

**CENTRE FOR OPEN AND DISTANCE LEARNING**

**TEZPUR UNIVERSITY: NAPAAM: SONITPUR**

**SELF-LEARNING MATERIAL**

**ADVERTISING AND PUBLIC  
RELATIONS**

**MMC 103**

## **SELF-LEARNING MATERIAL**

Course Code: MMC 103

Course Title: ADVERTISING AND PUBLIC RELATIONS

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March 2012

@ CODL, Tezpur University

Published by

Director, Centre for Open and Distance Learning (CODL),  
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# **MMC 103 ADVERTISING AND PUBLIC RELATIONS**

## **UNIT-1: INTRIDUCTION TO ADVERTISING**

### **UNIT STRUCTURE**

- 1.1 OBJECTIVES
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### **1.1 OBJECTIVES**

After going through this Unit the learners will be able to

- Explain the nature and scope of advertising,
- Describe various types/classes of advertising,
- Discuss the process of preparing an advertising copy

### **1.2 INTRODUCTION**

Advertising is known to have existed ever since goods were available and it dates back to 3000 years BC. Early advertisements were oral which were done through street criers, drum beaters etc. Advertising was first started by the ancient Babylonians who prepared ‘institutional advertisements’ for their Kings. However, in its written form it began with the Romans. Advertising has been there ever since there were buyers and sellers. It originally started in print media, such as newspapers and magazines, and followed onto the television and radio. Print, radio, television and now the internet have their all-pervasive presence. The sustenance of these media depends heavily on advertising as it provides a source of revenue which helps these media prosper and be available to a large mass of people. Advertising, therefore, can legitimately be claimed to be the backbone of democracy as well. The nature and the means of communication have undergone a sea change. In fact advertising is responsible not only for the discovery and application of new media vehicles, but it is also often earns enormous revenue for the survival of these media. However, with the advancement of technology focus has started to shift from the

print and broadcast media to the growing online advertising industry. We are experiencing the most dynamic and revolutionary changes in the history of advertising. These changes have been driven by advances in technological development which has led to the dramatic growth of communication through interactive media, particularly the internet.

## LET US KNOW

### Definition of Advertising

“Paid form of non-personal presentation and promotion of ideas, good and services by an identified sponsor” – **American Marketing Association (AMA)**

## 1.3 NATURE AND SCOPE OF ADVERTISING

The scope and significance of advertising is very great or immense. Manufacturers produce goods that are meant to improve the comforts of consumers and the existence of these products must be known to the consumers through advertising. Today it has become an indispensable function in modern day business due to cut-throat competition and mass production. It has percolated to every sphere of human endeavour be it economic or social life. It helps in disseminating information which is useful to the businessmen in general and the consumers in particular. Advertising provides a direct line of communication to the existing and prospective customers about the product and service that is being provided.

You are all exposed to some or the other form of advertising. Let us now understand the purposes of advertising:

- Make consumers aware of the product or service
- Create a desire for the product or service among the consumers
- Convince consumers that the product or service is right for their needs
- Propel consumers to take action i.e. buying a product
- Draw consumers' loyalty to the business
- Enhance the image of the company

In today's highly competitive world any business establishment cannot think of being in the market without an effective communication strategy. In marketing parlance we call it advertising.

Advertising is born from marketing. Principles of advertising are developed from the principles of marketing. Marketers have played a significant role in the evolution of the profession of advertising. It is through advertising that companies strive for a cutting edge competition over their arch rivals. Over the years there has been a media explosion and advertising has reached its zenith as never before. It is powerful and the most difficult form of communication. It is a vital marketing tool which facilitates the selling of products, services and even the change of attitudes at large on social issues for the benefits of societies at large.

Having explained to you the link between advertising and marketing let us now turn our focus on what advertising is. Let us now look at how American Marketing Association (AMA) defines advertising: “Paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor”. In this definition let us note the following characteristics of advertising:

- Paid form: Media provides coverage of new product, idea or service with the objective of informing their consumers. Advertisers have to buy time and space for advertising their products in different media such as newspapers, television, radio, internet etc. That is why advertising is called a paid form of communication.
- Non-personal presentation: In advertising, unlike personal selling, face to face interaction does not take place and therefore, it is non-personal presentation
- Identified sponsor: This qualification distinguishes advertising from propaganda where the source of the idea remains unknown. Advertising has an identified sponsor
- Information vs. persuasion: The words presentation and information in the above definition tend to give an impression that the only role advertising plays is that of giving information. While advertising provides information it is also persuasive and can influence people to buy products

Advertising has also been defined as a controlled identifiable information and persuasion by means of mass media. In this definition we notice some more features of advertising:

- Controlled: The sponsor controls the advertising by deciding on the content and timing and by directing their advertising to the people with whom they wish to communicate. Decisions on what an advertisement should contain, which medium should be used for advertising and when are controlled by the sponsor

Another definition of advertising runs as follows:

“A group of activities aimed at disseminating information in any paid and non-personal form concerning product, idea or service to compel action in accordance with the content of an identifiable sponsor. In this definition let us understand some more characteristics of advertising”.

- Concerning product, services and ideas: Most people consider that advertising relates only to products. It could be about services and ideas as well.
- Compel action: Advertising is persuasive communication. The very purpose of advertising is to compel action which necessarily means that advertisements should propel action in the consumers into trying out a product.

## **1.4 CLASSIFICATION OF ADVERTISING**

Advertising can be classified according to the following types:

### **1.4.1 CONSUMER ADVERTISING**

This type of advertising is directed towards individuals and families in contrast to industrial advertising which is specifically directed towards businesses. It is a specific field of advertising which focuses on the needs and desires of households rather than businesses. The goal of consumer advertising is to introduce or sometimes re-introduce products, ideas and services to families and individuals. The products can be household appliances, home electronic devices, automobile products, clothes, books, movies, and just about anything else commonly found with an individual or in a household. This type of advertisement is often focused even more narrowly on a specific demographic section or target audience to increase effectiveness and message penetration among them. Consumer advertising often seeks to find ways to relate to either the entire population or more commonly to a specific demographic group and appeal to people's sense of consumer desire.

#### **What is a demographic categorization?**

A demographic section is a specific portion of the population and is based on particular common features, beliefs, practices, or ideologies. It can be separated according to age groups, gender, religious beliefs, income, education, profession, and a number of other specifically targetable aspects of modern life.

### **1.4.2 BUSINESS TO BUSINESS ADVERTISING**

Business to business advertising is also popularly known as industrial advertising. This type of advertising attracts the attention of another business and tries to convince it to purchase the goods

and services offered by that business. This type of advertising uses all the common forms of advertising including the placement of print advertisements in the newspapers, direct mail and any other means that is likely to produce the desired sales. Industrial advertising is common within every profession or industry type and it helps to meet the demand for a wide range of items that are necessary for conducting business within that industry.

A company whether big or small has to do industrial advertising. For example, a company manufacturing garments will sell its products to the distributors who in turn will sell it to the retailers and wholesalers. Thus, companies manufacturing spare parts of machinery or dealing in raw materials may advertise these for the benefit of other companies which might need them for producing machines etc.

### **LET US KNOW**

#### **Business to Business advertising**

- It helps in increasing sales of the company
- It helps in making more and more distribution channels
- It makes company work more efficiently to produce the desired product or service
- It creates awareness among the customers or other companies about the products and services

#### **1.4.3 TRADE ADVERTISING**

Trade advertising is advertising undertaken by the manufacturer and it is directed towards the wholesalers or retailers. This type of advertising is not intended for the consumers but for the different entities that influence consumer availability such as wholesalers, retailers, distributors and brokers. It is designed to stimulate wholesalers or retailers etc to purchase products for resale to their customers.

Let us now take an example of trade advertising: the Pepsi advertisement placed in a trade magazine, say '*Industry Week*' in order to promote Pepsi to food store managers. The primary objective of trade advertising is to promote greater distribution of the advertised product. This can be done by opening up new outlets for products or by increasing the volume among present outlets.



#### **1.4.4 RETAIL ADVERTISING**

Retail advertising is about creating awareness among the consumers about the brand's existence. The retailer should communicate the USP (Unique Selling Proposition) of the brand to influence the buying behavior of the consumers. Advertisements help the end-users know to which brand a particular product belongs. It should effectively communicate the right message and click on the customers. One way of making it more effective is by writing catch tag lines to create awareness of a product or service. For example the moment one hears "Just Do it", he/she knows that he/she has to visit a "Nike Store".

#### **LET US KNOW**

##### **Advertising in Retail**

- The retailer through various ways of advertising strives hard to promote his brand amongst the masses for them to visit the store more often.
- Advertisements attract the customers into the store. They act as a catalyst in bringing the customers to the stores.

**USP was coined by Rosser Reeves**

#### **1.4.5 FINANCIAL ADVERTISING**

Advertisements relating to financial businesses and services such as banks, investment companies, loans and mortgages are known as financial advertising. This type of advertising is directed specifically to the world of finance such as banks or insurance companies. Financial advertising publicly offers financial services such as Mutual Fund shares or limited partnership shares. It has to be borne in our mind that there are strict legal regulations with regard to promotions pertaining to this type of advertising. The quintessence of financial advertising is that it promotes the image of financial corporations with a view to enhancing the company's reputation so that it becomes a trusted name that among prospective investors.

Let us keep in our mind that that financial advertising is typically different from the other forms of advertising discussed above. It has to be different because it deals with creatively building more trust than other industry advertising due to the nature of the industry and its consumers. 'Customer is the King' in financial advertising and organizations dealing with financial matters should keep the customers satisfied. This is the hallmark in any financial industry.

## 1.5 ELEMENTS OF AN ADVERTISING COPY

Writing advertising copies is very different from writing an article for a magazine or writing a piece of prose or poetry for that matter. Advertising copies are written by copywriters who work in an advertising agency. Let us keep in our mind that copywriting calls for a distinct literary treatment. Copywriter has to be in a different bent of mind altogether.

There are different components in an advertising copy. We shall now discuss the different elements of a print media advertisement.

- **Headline:** John Caples, one of the most analytical advertising icons, believes that the headline forms 50-75% of any advertising. Headlines should be very different than the other elements. In the past headlines were short and they were often slogans. Today it is more often statements extending to one or two sentences. There are different kinds of headlines and a **copywriter** can choose the most original and attention grabbing headline. The doyen of advertising, David Ogilvy opines that unless there is a good headline you have wasted 90% of your money in advertising. In print advertisements this is of utmost importance. Catchy headline induces a consumer to explore the other features of the advertisement and this might create interest among the prospective consumers.
- **Sub-heading:** Copywriters introduce contrast and emphasis by writing sub-headings which can be printed in a different type face or possibly in a different color. It provides typographical contrast as stated above. The purpose of sub-heading is to instill a sense of movement so that the eye is carried progressively to the other elements of the advertising copy. It divides that advertisement into sections if there are different ideas or items. It makes the advertisement more interesting and appealing.
- **Body Copy:** This is a very important element in an advertising copy. Because it is here that the consumers for example who are looking at an advertisement on a Laptop would tend to spend the maximum amount of time. Body copy encompasses product features and it has to be written in such a way that the maximum information about it is given in a very precise manner. In other words, the body copy of the advertisement has to encapsulate the USP of the product. Thus while writing the body copy of the ad the copywriter should use his imagination to write copies that will help sell a particular product.
- **Visuals:** Visuals of the product are given in print media advertisements. It is human nature that we would want to know what the product looks like before making any decision on purchasing a particular product. So attractive visuals of products is of utmost

importance in any print media advertisement as this would rivet the attention of whoever is looking at that particular advertisement.

