and understand and care about the direction in which you're trying to take the company.

**6. Tell a story** – Facts and figures won't be remembered, stories and experiences will. Use storytelling as much as possible to bring humanity to the company and to help employees understand the relevance of your strategy and real-life examples of progress and shortfalls against it. Ask employees to share stories as well, and use these as the foundation for dialogues that foster greater understanding of the behaviours that you want to encourage and enhance versus those that pose risks. Collectively these stories and conversations will be a strong influence on positive culture-building behaviour that relates to your core purpose and strategic goals.

**7. Use 21st-century media and be unexpected** – The delivery mechanism is as important and makes as much of a statement as the content itself. Most corporate communications have not been seriously dusted off in a while, and the fact is, the way people communicate has changed tremendously in the past five years. Consider the roles of social media, networking, blogs, and games to get the word out in ways that your employees are used to engaging in. Where your message shows up also says a lot. Aim to catch people somewhere that they would least expect it. Is it in the restroom? The stairwell? On their mobile phone?

**8. Make the necessary investment** –

Most executives recognize how important their employees. They are the largest expense to the company. They often communicate directly with your customers. They single-handedly control most perceptions that consumers have about the brand. So if this is a given, why are we so reluctant to fund internal communication campaigns? I suggest asking this question: What am I willing to invest per employee to help them internalize our strategy and based on that understanding, determine what they need to do to create a differentiated market experience for our customers? Do the math and set your hoped-for ROI high whether it is financial performance or positive shifts in behaviour and culture. If you choose not to invest be certain of the risk. If you don't win over employees first, you certainly

won't succeed in winning with customers, as they ultimately hold that relationship in their hands.

### **13.4 Corporate PR -**

Unlike some corporate functions, such as legal and finance, the communication function does not have as its primary mission fulfilling specific regulatory or compliance requirements. As a result, the function is rarely organized in a uniform fashion from one organization to the next. Similarly sized organizations can vary widely in the resources and number of employees devoted to communication. Reporting relationships and functional responsibilities also differ depending on the nature of the company.

For example, companies that are heavily focused on building and sustaining strong consumer brands may devote far more employees and greater attention to the communication function than organizations that operate exclusively in the business-to-business sector. A company that sells directly to consumers has a greater need for a large media relations team since it can field dozens of calls each day from both mainstream and trade media. When a new product is being launched, the staff will be called upon to plan press conferences, conduct satellite media tours with local television stations, and organize customer events.

Companies that sell their products to other businesses rather than directly to consumers may have similar needs from time to time, but they are usually on a much smaller scale. Some industries, such as fashion, entertainment, packaged goods, and travel, place a greater emphasis on communication than those with longer selling cycles, such as construction, manufacturing, and engineering. Newer fields, such as computing, also tend to rely more on public relations and social media programs than through traditional advertising channels.

In many organizations, the senior leader of the communication team reports directly to the CEO, whereas in others, that individual may report to the head of legal, marketing, or human resources. Regardless of the specific reporting relationship, in virtually all companies, the function is responsible for communicating with the media and usually has the lead role in developing employee communication as well. Public relations activities, such as the management of corporate events, press conferences, product launches, large employee gatherings, and leadership meetings normally also are managed by the chief communications officer (CCO) and his or her team.

In some companies the function is also charged with managing investor relations—that is, communicating with the company's shareholders and financial analysts who follow and report on the company. In a publicly traded company, the investor relations function must comply with a number of securities regulations regarding the company's disclosure of its financial results. These activities involve the release of quarterly and annual financial results and providing timely information to shareholders regarding any event that meets the definition of materiality, an event that could have a

positive or negative impact on the company's share price. In fulfilling these requirements, the investor relations function works closely with the finance and legal departments, as well as the company's outside audit firm.

Most CCOs would maintain that there is no such thing as a typical day. Some of the most important qualities of successful CCOs are flexibility, patience, analytical ability, and the ability to remain calm under pressure. All organizations face potentially damaging issues every day. The CCO must monitor these issues on an on-going basis, much like a chef watching many simmering pots on the stove. The objective in this pursuit is not to let any of these issues boil over into full-fledged crises. This task has been made harder by the ubiquitous presence of the Internet. The Web has provided the means for unhappy customers, disgruntled employees, or disappointed shareholders to voice their concerns in a very public manner with a few computer keystrokes.

Although the corporate public relations function is extremely complex and varied by industry, what follows are a few of the main responsibilities and areas of focus for any CCO.

### **13.5 Keywords**

**Corporate Communication** - Corporate communication is a set of activities involved in managing and orchestrating all internal and external communications aimed at creating favourable point of view among stakeholders on which the company depends. It is the messages issued by a corporate organization, body, or institute to its audiences, such as employees, media, channel partners and the general public.