- **Slogan/Sign off-line:** A slogan is short and striking phrase used in advertising. Advertising slogans are short and often memorable phrases are used in advertising campaigns. It is said that slogans are the most effective means of drawing attention among the consumers to one or more aspects of a product
  - **Logo:** A logo is a design symbolizing the organization. It is a graphical mark used by commercial enterprises or organizations to aid and promote instant public recognition. Logos are either purely graphic or it could be the name of the organization. You may also think of it as a visual mark to identify your company product or service. A print media advertisement should have a logo because consumers identify products with the logo. This is generally done by the graphic designer.
  - **Price:** Pricing is an important strategic issue because it is related to product positioning. Furthermore, pricing affects other marketing mix elements such as product features, channel decisions, and promotion. The price of the product has to be mentioned in the advertising copy as consumers would be interested in knowing if the product he/she is looking for is affordable or not.
  - **Signature Slogan/ Strapline:** Signature slogans are generally used in print media advertisements. Sometimes some of the products are endorsed by big personalities or stars. In this type of advertisements the advertising copy would contain a signature of the star or model who is endorsing the product. We can cite “OMEGA” watch advertisement as an example. Here this ad is endorsed by Cindy Crawford. We also have her signature in the advertisement
9. **Contact address:** Contact address has to be mentioned in any print media advertisement as this would help the prospective consumers to visit that place where the product could be purchased

### LET US KNOW

The 4 P's of Marketing Mix

1. Product
2. Price
3. Place
4. Promotion

## 1.6 ADVERTISING LAYOUT

Advertising layout is a very important aspect in any advertising design. It can be defined as the systematic design of the overall layout of the print advertisement, color scheme, graphics, object and text placement in such a manner that it becomes very catchy and appealing to the consumers. You should keep in your mind that only the best gets seen, heard and read.

For understanding advertising layout you could refer to the different elements of an advertisement discussed earlier. Let us now try to understand the different features in an advertising layout.

**Illustration:** Most advertisers use the illustration to attract the consumer's attention. Large, single illustrations could attract the most attention. Though the headline may be the 'stopper', the illustration is the most crucial element in the advertisement. The success story of an advertisement depends on how well it is illustrated. It can also visually communicate product benefits and concept, and lead the reader into the headline and the body copy.

**Headline:** The headline is used to attract attention, arouse interest, and make the advertisement more attractive and readable. Headlines should be very crisp and should not be over 10 words and more than 15 % of the ad's total area.

**Copy:** Style of typeface used in the headline, sub-heading and body copy will impact the mood and readability of the advertisement. Mixed type should be either very similar or very different. But care should be taken that there should not be too much of contrast as this would make the advertisement very busy and confusing.

**Logo:** Gaze motion principles says that we read from left to right and top to bottom, the logo or company signature can be strategically placed in the lower right hand corner of the advertisement. With this position, the logo is the last element we see and most likely to remember.

**Emphasis:** One of the cardinal principles in design is the law of emphasis. Certain elements in an advertising copy need to be emphasized, for example, the logo of the company. But care has to be taken that we do not try to emphasize most of the elements of the advertisement because it follows from the law of emphasis that 'All emphasis is no emphasis at all'.

**Use of space:** The proportionate use of space in advertisement is dependent upon the product and market target. This could vary from product to product. For example, product advertisements that try to communicate an image of perfume or jewelry product etc. will have a greater proportion of illustration and little body copy. Conversely, an advertisement for a consumer product will have more copy.

**White Space:** This is a very important aspect in any layout and design work. There has to be sufficient white space in the advertisement and if we do not provide enough white space it might be quite straining to the eye. Ample white space helps gain attention, create contrast, and unify the advertisement.

#### **INTERESTING FACT**

All emphasis is no emphasis at all

### **1.7 IDEATION – THE CREATIVE PROCESS**

Creative people do not do different things, they do things differently.

Do you know that creativity in advertising was not discussed much until the 1960's? Advertising as we know it cannot exist without creativity. Many advertising campaigns are successful simply because they are creative and creativity does not result as a result of adherence to certain accepted norms or rules. Advertising agencies are staffed by writers who craft the words in advertisements, graphic artists who plan and construct visual layouts, and other specialists who help in the transformation of strategy into actual advertisements.

Let us presume that you been a part of a 'brainstorming' session where you have been asked to come up with a concept as to how to sell brooms in rural areas? What was the output after the brainstorming session was over? Could you generate something innovative? The answer probably would be 'NO' because research says that brainstorming and other traditional creative activities are usually ineffective. One has to possibly come out of their cocoon and perhaps think beyond the regulatory regime and smart out something innovative and probably this would not happen in a closed room environment. Creativity results as a result of an ideative process. The ideative foundation enables us to build on our natural ability to develop new ideas.

Have you ever thought of how we generate new ideas? Our brain generates ideas from the information it holds – the experiences you have and the knowledge you have gained. Experience and Knowledge are different and both are valuable inputs to idea creation. Experience is gained by doing things say, for example ,starting your own entrepreneurial venture. Knowledge is gained from research, reading, and learning about the tax implications in your business.

#### **What is ideation?**

It is the creative process of generating, developing, and communicating new ideas, where an idea is understood as a basic element of thought which can be concrete or abstract.

### **1.8 SUMMING UP**

In this unit you have come to know about the different aspects of advertising. You have also become familiar with the nature and scope of advertising. Further, you must have also learned about the different types of advertising. And by now you must have already developed a fair

sense of advertising as a profession. As you have come to know about them it will help you a lot in preparing yourself properly for the job in an advertising agency. Further, you will also be able to understand and learn a lot many practical things about the profession while practicing it hands on.

### **1.9 SUGGESTED READINGS**

JN Jethwaney. *Advertising*

Jewler and Drewniany. *Creative strategy in advertising*

SHH Kazmi, Satish K Batra. *Advertising and sales promotion*

William Wells, *Advertising Principles and Practice*

### **1.10 PROBABLE QUESTIONS**

- Discuss the nature and scope of advertising with examples
- What is Business to business advertising? What is its importance?
- What are the different elements of an advertising copy? Explain each of them with appropriate examples
- Why is creativity in advertising so important? What is ideation?

## **UNIT-2: THEORETICAL FOUNDATIONS OF ADVERTISING**

### **UNIT STRUCTURE**

- 2.1. OBJECTIVES
- 2.2. INTRODUCTION
- 2.3. ADVERTISING AND COMMUNICATION MODELS
- 2.4 THEORIES OF ADVERTISING
  - 2.4.1 AIDA
  - 2.4.2 STIMULUS RESPONSE THEORY
  - 2.4.3 DAGMAR APPROACH
  - 2.4.4 HIERARCHY OF EFFECTS MODEL
- 2.5 CONSUMER BEHAVIOUR
  - 2.5.1 ANALYZING HUMAN BEHAVIOUR
  - 2.5.2 CONSUMER IN ECONOMIC THEORY
    - 2.5.2.1. MICRO ECONOMIC THEORY
    - 2.5.2.1 MACRO ECONOMIC THEORY
  - 2.5.3 MARKET SEGMENTATION
- 2.6 SUMMING UP
- 2.7 SUGGESTED READINGS
- 2.8 PROBABLE QUESTIONS

### **2.1. OBJECTIVES**

After going through this unit you should be able to:

- describe advertising communication models
- explain the theories of advertising
- explain consumer behavior
- discuss features of market segmentation

### **2.2. INTRODUCTION**

Advertising is one of the most difficult forms of communication. It relies on the theories of communication and probably advertising is the best ground where the validity of the theories of communication can be tested and developed. If we are able to learn to apply theories of communication to advertising, we can apply these theories to any form of communication. Therefore, we can say that communication can be best taught through instructions in advertising. Advertising has numerous objectives which include communicating with potential customers as well as persuading them to adopt a particular product or develop a preference towards the product for repeat purchase which ultimately results in brand loyalty. We live in an over communicated society where we are exposed to innumerable glitz or images in the different media, be it

newspaper, television, radio or the internet. Hence, motivating and influencing consumers remain one of the most crucial issues in advertising today. Advertising theories, therefore, try to explain how and why advertising is effective in influencing consumer behavior and accomplish its objectives.

### **2.3. ADVERTISING AND COMMUNICATION MODELS**

Advertising and communication models would help us understand the nature and dynamics of advertising and know specifically how the business of advertising works. These theories or models explain the process by which advertising communicates with and effectively persuades individuals to take action. Advertisers operate with these theories or models, explicitly or implicitly in reinforcing attitudes and mindset of the prospective consumers. In this section let us try to understand advertising as a communication process and see how these advertising communication models can assist managers to set advertising objectives, help creative specialists to articulate purpose, and increase consumer loyalty.

Let us now understand the different stages in the process of advertising. In order to be successful in advertising, the prospective consumers must:

- (1) Be exposed to a series of advertising campaigns through different media outlets
- (2) Be able to create interest among the consumers so that the advertising results in generating conviction among the consumers which in appropriate circumstances produce action such as purchase of the brand

We have used the term ‘brand’ in a broad sense to include any type of product or service that the advertising is designed to promote. Also ‘action’ can include a variety of desired target behavior on the part of consumers, such as sales inquiries, visits to retail outlets, and other forms of purchase-related behavior whenever purchase is consummated by personal selling, sales promotion, public relations or other marketing strategies. An advertising communication model should incorporate all the above stages. Essentially, an advertising communication model sets objectives for each step, and provides strategies and tactical detail on how each step is supposed to lead to the next one.

#### **ASSESS YOURSELF**

- **What is a Communication Model?**
- **Why should we know the Communication Model?**



## 2.4 THEORIES OF ADVERTISING

Advertising is one of the most difficult forms of communication and probably it is the best ground where the validity of these theories in communication could be tested and developed. If we are able to learn to apply theories of communication to advertising we can apply these theories to any form of communication. Therefore, we can say that communication can be best taught through instructions in advertising. There are numerous theories on advertising. Most theories of advertising generally propose that the effectiveness of advertising is dependent on the main practices being carried out including more exposure towards the brand. Advertising theories also make use of content specification, specific message and media characteristics, consumer characteristics, product or service characteristics, and competitive actions.

Let us know that advertisers aiming to understand and apply the principles forming advertising theory may potentially do so to increase the likelihood that any particular advertising campaign or advertising strategy will be effective and accomplish its intended objectives. Marketers must, therefore, seek to understand the factors that influence advertising's effectiveness and ineffectiveness as well. Advertising has become a ubiquitous world surrounding us virtually all the time and everywhere. The intention of advertisers is to present a product in such a way that it maximizes the desirability among potential consumers. This is one of the very crucial factors in advertising and these theories would help advertisers design their advertisements in such a way that it convinces the potential consumers.

### 2.4.1 AIDA

AIDA stands for Attention-Interest-Desire-Action. This classical model was first promoted by **E.K. Strong in 1925** and it is still useful today because it is easy to apply as it **describes the activities involved in the buyer decision process**. Products and services vary in the complexity of decision-making involved in their acquisition. The purchase of a fast moving consumer good, for instance, is more complicated than the purchase of an automobile product.

Having known this let us understand that the stages Attention – Interest – Desire- Action are unidirectional. In the first stage it says that consumers must be aware of a product's existence in the market place. He/she must be interested enough to pay attention to the product's features and benefits. Once an interest is generated there has to be some urge or desire in the minds of the consumer. This desire would finally result in some kind of an action i.e. to try out a particular

product. Although this idea was rudimentary, it led to the later emerging field of consumer behavior research.

### **2.4.2 STIMULUS RESPONSE THEORY**

Stimulus response theory states that “Any piece of persuasive communication must carry the audience through a series of stages, each stage being dependent on the success in the previous stage”. Stimulus Response Theory is a concept in psychology that refers to the belief that behavior manifests as a result of the interplay between stimulus and response. This theory postulates that behavior cannot exist without a stimulus given to us. This theory has been widely researched in laboratory experiments of animal behavior (e.g. Pavlov's experiments on conditioned reflexes in dogs).

Now you might wonder, what is its significance in advertising? You have learned in earlier units that advertising is a business communication tool. For example, in consumer marketing stimulus-response theory relates to the creation of a link between the brand name and product quality in the mindset of the consumer by encouraging routinized patterns of buying behavior.

### **2.4.3 DAGMAR APPROACH**

DAGMAR stands for Defining Advertising Goals for Measured Advertising Results. This first appeared in the title of a book written by Russell H. Colley (New York: Association of National Advertisers, 1961). This is an approach to measure advertising effectiveness in which advertising objectives are turned into specific measurable goals. This approach helps in establishing goals for an advertising campaign such that it is possible to determine whether or not the goals have been met.

Let us understand that Colley's DAGMAR approach allows for the cumulative impact of advertisements and also maps out the states of mind that consumers pass through:

- From unawareness to awareness
- to comprehension
- to conviction
- to action

DAGMAR has TWO main tasks:

#### **1. Specific Tasks:**

- Advertisement should be specific and measurable involving a starting point
- have defined target audience
- have specific time frame

- have media selection
- indicate what APPEAL or IMAGE is to be communicated and what measurement procedure should be followed

## 2. Communication Task

- The Communication task according to this approach is based on a specific model of communication known as the “Hierarchy of Effects Model”.

We shall discuss this model later.

- Individual has to move from gaining brand awareness to comprehension– conviction– action.

This approach provides guidance to creative groups, which suggest approaches and help in determining how advertising should be pre-tested. It also provides mechanism to incorporate behavioral science theory into Ad management, which can be integrated into quantitatively based action-making programme.

Let us not forget that there are inherent problems as well in this approach such as measurement problems (Behaviors, Ideas are difficult to be measured). Besides DAGMAR being basically a planned rational approach inhibits creativity.

### **2.4.4 HIERARCHY OF EFFECTS MODEL**

Advertising has grown dramatically during the past several years and attracting individuals' attention and persuading them remains one of the critical issues for the advertising practitioner.

We shall now discuss Hierarchy of effects model which was put forth by Robert Lavidge and Gary Steiner in 1961. This model acts as a conceptual tool to predict consumer behavior. Because of its simplicity and logic, the hierarchy of effects model provides information on where advertising strategies should focus, and in turn provides for good advertising planning.

The hierarchy of effects model asserts that consumers respond to advertising messages in a very ordered way. It suggests that consumers move over time through a variety of stair-step stages,

beginning with product 'unawareness' to actual purchase. Let us keep in mind that advertising hierarchy is implicitly a causal relationship from cognition to affect, and from affect to conation.

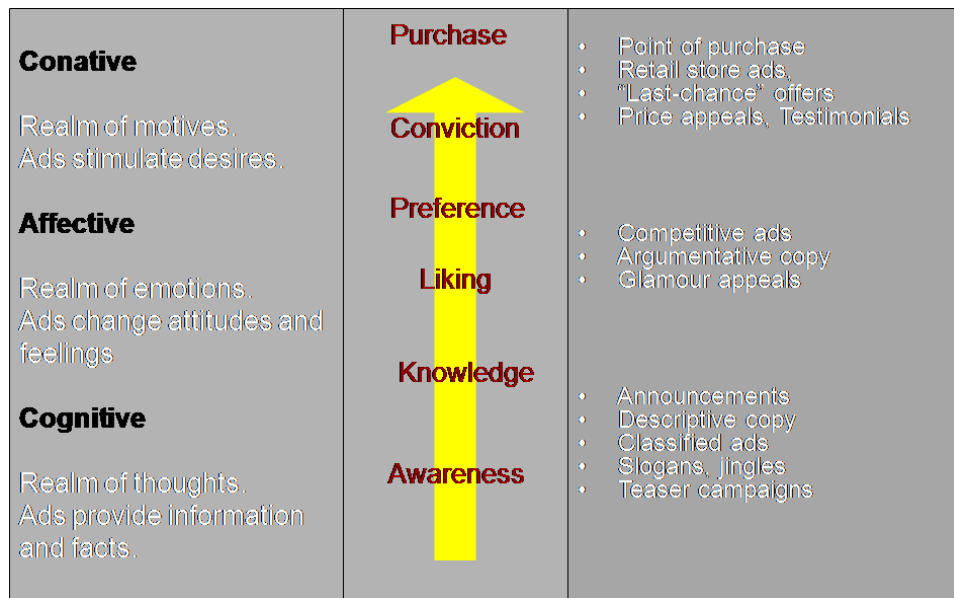


Fig: Hierarchy of Effects Model

Among advertising theories, the hierarchy-of-effects model is predominant. It shows clear steps of how advertising works. It can be explained in a hierarchical form. We have awareness and knowledge at the base followed by liking and preference and finally conviction and purchase which happens as a result of the related behavioral dimension in us.

If you look at the figure carefully you will observe that the hierarchy of effects model is intended at moving the prospects to higher levels to elicit desired behavioral responses such as creating liking and preference for a brand, trial, or regular use etc. It is easier to accomplish advertising objectives located at the base than the ones towards the top. The percentage of prospective customers will decline as they move up towards more action oriented objectives, such as regular brand use.

Let us now try to understand hierarchy of effects model stepwise.

### Awareness

Advertisers' task is to build awareness about a product or a brand with simple messages repeating the product name. Consumers must become aware of the brand. Capturing one's attention doesn't mean they will notice the brand name. Thus, the brand name needs to be made focal to get

consumers to become aware. Newspapers and magazines are full of ads that will capture your attention, but you'll have trouble easily seeing the brand name.

### **Knowledge**

The consumers might be aware of the existence of a product but may not know much about it; hence this stage involves creating product knowledge. This is where comprehension of the product name and what it stands for become important. What are the product's specific appeals, its benefits? In what way is it different than the competing brand? Who is the target market? These are the types of questions that must be answered if consumers are to achieve the step of product knowledge.

Let us know that awareness and knowledge about a product is activated by the cognitive dimension. This is also called the realm of thoughts where our thought process gets activated as a result of the information that we get. For creating awareness and knowledge about product different types of advertising strategies could be used. For example, as you could see in the figure this could be done by using announcements, descriptive copies, classified ads, slogans and teaser campaigns.

### **Liking**

This is another important stage in the hierarchy of effects model because the success story of any advertising campaign would depend on the amount of liking it could generate among the consumers. If the consumers know about the product, how do they feel about it? Consumers are exposed to an array of products of the same categories in the market. Hence advertisers would try to create liking for a product in the market in such a way that there is some competitive differential advantage over other products. Unless there is such an advantage different consumers may not prefer the product.

### **Preference**

The consumers might like the product but may not prefer it over other products. In such a situation advertisers have to think about something different to build consumer preference by promoting quality, value, performance, price appeals, and durability etc. You have to tell your consumers that your product is different from the other products by being different on the features we have just discussed.

Let us understand that liking and preference for a product are activated by the affective dimension. This related behavioural dimension is in the realm of emotions. All of us are emotional beings. Are we not? Now, for creating liking and preference about any product different types of advertising strategies could be used. For example, as you could see in the figure

this could be done by using competitive ads and argumentative copy. Glamour appeals could also be used for motivating consumers.

### **Conviction**

This is perhaps the most crucial element in the hierarchy of effects model. A consumer might prefer a particular product but not may have adequate conviction about buying it. There could be a lot of reasons as to why a consumer might not be convinced to purchase the product. We shall discuss these issues in the next section on consumer behavior. What really prompts a consumer to try out a product is something which is very inconspicuous. Nevertheless, advertisers have to build conviction among the target audience.

### **Purchase**

Finally, some of the consumers might have conviction but may not make the purchase. They may wait for more information or plan to act later. Advertisers must design their advertising campaign in such a way that the consumers are to take the final step i.e. the purchase stage. This could be done by offering the product at a low price, offering a premium, or letting consumers try out a product. This is where consumers make a move to actually search out information about the product before making the purchase decision.

Let us understand that conviction and purchase of a product are activated by the conative phase. This related behavioral dimension belongs to the realm of motives. Now, different types of advertising strategies could be used for this purpose. For example, advertisers can use such strategies as point-of-purchase, retail ads, last chance offers, price appeals and testimonials.

## **2.5 CONSUMER BEHAVIOUR**

Consumer Behaviour is the study which deals with the behavioral aspect of the consumers. This branch of study is interwoven with other disciplines such as psychology, sociology, social anthropology and particularly economics. As consumers we are influenced by our family members, friends, reference groups, and the society in general. It studies characteristics of individual consumers such as demographics and psychographics and attempts to understand people's wants and needs. Finally, it attempts to understand the buyer's decision making process, both individually and in groups.

Let us accept the fact that all of us are consumers but then there is a difference in our consumption and buying behavior. Have you ever thought how many times people make product decisions throughout the day about what he/she should wear or about what he/she should eat? We consume and buy products according to our needs, preferences and buying power. These can be fast moving consumer goods, durable goods, speciality goods or, industrial goods. What we buy,

how we buy, where and when we buy, in how much quantity we buy depends on the following factors:

- Age
- Family cycle
- Our attitudes
- Beliefs values
- Motivation
- Personality
- Social and cultural background

It should be borne in mind that there are internal and external factors influencing our behaviour. Some consumers can afford to buy goods in greater quantities while others may not be able to do so. The marketers, therefore, tries to understand the needs of different consumers and formulate their marketing plan after having understood their behavior. Understanding consumer behaviour requires enormous amount of research work. All marketing decisions are based on assumptions and knowledge of consumer behavior. Researching consumer behavior is a complex process. But understanding consumer behavior is of utmost importance to marketers as they can use it to:

- Identify Consumers
- Provide satisfaction to consumers
- Enhance the image of the company
- Improve products and services
- Create competitive advantage
- Understand how customers view their products
- Expand the knowledge base in marketing

### **2.5.1 ANALYZING HUMAN BEHAVIOUR**

Human behaviour is very intricately interwoven with innumerable factors. We need to keep in mind that behaviour is something which is not static; it changes over time. It is a very difficult to determine how a given behaviour functions in relation to specific environmental events.

Let us know that experimental analyses provide three levels of understanding:

- Description: Experimental analysis attempts at describing behaviour in relation to socially significant behaviour.

- Prediction: Experimental analysis is conducted to investigate the changes in behavior in relation to environmental events
- Control: Experimental control is achieved when a predictable change in the dependent variable, for instance, behaviour of interest can be reliably produced by systematic changes in the independent variable i.e. environmental factors

Behaviour analysis is a science which is based upon the foundations and principles of behaviourism. Behaviourism was largely established mainly through the influential work of three theorists. Let us now understand the findings of their research very briefly.

- a. Ivan Pavlov: He discovered the conditioning reflex during his studies on dogs. In this research he has established classical conditioning as a learning method. His research demonstrates that an environmental stimulus for example 'ringing bell' could be used to stimulate a conditioned response i.e. salivating at the sound of the ringing bell.
- b. John B. Watson: He extended Pavlov's classical conditioning theory to apply to human behaviour. His seminal article '*Psychology as the Behaviorist View It*' was published in 1913 where he establishes behaviorism as a major school of thought.
- c. B.F. Skinner: Skinner later introduced the concept of operant conditioning in which it was found that reinforcement leads to a desired behavior. These concepts continue to play an influential role in understanding behaviour analysis.

Having known behaviour analysis, let us now understand Division 25 of the American Psychological Division. This explains that analysis of behavior can occur in three different ways.

- Experimental investigation of behavior : This deals with finding out the behavior of individuals
- Applied behavior analysis: This process involves taking what researchers know about behaviour and applying it in individual, social and cultural contexts
- Conceptual analysis of behavior: According to Division 25, this addresses the philosophical, historical, theoretical and methodological issues in behavior analysis

### **2.5.2 CONSUMER IN ECONOMIC THEORY**

Understanding consumer behaviour forms a very important part of economic theory. The theory and measurement of consumer behaviour was first developed during the 19th century on the basis of the following premises:



- Purchase of any commodity gives the consumer a positive satisfaction and additional satisfaction derived from additional purchases of the same commodity declines as the consumer's supply of that commodity increases
- With a given amount of money to spend, the consumer distributes the expenditure among commodities to maximize the total satisfaction or utility attainable from all those purchases

Let us keep in mind that that this model of consumer behavior has undergone tremendous change over the years. Our needs and wants too have changed a lot as a result of advancement in technology. The advantage of this approach is that it separates the main economic variables influencing consumer behavior i.e, income and prices from all the other influences such as individual preference, customs and habits and social pressures but at the same time it unites them in a single analytical apparatus.