**Corporate PR** - Corporate public relations is used to influence customer and non- customers publics and is particularly relevant in a marketing context when these publics have to be influenced in order to gain market entry.

**CEO** - The chief executive officer, or just chief executive, is the most senior corporate, executive, or administrative officer in charge of managing an organization – especially an independent legal entity such as a company or non-profit institution.

**CCO** - The public relations officer or chief communications officer or corporate communications officer is the head of communications, public relations, and/or public affairs in an organization.

**CSR** - Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable — to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society including economic, social, and environmental.

## 13.6 Check your progress

Q.1 Describe the importance of Corporate Communications.

Q.2 Explain the role of Corporate Social Responsibility in Corporate Communications.

Q.3 Describe various approaches of Corporate Communications.

Q.4 What is Corporate PR?

## 13.7 Suggested Books

1. Dhar, Neemo: *Public Relations and Corporate Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2014.
2. Reddi, C.V.Narasimha: *Effective Public Relations and Media Strategy*, PHI Learning Private Limited, New Delhi, 2009.
3. Butterick, Keith: *Introducing Public Relations – Theory and Practice*, SAGE Publications India Pvt. Ltd., New Delhi, 2011.
4. Berneys L. Edward: *Crystalizing Public Opinion*, 1923
5. Kotler, Philip: *Marketing Management, Prentice-Hall of India*, New Delhi, 2006.
6. Patra, M.R.: *Advertising & Marketing Communication*, Makhanlal Chaturvedi National University of Journalism and Communication, Bhopal, 2016.

# Unit-14: Case Study

## Structure:

- 14.1 Why Case Study?
- 14.2 How to Prepare Case Study?
- 14.3 Opportunity based Case Study
- 14.4 Crisis based Case Study.
- 14.5 Used Glossary
- 14.6 Questions for Self-Improvement
- 14.7 Reference

## Objectives

This unit briefly –

- Understanding Case Study approach to understanding Public Relations.
- Diagnosis and Analysing of Case Study.
- Opportunity vs. Obstacle based Case Study.

## 14.1 Why Case Study?

In the current scenario of Globalization and ever changing Market dynamics, it is becoming more and more necessary to understand the practical challenges that Organizations and Brands are facing on ground. Knowledge about Strategic Theories and Marketing jargons can only come in handy if they are aptly and smartly applied in real life situations and at critical junctures where quick decision making and immediate action is required. Only proper Understanding of Case Studies and it's positive learning and negative repercussions, can lead to better Managers and Global leaders.

### Case Studies help to:

1. Understand the Power of Global Brands and how different markets offer different kind of acceptability and reactions to such brands.
2. Helps understand the various positive moments and even the crisis scenarios that Organizations and Brands have to face in real life market situations.
3. Understanding of Cases, paves the way for future managers to ideate newer innovative schemes to win over markets.
4. Case Studies helps us to understand Crisis scenarios and makes future marketing managers to be sensitive to various Cultures, Religions, Demographics, Norms and act accordingly.

5. Case Studies teaches us about how new brands are born with newer ideas and strategies and how established brands have faced disaster by not being cautious and sensitive.

## **14.2 How to Prepare Case Study?**

Case Studies are effective learning tools. Some Case Studies are developed to showcase Opportunities and Positive Outcomes which emerged out of some Creative, Innovative and Brilliant ideas and those cases are open to discussions and debates on what more could have been done to better the results. And then there are certain Case Studies which are presented to face Crisis and Problem Scenarios and huge amount of global research and brainstorming maybe required to seek solutions to such challenges. Lots of old cases and data may also be required in reaching any definite conclusion to such case studies. It is also important to note that Case Studies may not provide the final solution or judgement. It's a tool of probability and it always suggests a possible solution to a problem in hand because every Case Study is Situational and lots of assumptions have to be made during Preparing and Solving Cases.

### **Preparing for Case Studies**

- More than the Case itself, it's necessary to have enough background information and research in hand about the Organization, Brand and then actual case study in hand.
- Careful Reading, highlighting of relevant information and facts, examination of the details and underlining the Key problems is necessary.
- Case Studies require having Multiple Possibilities and Solutions available to the problem in hand and all pros and cons needs to be understood well before coming to a final conclusion. Many Organizational Chiefs and heads of the department are consulted and are invited to sessions of brainstorming and ideation to be able to arrive at the best possible solution.
- Reaching out to the best solution, or claiming that a Case Study would have only one possible solution is also a very dangerous proposition. So a Manager should have multiple solutions in hand but based on his/her experiences, should suggest the best individual path as well to be able to solve the case study.

### **14.3 Opportunity based Case Study**

First let's read 2 Case Studies to understand how Crisis Situations could become Opportunity based Case Studies

#### **Johnson & Johnson's cyanide-laced Tylenol capsules (1982)**



**The crisis:** Seven people died after taking extra-strength Tylenol capsules that had been laced with potassium cyanide, a deadly poison. The killer was never found.

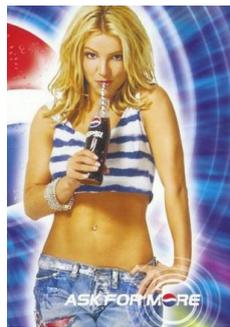
**How J&J responded:** The company put customer safety first. It quickly pulled 31 million bottles of Tylenol -- \$100 million worth -- off the shelves and stopped all production and advertising of the product. It also got involved with the Chicago Police, FBI, and FDA in the search for the killer, and offered up a \$100,000 reward.

Post-crisis, the company reintroduced Tylenol with new tamper-resistant packaging and \$2.50-off coupons.

**The result:** A go-to case study in MBA classes worldwide, Tylenol's response to the tragic 1982 Chicago murders is regarded as one of the most successful sequences of crisis management in history.

The media appreciated the lengths J&J went to and its concern for the public interest, so the company was portrayed generally in a good light, helping the Tylenol brand to recover.

### **PepsiCo's can tampering rumours (1993)**



**The crisis:** A syringe was allegedly found in a can of Diet Pepsi in Washington state. The following week, more than 50 reports of Diet Pepsi can tampering sprung up across the country. It turned out to be a hoax.

**How PepsiCo responded:** Both PepsiCo and the FDA were confident that the reports were fabrications, so the company came out hard, defending itself staunchly against the accusations.

But PepsiCo didn't make vague statements telling the public to simply trust it. The company produced four videos throughout the crisis, such as a comprehensive report on its soda canning process. The most compelling was a surveillance tape of a woman in a Colorado store putting a syringe into a can of Diet Pepsi behind the store clerk's back.

PepsiCo North America CEO Craig Weather up appeared on news stations armed not only with visual evidence of the bogus reports, but with the explicit support of the FDA. He appeared most notably on Nightline with FDA Commissioner David Kessler, and they both assured the public that Diet Pepsi was safe.

**The result:** The rumours fizzled out within two weeks following multiple arrests by the FDA for filing false reports. Diet Pepsi sales had fallen 2% during the crisis but recovered within a month.

The situation required an aggressive defense because PepsiCo hadn't done anything wrong. If the company remained quiet and complacent the damage could have been far worse.

These above Case Studies shows that every organization may face some difficulties and Crisis situations in business, but the positive decisions and judgements taken by the Management and Marketeters at Crucial Junctures can lead to opportunities and positive learnings for all.

#### 14.4 Crisis Communication based Case Study

##### Cadbury's worm infested candy bars (2003)



**The crisis:** Two Cadbury chocolate bars were found infested with worms in Mumbai, India. The Maharashtra FDA quickly seized the chocolate stock at Cadbury's closest manufacturing plant in Pune.

**How Cadbury responded:** The company was slow out of the gates. It released a statement claiming that the infestation was not possible at the manufacturing stage, while the FDA disagreed, prompting a tussle between the two. The media jumped on Cadbury, and the brand was under widespread assault.

Cadbury took its advertising off the air and launched an educational PR project that targeted retailers. It kept the media updated through press releases on the specific measures it was taking to correct its manufacturing and storage processes. The company also imported new machinery and changed the packaging of its Dairy Milk bars.

Four months later, Cadbury began advertising more aggressively. By then, the company's relationship with the media had improved greatly.

**The result:** Cadbury's sales in India plunged 30% in the wake of all the negative media coverage, and this was during a season when its sales usually increase by 15%. But over time, Cadbury began to recover.

Within eight weeks of the introduction of its new packaging and advertising campaign, sales had almost reached pre-crisis levels. The company announced eight months after the incident that its consumer confidence was back to normal. Cadbury has maintained its position at the top of the Indian chocolate industry ever since.

But Cadbury suffered three years later when a salmonella outbreak wasn't handled nearly as well.

### Toyota's recall fiasco (2010)



**The crisis:** Toyota recalled a total of 8.8 million vehicles for safety defects, including a problem where the car's accelerator would jam, which caused multiple deaths.

How Toyota responded: Toyota initially couldn't figure out the exact problem, but it sent out PR teams to try and stop the media backlash anyway. The upper management was invisible in the early stages of the crisis, skewing public perception further against the company.

Toyota's response was slow, with devastating results. But it served as a wake-up call for the company, which somehow turned it around in the months following the debacle.