Having known the implications of consumer behavior in economic theory let us now look at two very pertinent theories relating to consumer behavior.

#### **2.5.2.1. MICRO ECONOMIC THEORY**

##### **Highlights**

- Individual has complete knowledge of his wants and knows all the means to satisfy those needs.
- Preferences are independent of the environment at the time at which the choice is made.
- Consumer evaluates each alternative and behaves rationally.
- Has never been responsible for a systematic depreciation of the possibilities of intelligence and thinking in human affairs

#### **2.5.2.1 MACRO ECONOMIC THEORY**

##### **Highlights**

- Theory shows how a society meets the economic needs of the people.
- Analysts feel the economist is generally not concerned with the buying choices of the individuals
- This theory focuses on choice patterns over a period of time
- The rationale of the theory is that individual differences average out when many people are studied together

### 2.5.3 MARKET SEGMENTATION

Market segmentation is the segmentation of the market into different zones. For instance a market could be segregated on the basis of geographic, demographic, psychographic and behavioral factors. We shall discuss these segregations later in this section.

A market is segmented because it would enable marketers to better satisfy the needs of its potential customers. Different customers have different needs, and it is nearly impossible to satisfy all the customers. Needless to say that human wants are unlimited. The marketing concept calls for understanding customers and satisfying their needs better than their competitors.

Let us now try to understand the requirements of market segments. A good market segmentation will result in segment members that are internally homogenous and externally heterogeneous; that is, as similar as possible within the segment, and as different as possible between segments.

We shall now learn how the consumer market is segmented. It could be segmented on the basis of the following customer characteristics:

- **Geographic Segmentation:** This type of segmentation is done on the basis of (a) region - by continent, country, state, or even neighborhood, (b) Size of metropolitan area - according to size of population ,(c) Population density which is often classified as urban, suburban, or rural, (d) Climate - according to weather patterns common to certain geographic regions.
- **Demographic Segmentation:** Demographic segmentation variables include age, gender, family size, income, occupation, education, ethnicity, nationality, religion and social class etc
- **Psychographic Segmentation:** This type of segmentation groups customers according to their lifestyle. Some psychographic variables include activities, interests, opinions, attitudes and values etc
- **Behavioral Segmentation:** This is based on the customers, behaviour toward products. Some behavioural variables include benefits sought, brand loyalty, usage rate, user status (for instance, potential, first-time, regular, etc.,) readiness to buy and purchase occasions, etc

## 2.6 SUMMING UP

In this unit you have come to know the various aspects of advertising communication models and their implications. You have also become familiar with different theoretical foundations in advertising. Some of the theories which you have learned are AIDA model of communication, DAGMAR approach. You have also learned at length the Hierarchy of Effects Model and its significance in advertising.

## 2.7 SUGGESTED READINGS

Dell Dennison. *Advertising handbook*

Joseph Straubhaar, Robert Larose. *Media now-communication in the information age*

Jacob Victor. *Power Advertising and Journalism Triggers*

David Ogilvy. *Ogilvy on Advertising*

Batra, Myers, Aaker. *Advertising Management*

Debashis Pati. *Branding concepts and process*

Jeffkins and Yadin. *Advertising* (fourth edition)

## 2.8 PROBABLE QUESTIONS

1. What is an advertising and communication model? Discuss its significance in advertising?
2. Discuss the AIDA model with examples.
3. Explain DAGMAR approach. What is its importance?
4. Hierarchy of Effects Model acts as a conceptual tool in understanding consumer behavior.

Comment

5. Why is understanding consumer behavior very important in advertising?
6. Examine the differences between Micro- economic theory and Macro economic theory.
7. How is the market segmented?

# **MMC 103 ADVERTISING AND PUBLIC RELATIONS**

## **UNIT-3: CURRENT TRENDS AND ETHICAL ISSUES**

### **UNIT STRUCTURE**

- 3.1 OBJECTIVES
- 3.2 INTRODUCTION
- 3.3 CULTURAL DIVERSITY OF ADVERTISING IN A GLOBAL ENVIRONMENT
  - 3.3.1 ADVERTISING AND CULTURAL DIVERSITY
  - 3.3.2 GLOBAL CAMPAIGN IN INDIAN CONTEXT
  - 3.3.3 REASONS FOR CULTURAL DIVERSITY OF ADVERTISING IN INDIA
- 3.4 APEX BODIES IN AD
  - 3.4.1 ADVERTISING AGENCIES ASSOCIATION OF INDIA (AAAI)
  - 3.4.2 ADVERTISING STANDARDS COUNCIL OF INDIA (ASCI)
- 3.5 ETHICS IN ADVERTISING
  - 3.5.1 ETHICAL AND MORAL PRINCIPLES OF ADVERTISING
- 3.6 LAWS AND ACTS CONCERNING ADVERTISING
- 3.7 AD AGENCIES
  - 3.7.1 STRUCTURE AND FUNCTIONS OF AN ADVERTISING AGENCY
  - 3.7.2 CLIENT- AGENCY-MEDIA INTERFACE
  - 3.7.3 CLIENT SERVICING
  - 3.7.4 MEDIA PLANNING
- 3.8 SUGGESTED READINGS
- 3.9 PROBABLE QUESTIONS

### **3.1 OBJECTIVES**

After reading this unit you will be able to-

- recognize and explain the cultural diversity of advertising in a global environment
- describe the apex bodies in advertising
- explain the laws and acts concerning advertising and ethics in advertising
- be familiar with and describe the ad agencies

### **3.2 INTRODUCTION**

The field of advertising is extremely broad and diverse. In general terms, of course, an advertisement is simply a public notice meant to convey information and invite patronage or some other response. As that suggests, advertising has two basic purposes: to inform and to persuade, and — while these purposes are distinguishable — both very often are simultaneously present. Advertising can be very simple — it may be at local level or national level or it can be very complex, involving sophisticated research and multimedia campaigns that span the globe

### **3.3 CULTURAL DIVERSITY OF ADVERTISING IN A GLOBAL ENVIRONMENT**

The growing diversity of the global marketplace drives marketing attempts across many countries, cultures, and subcultures. The marketer's challenge is to make advertisements pertinent to as many people as possible, without hurting feelings or alienating others who might "mistakenly" see the ads. In the process of creating targeted advertisements for multicultural marketplaces, marketers search for significant uniqueness by which to separate a single varied market into different homogeneous consumer segments that may be courted more efficiently. Almost without exception, these characteristics have been those that are relatively rare within the overall market and that are meaningful to the individual consumer.

Now the million dollar question is- is globalization a threat to cultural diversity?

There are many reasons that globalization might weaken cultural diversity:

- Multinational corporations endorse a certain kind of consumerist culture, in which normal commodities, promoted by global marketing campaigns developing basic material desires, create similar lifestyles.
- Western ideals are wrongly established as universal, overruling local traditions which may be termed "cultural imperialism"
- Modern organizations have an intrinsically rationalizing thrust, making all human practices more competent, controllable, and conventional, as exemplified by the spread of fast food— Pizza, etc.

But there are also a few good reasons that globalization will foster diversity:

- Pluralization: interaction across limits leads to the mixing of cultures in particular places and practice.
- Separation: cultural flows happen in different ways in different areas and may be created in many places.
- Contestation: mixing and the spread of thoughts and images incite reactions and resistance.
- Glocalization: global norms or practices are interpreted differently according to local tradition; the universal must take particular forms.
- Institutionalization: diversity has itself become a global value, promoted through international organizations and movements, not to mention nation-states.

### 3.3.1 ADVERTISING AND CULTURAL DIVERSITY

The problems related to communicating with people in varied cultures present one of the great creative challenges in advertising. International advertising is almost consistently terrible mostly because people do not know languages and cultures. Communication is harder because cultural factors largely decide the way various phenomena are recognized. If the conceptual framework is different, acuity of the message itself varies.

Cultural diversity must avoid stereotyping: Once considered a "melting pot," the United States is now seen as a "salad bowl," where diversity in cultures and ethnic groups does not merge into society totally, but keeps much of their different identities. The small business must find ways to advertise to these groups authentically: the ads must ring true for the ethnicity that is targeted. Likewise, in trying to design a gender-based advertising campaign, businesses need to realize that the roles of men and women can be apparent differently.

According to Dr. Lars Perner of the Department of Marketing at the University of Southern California, one danger of ethnically targeted marketing is stereotyping. For example, to presume that all Asians are interested in cameras is not only mistaken, it can estrange possible Asian customers who might see it as based on a United States stereotype of Asian tourists.

*Online Advertising:* It is necessary to face resistance from consumers when using online advertising. However, various cultures respond to online advertising differently. For example, according to ComScore, a global company that measures the effects of digital advertising, Hispanics in the United States claim to enjoy online advertising more than any other ethnic group. Thus, someone should get to know the habits of their target customers before they make assumptions about them. If they have a product that is a high-interest item for people of a particular culture, such as Japanese kimonos, Colombian food, or African art, you may be able to overcome advertising resistance online with a direct appeal to the tastes of your target audience.

*Individual vs. Collective Stances:* The United States values individualism, and this shows up in American advertising. Other cultures may value a more collective stance. If one approaches a community-oriented culture with individualistic messages, he may alienate the target customer. For example, a dissertation by Niaz Ahmed for the graduate school at the University of Southern Mississippi suggests that, in India, visuals that reflect a collective stance succeed better. By

"collective stance," he means advertisements that appeal to group inclusiveness by showing several people of a shared ethnicity enjoying and embracing the product, rather than an individual choosing the product as a way to stand out from the crowd.

*Gender Issues:* The roles of men and women in different cultures vary so widely that you cannot count on universal values in this area. For example, according to Dr. Geert Hofstede of Maastricht University in The Netherlands, showing a "strong woman" in advertising might come off as inappropriate for countries that consider themselves to be more masculine. By "masculine," Dr. Hofstede means assertive and competitive cultures that expect women to be modest and nurturing. These kinds of differences can positively or negatively affect the way the products are perceived if someone tailors his advertising to men or women of a specific culture.

*Uncertainty:* Each culture deals with uncertainty in different ways. For example, according to Dr. Geert Hofstede, Japanese people tend to value order and certainty, so advertisements that come to clear conclusions tend to appeal to them. He says that cultures that accept risk, such as Hong Kong, will accept much more uncertainty in advertising.

### **3.3.2 GLOBAL CAMPAIGN IN INDIAN CONTEXT**

- Lux soap started selling in India in 1929. Today it continues to be promoted as a "beauty bar" to women. The J. Walter Thompson Agency developed an advertising style for Lux that was used in England, America, Australia, South Africa, and India. Beginning in the 1920s, international Lux ads featured female American film stars endorsing the brand by claiming Lux as the "secret" of their beauty. For Lux's 75th year anniversary in India, JWT came up with an innovative twist of its regular advertising. The agency suggested using a famous Bollywood *male* to endorse the brand. The client agreed to try it. Superstar Shahrukh Khan was placed in a large bath filled with flower petals and surrounded by four actresses who had previously endorsed Lux in ads.
- Nike, which had never targeted the cricket market previously, asked its Indian agency, JWT, to make a commercial for the 2007 Cricket World Cup. The commercial was an enormous success for the brand in India. It departed from the style of Nike's competitors, which typically use cricket-celebrity endorsements. When traffic comes to a standstill on a busy street, a wild game of cricket breaks out reflecting the unorthodox way cricket is

played all over India. It captures the energy and tenacity of the common player and the passion of the fans. Wherever, whenever, however, Indian cricketers "Just Do It".

### **3.3.3 REASONS FOR CULTURAL DIVERSITY OF ADVERTISING IN INDIA**

The contrast between what is manufactured at home and what is imported touches the very heart of Indian national identity. Mahatma Gandhi (1869-1948), who led the Indian subcontinent to independence from Great Britain in 1947, called on Indians to boycott goods manufactured abroad, especially those made in Great Britain. He spun locally grown cotton for his own clothes and urged fellow Indians to do the same. When Britain taxed salt, Gandhi led a peaceful march to the sea and encouraged his followers to make their own salt. Today, many Indians remain suspicious of imported goods and the multinational corporations that manufacture them. Others view such foreign manipulation, including the foreign corporation branches set up, as a means of modernizing the country and bringing it into the global economic community.

India is the world's second most crowded nation, second in size only to China. It is a land where the old and the new, the traditional and the modern, and the local and the international coexist—sometimes comfortably, sometimes not. In managing brands and targeting consumers, advertising must understand and contend with the social and cultural diversity of India.

The rapid growth of social media and the mobile Internet are changing the ways businesses reach out to their customers and even more importantly how customers are influencing and shaping companies and their brands. Marketers everywhere are under pressure to deliver increased and better metrics. The challenge for Indian marketers is in not only integrating these evolving communication channels, but in adapting them to India's unique diverse cultures and audiences.

Multinational firms have adopted integrated marketing communications (IMC) successfully in developed markets as a means of achieving high brand coherence. As these firms focus on India and its vast middle class, they face unique challenges - spanning language, regional culture and religion, in addition to lifestyle group classifications - in adapting their IMC methodology.

## **3.4 APEX BODIES IN AD**

### **3.4.1 ADVERTISING AGENCIES ASSOCIATION OF INDIA (AAAI)**

The Advertising Agencies Association of India (AAAI) is the official national organization of advertising agencies, formed to promote their interests so that they continue to make an essential and ever-increasing contribution to the nation. On September 21, 1945, 60 years ago, Advertising Agencies Association of India (AAAI) was registered as a society in Calcutta. Four agencies from Calcutta – D J Keymer, General Advertising Agency, J Walter Thomson Co. and Press



Syndicate – and three agencies from Bombay – Adarts, Lintas and National Advertising Service – were the signatories in the registrar’s office doing the honours. Initially the registered office of the Association was located at 37, Chowringhee, Calcutta. Calcutta, under the British Raj, was a vibrant commercial city. In 1961, the AAAI office was shifted to Bombay.

We must also understand the background under which AAAI grew in stature. After India became a Republic in 1950, our successive Governments promoted the policy of self-reliance and import substitution. For three decades – from 1951 to 1980 – advertising in India had limited roles to play. Till the 80’s, while the Government did not encourage competition, it did grudgingly acknowledge the importance of communication in social aspects like in family planning programmes, nutrition, education, the modernization of agriculture and ushering in the green revolution. AAAI Members were called upon to provide support in the Government efforts in some of these critical areas. The Government also had a healthy respect for AAAI and always consulted it in matters of consequence. For example, it was at AAAI’s instance that the Government permitted foreign equity holding in ad agencies in the late 80’s.

The following are some aims of AAAI –

- ☐ To benefit Indian consumers and to protect their interests by ensuring honest and good advertising.
- ☐ To benefit Indian advertisers by promoting their sales, increasing their sales and increasing productivity & profitability, to stimulate business and industrial activity.
- ☐ To benefit media by establishing sound business practices among advertisers and advertising agencies and the media owners.
- ☐ To question advertising that is wasteful and extravagant; to make it possible for the small entrepreneur to grow through advertising and to compete with the big, to encourage market and media research; to serve society by meeting its social responsibilities.

Activities: The AAAI's activities cover all areas of vital importance to the advertising industry. Some of these include:

- **Government & Public Relations:** Maintaining the bridge and image of Government.
- **Client Disputes:** Solving various client related problems
- **Statutes and Laws:** Constantly examining all relevant laws and statutes affecting the advertising industry

- **Training & Development:** Organising seminars and workshops on effective advertising skills in creative, copy-writing, print and production, client servicing, television production, media operations, media planning, advertising as a career, etc; maintaining a fully-stocked reference library with a reprint service for members.
- **Member Communications:** Constantly communicating with members through circulars and correspondence; periodic publication of an updated membership directory, regular regional meetings for members and their employees.
- **Public Service:** Offering the services of the Association and members in significant projects

AAAI was actively involved in determining the procedures and policies of the electronic media in India. Having felt the need for a self-regulating body in advertising, AAAI was highly supportive to the formation of Advertising Standards Council of India (ASCI). Similarly, AAAI encouraged the formation of Indian Broadcasting Foundation so that it could address the needs of TV channels. AAAI also has a healthy relationship with the Indian Society of Advertisers (ISA).

### **3.4.2 ADVERTISING STANDARDS COUNCIL OF INDIA (ASCI)**

The ASCI was established in the year 1985 to self-regulate the content of advertisements. The Council was registered as a not-for-profit company under section 25 of the Indian Companies Act. The ASCI is not a Government body, nor does it formulate rules for the public or for the relevant industries. It is a voluntary self-regulatory Council. Before the establishment of ASCI, there was no other professional association or trade or consumer body that looks into or tries to regulate the "content" of advertisements published or appearing in India, other than the observance of the prevalent laws of the land. The advertisers' association, namely the Indian Society of Advertisers, the advertising agencies' association, namely The Advertising Agencies Association of India, the media owner's association, namely The Indian Newspapers Society, came together and took the initiative to form the ASCI. ASCI has one overarching goal: to maintain and enhance the public's confidence in advertising. ASCI seeks to ensure that advertisements conform to its Code for Self-Regulation which requires advertisements to be

- Truthful and fair to consumers and competitors.
- Within the bounds of generally accepted standards of public decency and propriety.
- Not used indiscriminately for the promotion of products, hazardous or harmful to society or to individuals particularly minors, to a degree unacceptable to society at large.

## 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 achieving the acceptance of fair advertising practices in the best interest of the ultimate consumer:

- I. To ensure the truthfulness and honesty of representations and claims made by advertisements and to safeguard against misleading advertisements.
- II. To ensure that advertisements are not offensive to generally accepted standards of public decency.
- III. 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 this is unacceptable to society at large.
- IV. To ensure that advertisements observe fairness in competition so that the consumers need to be informed on choices in the market-place and the canons of generally accepted competitive behaviour in business are 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.

## **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.

### **Function of ASCI**

The Role and Functioning of the ASCI & its Consumer Complaints Council (CCC) in dealing with Complaints received from Consumers and Industry, against Ads which are considered as False, Misleading, Indecent, Illegal, leading to Unsafe practices, or Unfair to competition, and consequently in contravention of the ASCI Code for Self-Regulation in Advertising.

ASCI is a voluntary self-regulatory council, registered as a not-for-profit Company under section 25 of the Indian Cos. Act. The sponsors of the ASCI, who are its principal members, are firms of considerable repute within Industry in India, and comprise Advertisers, Media, Ad Agencies and other Professional /Ancillary services connected with advertising practice.

The ASCI is not a Government body, nor does it formulate rules for the public or for the relevant industries. The Purpose and the Mission of the ASCI is spelt out clearly in the literature provided.

### **ASCI's Mission and Objectives**

The ASCI has one overarching goal: to maintain and enhance the public's confidence in advertising. The ASCI seeks to ensure that advertisements conform to its Code for Self-Regulation. The ASCI is a Not-For-Profit Company, under the Companies Act 1956 and the main objectives to be pursued by the Company on its incorporation are –

- To monitor, administer and promote standards of advertising practices in India with a view to ensuring the truthfulness and honesty of representations and claims made through advertising and safeguarding against misleading advertising ensuring that Advertising is not offensive to generally accepted norms and standards of public decency.

- To safeguard against the indiscriminate use of advertising for the promotion of products or services which are generally regarded as hazardous to society or to individuals or which are unacceptable to society as a whole ensuring that advertisements observe fairness in competition and the canons of generally accepted competitive behaviour.
- To codify, adopt and from time to time modify the code of advertising practices in India and implement, administer and promote and publicize such a code.
- To provide facilities and machinery in the form of one or more Consumer Complaints Councils having such composition and with such powers as may be prescribed from time to time to examine complaints against advertisements in terms of the Code of Advertising practices and report thereon.
- To give wide publicity to the Code and seek adherence to it of as many as possible of those engaged in advertising.
- To print and publish pamphlets, leaflets, circulars or other literature or material, that may be considered desirable for the promotion of or carrying out of the objectives of the Company and disseminate it through any medium of communication.

### **3.5 ETHICS IN ADVERTISING**

Advertising is a form of communication that tries to persuade potential consumer to purchase or to consume more of a particular brand of product or service. An advertisement, under the Advertising Standards Council Of India (ASCI) Code for Self-Regulation in Advertising, 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.” Many advertisements are designed to generate increased consumption of those products and services through the creation and reinforcement of "brand image" and "brand loyalty". For these purposes, advertisements sometimes embed their persuasive message with factual information. Every major medium is used to deliver these messages, including television, radio, cinema, magazines, newspapers, video games, the Internet and billboards.

The importance of advertising is steadily on the increase in modern society. Just as the media of social communication themselves have enormous influence everywhere, so advertising, using media as its vehicle, is a pervasive, powerful force shaping attitudes and behavior in today's world. Advertising has a profound impact on how people understand life, the world and themselves, especially in regard to their values and their ways of choosing and behaving. Society

has a right to information based on truth, freedom, justice and solidarity. But it calls attention to moral principles and norms relevant to advertising, as to other forms of communication.

### **3.5.1 ETHICAL AND MORAL PRINCIPLES OF ADVERTISING**

There is nothing intrinsically good or intrinsically evil about advertising. It is a tool, an instrument: it can be used well, and it can be used badly. It can have beneficial results, it also can have a negative, harmful impact on individuals and society. Therefore, if media are to be employed correctly in advertising, it is essential that all those who use them know the principles of the moral order and apply them faithfully. Advertisers, that is, those who prepare or disseminate advertising, are morally responsible for what they seek to move people to do; and this is a responsibility also shared by publishers, broadcasting executives, and others in the communications world, as well as by those who give commercial or political endorsements, to the extent that they are involved in the advertising process.

This applies also to the means and the techniques of advertising: it is morally wrong to use manipulative, exploitative, corrupt and corrupting methods of persuasion and motivation. In this regard, we note special problems associated with so-called indirect advertising that attempts to move people to act in certain ways — for example, purchase particular products — without their being fully aware that they are being swayed. The techniques involved here include showing certain products or forms of behaviour in superficially glamorous settings associated with superficially glamorous people. A **surrogate advertising** can be an extreme example of this kind. Within this very general framework, we can identify several ethical and moral principles that are particularly relevant to advertising. A few of these important principles are: truthfulness, the dignity of the human person and social responsibility.

#### ***Truthfulness***

Some advertising is simply and deliberately untrue. Generally speaking, though, the problem of truth in advertising is somewhat more subtle. It is not that advertising is wholly false, but that it can distort the truth by implying things that are not so relevant facts or it may withhold relevant facts. To be sure, advertising, like other forms of expression, has its own conventions and forms of stylisation, and these must be taken into account when we think of truthfulness. People take for granted some rhetorical and symbolic exaggeration in advertising. Within the limits of recognised and accepted practice this may be allowed. But it is a fundamental principle that advertising may not deliberately seek to deceive, whether it does that by what it says, by what it implies, or by what it fails to say. The proper exercise of the right to information demands that the content of what is communicated be true and, within the limits set by justice and charity. The obligation is to avoid any manipulation of truth for any reason.