The company failed miserably in its initial crisis management, but that's what makes Toyota's case so intriguing. Despite its monumental mistakes early on, Toyota still bounced back. Why?

It didn't take long for the public to remember Toyota's previously stellar reputation. The company offered extended warranties and pumped up marketing, leveraging its long-term track record and reassuring consumers about safety.

Its ads in the following months were more thoughtful and sincere, showing the company's dedication to fixing the problem. Toyota's executives -- especially in the US -- became more visible, speaking to the media and becoming active in the investigations.

**The result:** The Toyota brand showcased its resiliency, with its positive reputation built up over decades of good performance. The company leveraged this, focusing its marketing once again on safety and its proven track record. It had to show that this disaster -- including its own horrible mishandling of the situation -- was an aberration.

And it worked, with a little bit of luck. NASA exonerated Toyota of the blame for most of the accidents in 2011 and the company's brand equity leapt 11% this year, according to WPP.

Crisis Communication based Case Studies usually have examples on how Global brands miss a trick to address a tricky situation by either not responding to it at all or by not taking the matter seriously. Case Studies show many references that Global Brands feel that they cannot much reputed and respected and cannot be questioned at all. However many times they become the target of Media attacks and also show callous attitude towards customer sensitivities. These above case studies therefore help Global brands and organizations to be more sensitive and to be crisis ready during difficult situations.

#### **14.5 Used Glossary:**

- ❖ **Case Study**– A process or record of research into the development of a particular organization, brand, person, group or situation over a period of time. It's also a particular instance of something used or analyzed in order to illustrate a thesis or principle.
- ❖ **Brainstorming** – It is a group creativity technique by which efforts are made to find a conclusion for a specific problem by gathering a list of ideas spontaneously contributed by it's members.
- ❖ **Crisis Communications** – Refers to a special wing of communication which deals with the reputation of the individuals as well as the organization. It is an initiative which aims at protecting the reputation of the organization and maintaining its public image.

#### **14.6 Questions for Self-Improvement:**

1. How does Case Study analysis help Organizations in Communication Strategies
2. What are the Key Steps to be kept in mind while analyzing Case Studies?
3. Critically study the 4 Case Studies in the given chapter and share your personal views.
4. Cite at least 1 Positive Case Study and 1 Crisis based Case Study from your own personal experiences as a Management Student and a Consumer.

#### **14.7 References:**

1. Read more: <http://www.businessinsider.com/pr-disasters-crisis-management-2011-5?op=1#ixzz36ImI6mWQ>
2. Read more: <http://www.businessinsider.com/pr-disasters-crisis-management-2011-5?op=1#ixzz36ImUM0at>
3. Read more:<http://www.businessinsider.com/pr-disasters-crisis-management-2011-5?op=1#ixzz36Imi8cjk>
4. Read more <http://www.businessinsider.com/pr-disasters-crisis-management-2011-5?op=1#ixzz36Imrix2c>

યુનિવર્સિટી ગીત

સ્વાધ્યાય: પરમં તપ:

સ્વાધ્યાય: પરમં તપ:

સ્વાધ્યાય: પરમં તપ:

શિક્ષણ, સંસ્કૃતિ, સદ્ભાવ, દિવ્યબોધનું ધામ  
ડૉ. બાબાસાહેબ આંબેડકર ઓપન યુનિવર્સિટી નામ;  
સૌને સૌની પાંખ મળે, ને સૌને સૌનું આત્મ,  
દશે દિશામાં સ્મિત વહે હો દશે દિશે શુભ-લાભ.

અભણ રહી અજ્ઞાનના શાને, અંધકારને પીવો ?  
કહે બુદ્ધ આંબેડકર કહે, તું થા તારો દીવો;  
શારદીય અજવાળા પહોંચ્યાં ગુર્જર ગામે ગામ  
ધ્રુવ તારકની જેમ ઝળહળે એકલવ્યની શાન.

સરસ્વતીના મયૂર તમારે ફળિયે આવી ગહેકે  
અંધકારને હડસેલીને ઉજાસના ફૂલ મહેંકે;  
બંધન નહીં કો સ્થાન સમયના જવું ન ઘરથી દૂર  
ઘર આવી મા હરે શારદા દૈન્ય તિમિરના પૂર.

સંસ્કારોની સુગંધ મહેંકે, મન મંદિરને ધામે  
સુખની ટપાલ પહોંચે સૌને પોતાને સરનામે;  
સમાજ કેરે દરિયે હાંકી શિક્ષણ કેરું વહાણ,  
આવો કરીયે આપણ સૌ  
ભવ્ય રાષ્ટ્ર નિર્માણ...  
દિવ્ય રાષ્ટ્ર નિર્માણ...  
ભવ્ય રાષ્ટ્ર નિર્માણ