### ***The Dignity of the Human Person***

There is an imperative requirement that advertising respect the human person, his right, duty to make a responsible choice, his interior freedom. These abuses are not merely hypothetical possibilities but realities in much of advertising today. Advertising can violate the dignity of the human person both through its content — what is advertised, the manner in which it is advertised — and through the impact it seeks to make upon its audience. This problem is especially acute where particularly vulnerable groups or classes of persons are concerned: children and young people, the elderly, the poor, the culturally disadvantaged.

Much advertising directed at children apparently tries to exploit their credulity and suggestibility, in the hope that they will put pressure on their parents to buy products of no real benefit to them. Advertising like this offends the dignity and rights of both children and parents; it intrudes upon the parent-child relationship and seeks to manipulate it to its own base ends. Also, some of the comparatively little advertising directed specifically to the elderly or culturally disadvantaged seems designed to play upon their fears so as to persuade them to allocate some of their limited resources to goods or services of dubious value.

### ***Social Responsibility***

It would be difficult to encompass all the issues and concerns that come under the concept — “social responsibility”. It is a very broad concept when it comes to discussing advertising. Among these the ecological issue is one. Advertising that fosters a lavish life style which wastes resources and despoils the environment offends important ecological concerns. In his desire to have and to enjoy rather than to be and grow, man consumes the resources of the earth and his own life in an excessive and disordered way. Man thinks that he can make arbitrary use of the earth, subjecting it without restraint to his will. In this regard, “authentic and integral human development” is a very fundamental issue. Advertisers, like people engaged in other forms of social communication, have a serious duty to express and foster an authentic vision of human development in its material, cultural and religious and spiritual dimensions. Communication that meets this standard is, among other things, a true expression of solidarity.

## **3.6 LAWS AND ACTS CONCERNING ADVERTISING**

Advertising Industry in India is on the expansion spree for the last few years and has become a serious and big business, growing at a considerable rate. However, the growth of this industry is affected by the prevalent malpractices carried out by advertisers in order to lure the consumers and sustain an edge over the competitors. Advertisement is often described as commercial speech and enjoys protection under Article 19(1)(a) of the Indian Constitution. As a facet of the Right to

Information, it facilitates the dissemination of information about the sellers and their products. However, the manner of facilitation is subject to a number of statutory provisions.

Under the Indian legal regime, the prominent, prohibitory legal provisions that regulate advertising are:

1. Obscene publication or advertisement of a lottery under the Indian Penal Code.
2. Harmful publication under the Young Persons (Harmful Publications) Act, 1956.
3. The indecent representation of women under the Indecent Representation of Women (Prohibition) Act, 1986.
4. Use of report of test or analysis for advertising any drug or cosmetic under the Drugs and Cosmetics Act, 1940.
5. Inviting transplantation of organs under the Transplantation of Human Organs Act, 1994.
6. Advertisement of magical remedies of diseases and disorders under Drugs and Magical Remedies (Objectionable Advertisements) Act, 1954.
7. Advertisements relating to prenatal determination of sex under the Prenatal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994.
8. Advertisements of cigarettes and other tobacco products under the Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003.
9. Any political advertisement forty hours prior to polling time under the Representation of People Act, 1951.

Absence of a single comprehensive legislation had created a lot of confusion in the advertising industry. In 1985, a self regulatory mechanism for ensuring ethical advertising practices was established in the form of the Advertising Standards Council of India (ASCI), a non statutory tribunal. ASCI entertained and disposed off complaints based on its Code of Advertising Practice (ASCI Code). Gradually, the ASCI Code received huge recognition from the advertising industry. In August 2006, the ASCI Code was made compulsory for TV advertisements by amending the Cable Television Networks (Amendment) Rules, 2006: “No advertisement which violates the Code for Self-Regulation in Advertising, as adopted by the ASCI, Mumbai for public exhibition in India, from time to time, shall be carried in the cable service.” This move has



provided a binding effect on the ASCI Code. Rule 7 postulates that any advertisement which derides any race, caste and tends to incite people to crime, cause disorder or are indecent or vulgar. Further, section 6 of the Cable Television Networks (Regulation) Act, 1955 prohibits the transmission or retransmission of any advertisement through a cable service unless they are in conformity with the ASCI Code. The key objectives of ASCI code is to ensure that advertisements must –

- Make truthful and honest representations and claims which is essential to prohibit misleading advertisements;
- Not be offensive to public decency or morality;
- Not promote products which are hazardous or harmful to society or to individuals, particularly minors; and
- Observe fairness in competition keeping in mind consumer's interests.

### **3.7 AD AGENCIES**

Advertising is an important communication vehicle that typically attempts to persuade potential customers to purchase or to consume a particular brand of product or service. Many advertisements are designed to generate increased consumption of a product and service through the creation and reinforcement of “*brand image*”. Almost all advertising is therefore arranged through an advertising agency which provides the necessary skill to turn the message into a memorable and effective advertisement. Advertising has not only come to reflect pop culture but has also become an important element of economic growth. Today, every person connected with the Indian economy or public should be fully aware what advertising really is and why effective advertising campaigns can be performed by full-service advertising agencies.

According to the American Association of Advertising Agencies, ‘*an agency is an independent business organization composed of creative and business people who develop, prepare and place advertising in advertising media for sellers seeking to find customers for their goods and services*’.

#### **3.7.1 STRUCTURE AND FUNCTIONS OF AN ADVERTISING AGENCY**

An advertising agency is a firm that specializes in the creation, design and placement of advertisements, and in the planning and execution of promotional campaigns for products and services of their clients. It is a team of experts which serves clients of different sectors. As a service provider, an Advertising Agency takes up the important tasks of representing its clients to their target audience in an innovative and effective manner. An agency uses different media,

including print, television, radio, internet etc. for spreading the message of the clients. There are plenty of business houses, industries, firms or corporations who are looking towards outsourcing their advertising needs to an Ad agency.

The specialists of an advertising agency work together to understand the requirements of an advertisement campaign and to develop suitable advertising plans and strategies.

**The functions of an advertising agency:**

- To accelerate economic growth and create public awareness
- To provide a total, professional, experienced service that is very personal in its nature
- To take the advertiser's message and convert it into an effective and memorable communication which exactly is the objective of an advertising agency

**The structure of an advertising agency:**

Advertising agencies need to have a wide expertise in the area of marketing and communications, which is why they employ specialists, who can easily understand economic, demographic and psychographic data given to them. They add significant insights to this from their own experience and data banks. There are a few ad agency departments. They are discussed below:

**Creative department**

This department is engaged with the creation of the various themes and designing them for different media. Modern advertising agencies usually employ copywriters and art-directors to form the creative teams. Creative teams may be a permanent team or formed on a project-by-project basis. The art-director and copywriter report to a creative director. He is an employee with several years of experience in advertising creativity. The creative team in an agency can be further divided into two sections: Copy and Art.

**Copy Department**

The Copywriter gets down to the task of putting across the message in words. The headline, followed by the body (copy) in the case of a print advertisement, a dialogue or jingle for a radio spot, or a detailed story board in the case of a TV commercial advertisement have to be done by the copy department.

A good copywriter must be able to think imaginatively and originally each time, to create an ad story for different products. He has to co-relate masses and market research findings to present the conclusions in language that is lucid and convincing. And above all, creativity as well as adaptability is needed to be a successful copywriter. The famous ad expert, David Ogilvy, puts it very concisely: "If it doesn't sell, it isn't creative."

### **The Art Department**

This department under the creative team looks for the layout and the make-up tasks. It accommodates the various components i.e. slogan, headline, picture, text, logo, etc. in a balanced format within the given space. Selecting the size and type of the font (lettering) for the print advertisements and the photographic treatment as well as the overall treatment of the TV commercials are some very important tasks for an art department.

### **The Creative Services Department**

The creative services department has many contacts with the suppliers of various creative media. For example, they will be able to advise upon and negotiate with the printers if an agency is producing brochures for a client. However, when dealing with the major media including press and electronic media, this work is usually outsourced to a media agency which can advise on media planning and is normally large enough to negotiate prices down further than a single agency or client can.

### **Media planning department**

This department is responsible for the positioning of an advertisement in the press, radio or television. It identifies display spaces for the outdoor advertising. The department, keeping in view the target audience, looks for innovative media outlets and puts the advertisement accordingly. Media Planning department helps ad agencies to choose the best outlet or medium to reach the desired customers. The media planners may also be involved in conducting client's need-specific research to assess the particular ad campaign of the company (the advertiser).

### **Production department**

The production Department of an advertising agency is responsible for the get-up of the advertisement when it is released in newspapers, magazines, posters and billboards. The production people make sure that the ad gets printed. The employees of the department should have the knowledge of typography, printing technology, layout design, photography, use of material etc.

### **The Research Department**

The Research department tries to measure the effectiveness of the ad campaign. Research provides the strategy to the media planner, who is the person related to ad making for the clients. These professionals are from a variety of disciplines, but they share a common comfort level with mathematical or statistical modelling, sampling techniques and psychographics.

## **Client Servicing/ Accounts Service**

Client servicing represents the agency to the client. It always tries to maintain the good will in the client's mind. It receives the detailed information of client's requirement. It always looks after the client's satisfaction. The executives chalk out the strategy based on the brand's positioning, product's USP and its communication objective. They try to coordinate best between the company and the client. Basically the department performs the role of Public Relations on behalf of the Ad agency. An account executive who works within the account services department, meets with the client to determine sales goals and creative strategy. They are then responsible for coordinating the creative, media, and production staff behind the campaign. So, in a nut shell, it can be said that this department of an advertising agency is involved in overall strategic plan including the budget, the right media selection and dissemination of the client's product message. This department internally discusses the planning strategy with the creative team, the media planning department and if necessary, the market research agency.

### **3.7.2 CLIENT- AGENCY-MEDIA INTERFACE**

The method of paying the agency has been a subject of much discussion now- a -days at almost all the meetings of advertising agency associations. There are, basically three methods in practice. The first and most popular is the Commission System. This is the most common and the oldest system of remuneration.

The agency fixes an amount of commission by the media on the advertising bill for the advertisement space bought by the agency. This fixed rate of commission varies from company to company and place to place. For example, an agency places a full-page advertisement in a magazine, which costs Rs. 10,000/- . If the magazine (the medium) will bill the agency for Rs. 10,000/-, less 15 per cent, then 15 % will be the commission rate.

Firstly, there will be an agreement as to how the agency is to be compensated for planning, producing, and placing advertising. This may be by percentage of commission or by a fee or by a combination of fee and commission. Whatever the arrangement, the advertiser will agree to it, and a description of this compensation agreement will be included.

Secondly, there will be an agreement on the reimbursement of the agency for its out-of-pocket costs for material, services, travel expenses of agency personnel, etc. The agreement may also specify how the client will qualify for cash discounts and how the agency will handle media rate adjustment. The method of compensating the agency for its participation in a cooperative advertising programme if it differs from compensation for agency' service for other client advertising, will also be indicated.

The agreement may specify how the agency will be compensated for special services not covered by the general agreement between the parties such as package design, preparation of collateral material, or planning and executing special research studies, etc.

The agreement may also specify a time frame within which the advertiser is expected to reimburse the agency for its various expenditures made in the client's behalf.

### **3.7.3 CLIENT SERVICING**

The organizational set up of an advertising agency varies in its capacity and structure. But over all every ad agency has some common departments. The traditional full service agency is divided into three functional departments such as account management, also known as client service; creative, and media. Its functional area has a vital role to play in developing the advertising strategy for the clients. So client servicing is one of the major activities in the ad agency. It is the process of creating and maintaining a strong working rapport with each customer. Often referred to as customer care, client servicing is about understanding the needs and desires of the customer, and moving to meet those needs in a proactive manner.

One of the most important keys to effective client servicing is providing the client with people who know the account well, and are able to be of assistance whenever needed. Client servicing dictates that the vendor develop a working knowledge of the goals of the customer, the conditions that the client works within, and what expectations must be met in order to keep the client.

Medium to large-sized advertising agencies divide their work into various departments, traditionally splitting functions into interacting with clients and looking out for their interests (account management), buying advertising (media), and creating advertising (creative). As the importance of research has grown, ad agencies have combined old functions of researchers (who gather information about consumers and markets) and accounts managers (who keep an overall vision of the client's interests) into a role called account planning (client planning).

Account planners are the significant part of Client servicing which combine research and strategic thinking. If the accounts manager is closest to the client, the account planner is closest to the consumer.

### **3.7.4 MEDIA PLANNING**

The *media services* department may not be so well known, but its employees are the people who have contacts with the suppliers of various creative media. For example, they will be able to advise upon and negotiate with printers if an agency is producing flyers for a client. However,

when dealing with the major media (broadcast media, outdoor, and the press), this work is usually outsourced to a media agency which can advise on *media planning* and is normally large enough to negotiate prices down further than a single agency or client can. They can often be restrained by the client's budget, in which case, the media strategy will inform the creative team what media platform they'll be developing the ad for. Modern agencies might also have a media planning department integrated, which does all the spot's planning and placements

### **3.8 SUGGESTED READINGS**

- *Advertisng* by Frank Jeffkins
- *Advertising Principles and Practice* by Chunhawala and Sethia
- *Effective Advertising: Understanding When, How, and Why Advertising Works* by Gerard J Tellis
- *Bijnanpan* by A. Dutta and A. Ray

### **3.9 PROBABLE QUESTIONS**

1. Analyze the effects of cultural diversity on global advertising.
2. Enumerate the role of advertising in safeguarding the dignity of the individual.
3. Why should significance be attached to ethical and moral principles in advertising?
4. Name the various departments of an advertising firm and analyze the function of any one of them.

# **MMC 103 ADVERTISING AND PUBLIC RELATIONS**

## **UNIT-4: INTRODUCTION TO PUBLIC RELATIONS**

### **UNIT STRUCTURE**

- 4.1 OBJECTIVES
- 4.2 INTRODUCTION
- 4.3 BASICS OF PUBLIC RELATIONS
  - 4.3.1 CONCEPT OF PUBLIC RELATIONS
  - 4.3.2 PUBLIC RELATIONS AND ITS HISTORY
  - 4.3.3 FUNCTIONS OF PR PRACTICE
  - 4.3.4 STRUCTURE OF PR DEPARTMENT
- 4.4 PR AGENCIES
  - 4.4.1 FUNCTIONS AND STRUCTURE OF PR AGENCY
- 4.5 APEX BODIES
  - 4.5.1 PRSI
  - 4.5.2 IPRA
- 4.6 PROBABLE QUESTIONS
- 4.7 SUMMING UP
- 4.8 SUGGESTED READINGS

### **4.1 OBJECTIVES**

After studying this Unit you will be able to

- explain the concept of Public Relations
- discuss the history of Public Relations
- enumerate the functions of Public Relations
- discuss the structure of the PR department
- explain the functions of PR agencies
- familiarize with and discuss the apex bodies related to PR.

### **4.1 INTRODUCTION**

This unit has been designed to introduce learners to the concept of Public Relations. In this unit we will discuss the history of Public Relations, its functions in organizations in the present day context. We will also discuss the structure of a PR department in an organization. Next we will look into the role and functioning of PR agencies and some of the apex bodies associated with Public Relations.

### **4.2 BASICS OF PUBLIC RELATIONS**

#### **4.2.1 CONCEPT OF PUBLIC RELATIONS**

The basis of Public Relations lies in one's understanding of the unchangeable fact that we live in an interdependent world. Whether it is as individuals or as organizations, it is impossible to be

completely self-reliant and self-sufficient in meeting one's needs. Because of this interdependence individuals build relationships with different people and institutions – some personal, some social, some professional and some need-based relationships. Some of these relationships are for life and some others only for certain duration.

Similarly different organizations depend upon different groups of people for the fulfilment of their needs and for their smooth functioning. For instance business organizations depend on customers for sales and profit, industries depend on the workforce for productivity, educational institutions depend on the teachers for educating the students, hospitals depend on doctors and nurses for the care of the sick, political parties depend on the public for votes, newspapers depend on readers for their circulation and film stars depend on the public for their popularity and stardom.

This interdependence of different people and organizations has given birth to a management function which is the topic of our study in this unit called 'Public Relations'

Different people have defined Public Relations in different ways:

According to the definition given by the Institute of Public Relations, USA, *Public relations is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation (or individual) and its (or their) publics.*

Dr. Rex F. Harlow, a well-known American professional who analysed 472 different definitions of Public Relations came up with a definition of Public Relations which is a synthesis of all these 472 definitions:

*"Public Relations is a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and cooperation between an 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 ethical communication as its principal tools."*

According to Sam Black, author of Practical Public Relations, public relations is *everything that is calculated to improve mutual understanding between an organization and all with whom it*



*comes in contact, both within and outside the organization and everything directed towards improving communication between people and organizations.*

It is very important to understand in the context of Public Relations, the term ‘Publics’ does not mean masses or the general public. It is a specific term generally used to refer to the different communities of people (whether or not organized as groups) that have a direct or indirect association with an organization, i.e., have a stake in the organization. So, publics are actually stakeholders of an organization. Customers, dealers, employees, media, community, government, etc are all different groups of publics with direct or indirect stake in different organizations.

Internal publics includes employees, investors or shareholders or other people who are directly associated with the organization and Public relations that deal with internal publics is called internal relations.

External publics include customers, dealers, media, government, community, industry associations, regulatory bodies and of course the public at large whose association with the organization is indirect and the Public Relations that deals with such groups is called external relations.

#### **4.2.2 PUBLIC RELATIONS AND ITS HISTORY**

The history of Public Relations is as old as human civilization itself. Although Public Relations as a profession began to emerge only from the early half of the twentieth century, its origins can be traced back to the moment when ancient human beings began to realize their dependence on each other, their need to have relationship and communicate with members of the community. The functions of public relations – to inform, to persuade and to create mutual understanding – these have been basic to society since the beginning of civilization. The objectives, tools and techniques have of course changed with time and has thus emerged the discipline of PR as it exists today.

Ancient leaders were always eager to exercise control over their subjects by various means. Sometimes they used force and at others times persuasion. But, there was always an attempt to mould public opinion in their favour. This was because these leaders realized that they could not rule without the support of the people. The Roman adage *Vox Populi, vox dei* meaning *the voice of the people is the voice of God* is widely adhered to even today.

You must be familiar with stories of kings and emperors who employed spies to give them feedback on public opinion. Wise kings like Akbar often disguised themselves as common men and went out to the streets to collect information. The rulers also employed people to eulogize

them and spread opinions that favour the kingdom. The wandering minstrels who sang songs in praise of the kings are instances of such people.

I believe you must have heard about the great Roman general and statesman Julius Caesar. In order to convince the people of Rome that he would be the best head of state, he wrote a document entitled *Caesar's Gallic Wars* in 50 B.C., which he used duly to publicize his military exploits. It is considered to be the world's first campaign biography, a tool which candidates for political office continue to use to this day to publicize themselves.

Not just rulers, but also religious organizations have always tried to mould opinion in their favour for facilitating propagation. History has shown that all religious leaders have invariably been master communicators. Unfortunately, in many cases when persuasion did not work, totem, taboo and supernaturalism were evoked to achieve their end.

In the 17<sup>th</sup> century, the Catholic Church set up a congregation for propagating Christianity which became widely known as the *Congregatio de propaganda*. This was in fact the root from which the word propaganda was born.

Another notable 18<sup>th</sup> century practitioner was Georgiana Cavendish, Duchess of Devonshire who engaged in press relations, lobbying and celebrity campaigning.

The American Revolution which changed history can also be seen as the event which laid the foundation of the present-day Public Relations. It was not a popular uprising, but a movement which was meticulously strategized and implemented. The English author and revolutionary Thomas Paine inspired and flared up the great American revolution with his writings. In 1776, Thomas Paine wrote *The American Crisis*, a pre-revolutionary pamphlet series which was so compelling that the soldiers of Washington's army was convinced to stay and fight for independence at a time when most of them were on the verge of giving up so they could escape the cold and the hardships of a winter campaign. Paine was indeed a master propagandist – most convincing and forceful.

However, Public Relations as in its present day spirit and context began to emerge in the form of publicity in the middle of the 19th century and can be called a precursor to Public Relations.

One master publicist during that time was P.T. Barnum, who founded the American Museum and the Barnum and Bailey circus. He used 'sleazy' methods of publicity to attract customers to his enterprises.

Another such person was William Seward, President Lincoln's secretary of state in 1861. He had thorough understanding of how to use the press to multiply his messages to the public

But Public relations took the shape of a profession mainly in the hands of two individuals - Ivy Lee, who is now considered to be the first real practitioner of public relations and Edward Bernays who is regarded as the father of Public Relations and the First World War had a huge role to play in stimulating this development.

Bernays and many other early Public Relations professionals like John W. Hill and Carl Byoir can be said to have started their career or entered this profession via the *Committee on Public Information (also known as the Creel Committee)*, the committee which was responsible for publicity in favour of America's war efforts during World War I.

Lee of course was practicing Public Relations long before the start of the war. In 1903 Ivy Lee became the Public Relations counsellor to John D. Rockefeller, a business giant. Rockefeller owned coal mines and the Pennsylvania Railroad and at that time was facing severe problems with his workers who would frequently go on strike. Based on Lee's Counsel, Rockefeller became successful not only in turning around his relationship with his workers, but also changed media and public perception towards his organization.

In 1905, Lee started his own PR firm *Parker and Lee* along with another practitioner George Parker. And in 1906, he is considered to have issued the first ever press release on behalf of Pennsylvania Railroads after an accident better known as the Atlantic City Train wreck.

Lee followed three principles in his conduct of public relations:

1. Tell the truth
2. Provide accurate facts
3. The public relations director must have access to top management and must be able to influence decisions

After working as the publicity director as part of the Creel Committee during the war, in 1919 he founded the public relations counselling office Ivy Lee & Associates.

Bernays' initial career began as a Press agent in 1913. In 1917, he worked as part of the Creel Committee. After the war, from 1919 onwards he opened his own Public Relations counselling office in New York. He was responsible for popularising the use of the term Public Relations. He has thus commented on the origin of the term:

*"When I came back to the United States from the war, I decided that if you could use propaganda for war, you could certainly use it for peace. And propaganda got to be a bad word because of the Germans ... using it. So*

*what I did was to try to find some other words, so we found the words*

*Counsel on Public Relations".*

Bernays also authored several books on Public Relations drawing many of his ideas from the theories of Sigmund Freud who was his uncle. His most celebrated books include *Crystallizing Public Opinion* (1923), *Propaganda* (1928) and *The Engineering of Consent* (1947). He is also considered to be the first Public Relations theorist.

#### **4.3.3. FUNCTIONS OF PR PRACTICE**

The practice of Public Relations serves to fulfill several purposes in an organization. Iqbal S. Sachdeva, in his book *Public Relations – Principles and Practices* summarizes the functions of Public Relations practice as follows:

1. Establishing relationship between an organization and its various constituent public groups like employees, customers, dealers, vendors, shareholders, media, community, government etc.
2. Monitoring the awareness levels, opinions, attitudes, behaviours, and responses of various publics.
3. Engineering changes in the awareness levels, opinions, attitudes and behaviours of the publics.
4. Evaluating and measuring the impact of organizational policies, procedures and actions on various publics.
5. Advisory role of counselling the management to modify and adjust those policies, procedures, and actions that are in conflict with public interest in the interest of smooth functioning of the organization
6. Counselling the management on the formation of new policies, procedures, and actions which are mutually beneficial to organizations and publics.
7. Maintaining a two-way communication between publics and the organization.
8. Monitoring the winds of change and anticipation of the crisis and thereby working as an early warning system for gearing up the management to deal with the eventualities.

In order to fulfill the above mentioned functions, a Public Relations Officer (PRO) needs to carry out certain duties and responsibilities.

The job of a PRO includes the following:

##### **Writing and editing**

The job of a PRO entails extensive writing. It includes writing news releases, special publications, employee newsletters, correspondence, reports, speeches, booklet texts, radio and television copy, film scripts, trade paper and magazine articles, institutional advertisements, product information, and technical materials and other communications directed to internal and external publics.

### **Media Relations and placement**

Maintaining relationship with the media is one of the primary preoccupations of a PRO. This involves responding to media requests for information or spokesperson and contacting news media, magazines, trade publications etc. and encouraging them to publish or broadcast news and features about the organization or publish stories on events organised by the organisation.

### **Special events**

Another job of the PRO is to arrange and manage different events like press conferences, media tours/ industry visits, convention exhibits, open houses, anniversary celebrations, fund-raising events, special observances, contests, and award programmes.

### **Speaking**

A PRO needs to be a confident speaker as there comes several formal and informal occasions on which a PRO needs to appear before various individuals and groups and address the audience on behalf of the organization.

### **Production**

Producing different audio and audio-visual communication materials and publications is another job of a PRO. This includes production of institutional advertisements, documentaries, corporate videos, preparation of audio visual presentations and publication of reports and periodical publications, preparation of brochures, booklets etc.

### **Research**

Research is an activity inevitable for a PRO. Research is all about gathering intelligence and thereby enabling the organisation to plan programmes in response to different situations, monitoring the effectiveness of public relations programme during implementation, and keeping a tab on ongoing developments

### **Programming and counselling**

This involves determining needs, priorities, goals, publics, objectives, of the organization, formulating strategies and counselling the management regarding these strategies

### **Training**

It is also the job of the PRO to train the executives and other organisational representatives in media skills and prepare them for dealing with the media, and for making presentations and other public appearances. Developing the skills of the service staff is another aspect in training

### **PR support to marketing**

One very important responsibility of the PRO is to maintain liaison with the sales and marketing divisions and provide them with the necessary public relations and publicity support for product and institutional publicity, development of market related publicity material, guidance on the PR aspects of marketing, publication of dealer magazine and assistance in dealer relations.

### **PR budgeting**

The PRO also prepares the annual public relations budget in consultation with the higher managerial authorities of the organization and ensures proper utilization of this budget

### **PR agency Coordination**

Another important job of the PRO is to coordinate with the designated PR agency and also take decision regarding the selection and change of PR agency as and when necessary. The PRO coordinates with the PR agency for briefing, planning, finalizing and executing the public relations plans and programmes. The financial aspects of the company-agency relationship are also managed by the PRO.

### **Website Management**

In the case of organizations which have a website, the PRO is also responsible for the management of the website, keeping it updated for proper projection of the organization's image.

#### **4.3.4. STRUCTURE OF PR DEPARTMENT**

There is no fixed structure for a PR department as it differs from organization to organization depending upon the size and PR needs of the organization. In certain organizations it can be manned by one person generally called the Public Relations Officer (PRO), while in other organizations it can also be a larger team.

Most educational institutions for instance simply have a Public Relations Officer as their PR requirements are limited and it is not necessary to engage an entire team to look into those needs. On the other hand, Public sector undertakings like Oil India Ltd. (OIL), Gas Authority of India Ltd. (GAIL) etc have bigger teams as they need to maintain relationship with many different groups of publics.

Like other organizations, Governments also have Public Relations Departments. The Government of Assam also has a Public Relations Department called 'Directorate of Information and Public Relations' or 'Jansanjog'. It is an excellent example of a large sized PR department. The DIPR has five regional offices (Diphu, Jorhat, Kokrajhar, Kolkata and New Delhi) apart from the offices in each District and Sub-division.

The department is headed by the Director, Information and Public Relations who reports to the Commissioner & Secretary, I& PR Department. Under the DIPR there are Additional DIPRs, Joint DIPRs, Deputy DIPRs followed by Senior Information Officers, Special Information Officers and Junior Information Officers.

For smooth functioning the department is divided into several sections/ wings/ centres. A brief description of each has been given below. (Source: Official website of Janasanjog, Assam <http://janasanyogassam.nic.in>)

**PRESS LIAISON SECTION:** This wing functions 365 days throughout the year with a band of dedicated staff and officers. The PL Section prepares, handles and disseminates official news backed by photographs where necessary to the print and electronic media. Clarification etc. against faulty news and views published in the media are issued by the Section which also has the responsibility of preparing Speeches, Messages etc. for VIPs on all the important occasions. Moreover, coverage of Government functions and VIP programmes are also done by this Section.

**PRESS RESEARCH SECTION:** What is reported in the Print Media concerning the State and the functioning of the Government is constantly monitored by this section (under PL Section). Clippings of news and views are regularly made and sent to concerned Ministries and officials with entry into a live Register.

**ARCHIVE:** The Department has to photograph almost all important official functions. These are distributed for publication in mass media and important events are preserved in a modest archive in the Photo section. Digital photography is launched of late. Moreover, Daily newspapers are also preserved in the Section.

**ADVERTISEMENT SECTION:** The Government always laid adequate stress on this powerful medium. And in this sphere DIPR is the sole agency to release all government advertisements to the media. State Government releases and pays for the advertisements released through the DIPR.

**CULTURAL WING:** Song, street play, dance etc. are profusely used to propagate messages of community involvement in the administration, development of society and importance of peace and national integration etc. DIPR has a full fledged troupe of artists to this effect and they are based at the Srimanta Sankardeva Kalakshetra, Guwahati.

**EXHIBITION WING:** Display of important photos, artifacts etc. done in an artistic way always attract people's interest. DIPR is very alive to this prospect and has a wing exclusively meant for preparation and erection of field level exhibition.

**TECHNICAL SECTION:** DIPR covers important official functions through Public Address System also. For this purpose adequate and trained staff and officer are there in this section. Moreover this section is also handling a huge network of Fixed Loudspeaker System (FLS) in almost all important towns of the state which acts as a local broadcasters.

**INFORMATION CENTRE:** DIPR has a modest Information Center with sufficient books and reference materials, at the Sremanta Sankardeva Kakalshetra Guwahati under supervision of a Senior Departmental Officer. The Centre is meant for both discerning and general ones interested to know the various facts of the state.

**PUBLICATION SECTION:** Important Government policy matters, views, proceedings, interpretation etc. along with topical matters concerning public welfare and important speeches of dignitaries on various occasions are compiled and published by the DIPR through this section. Competent officials man the post of Editor, Assistant Editors, and Manager etc. of this section. Besides publishing periodicals, pamphlets, booklets etc. this section brings out a regular weekly newspaper titled "RAIJOR BATORI" (News of the People) with a circulation of 30,000 copies. The modern weekly newspaper carries the official news and views of the masses.

**CM's P.R. CELL:** DIPR has entrusted a few selected officers the job of exclusively looking after the programmes of the Chief Minister of the State with a separate office in the (Janata Bhavan) capital complex. The CM's PR Cell feeds the media with news and features concerning the top functionary of the State and also act as an ear to the public opinion for the Chief Minister.

### ASSESS YOUR PROGRESS

1. Define Public Relations.
2. Differentiate between Internal publics and External publics.
3. Fill in the blank with appropriate words/phrases:
  - a. Julius Caesar used his book \_\_\_\_\_ to publicize his military exploits.
  - b. *Crystallizing Public Opinion* was written by \_\_\_\_\_.
  - c. The Public Relations Department of the Government of Assam is called \_\_\_\_\_.



4. What is the root from which the word propaganda came?
5. Who is known as the first real practitioner of public relations?
6. List the functions usually performed by a PRO.

#### **4.4. PR AGENCIES**

In the previous unit we have got a basic idea of what Public Relations is and what are the activities that a PRO needs to carry out. Now let us discuss another very important organization related to PR – the PR agency. Most organizations take the help of PR agencies for the PR solutions even if they might have an in-house PR officer.

The chosen PR agency functions in consultation with the PRO of the organization and other top managers to give public relations support to the organization as its public arm. It is a very professional organization which addresses the client's needs dispassionately.

In *Public Relations – Principles and Practice*, Iqbal S. Sachdeva has defined PR Agencies as follows:

*A Public relations agency is a professional outfit, which functions independently for a fee or on a retainer basis for one or more client companies, to advise and counsel them on virtually all aspects of public relations – employee relations, media relations, marketing aspects and even public affairs.*

By dint of the presence of people skilled in different aspects of Public Relations under a single roof, the PR agency is better placed in terms of skills, imagination and ingenuity to conceive and implement PR programmes than the in-house PR team. Also, being external to the organization, it is also able to give better, more objective and unbiased advice to the management on its PR policies from a third person angle unhesitatingly.

Some well known PR agencies in India include Perfect Relations, Hanmer and Partners, Concept PR, Genesis Burson & Marsteller, Ogilvy PR, Good Relations, Approach Communication among others.

##### **4.4.1. FUNCTIONS AND STRUCTURE OF PR AGENCY**

The functions of a PR agency as laid down by the Public Relations Society of America are as under:

- Assist the client organization in the establishment and definition of Public Relations goals and objectives.
- Counsel and guide the management with regard to actions and policies which affect public relations goals.

- Render support to the marketing programmes by strategising and implementing product and process publicity, writing news releases, features, articles and opinion pieces and releasing them to the media houses, developing different audio-visual aids and ensuring media coverage when the need arises.
- Assist in stockholder and financial relations by developing annual, quarterly or interim reports for shareholders, facilitate special releases to financial news media and liaison with the professional investment community.
- Support employee and internal communication related activities like designing company publications, conducting information programmes for employees etc.
- Aid the PRO in planning and implementing community relations activities, counsel management on Corporate Social Responsibility policies, liaising with local news media etc.
- Counselling on Government relations at different levels and liaising with government agencies whose policies affect the operations of the client.
- Evaluation and analysis of the PR programmes, application and use of budget and attainment of objectives.

If we closely look into the organizational structure of different PR agencies, we can see that the structure does not subscribe to any set pattern. It differs from agency to agency depending on the size of its business and operations. On the basis of size PR agencies can be classified into:

Big Agencies

Medium sized Agencies

Small Agencies

Most agencies start small, and as business grows, so does manpower and accordingly changes in structure are incorporated. Small, mini-sized agencies (often also called boutique agencies which handle only some specialized aspects of PR) can have as few as 8 to 10 people and big agencies can have manpower running into hundreds and its operations spread over several cities or even several countries.

The structure of a small agency would normally be very basic consisting of the proprietor/ proprietors, account leaders/ managers, account coordinators/ executives, bookkeeping person, office manager and/ or receptionist. A typical structure could look something like this:

In a larger agency, the specialization would be greater and each person can pay more attention to specialized jobs only. The typical structure of such an agency is given below.

***(Source: Public Relations – Principles and Practices by Iqbal S. Sachdeva)***

## ASSESS YOUR PROGRESS

1. Define PR agency.
2. What is the job of a PR agency?
3. Name some PR agencies in India.

### 4.5. APEX BODIES

#### 4.5.1. PRSI

The Public Relations Society of India (PRSI) is a national association of PR practitioners in the country. It was established in 1958 with the aim of promoting the recognition of public relations as a profession and with a view to formulating and interpreting to the public the objectives and the potentialities of public relations as a strategic management function. The society is today recognized as the national PR organization by the International Public Relations Association. (IPRA)

Until the year 1966, the PRSI functioned as an informal body. In 1966 it was registered under the Indian Societies Act XXVI of 1961, and its headquarters was established at Mumbai. The father-figure of professional PR practitioners in India, Kali H. Mody, was the founder President of PRSI from 1966 to 1969. PRSI today has 30 chapters and 3000 strong membership.

The society mainly consists of members including Public relations practitioners from multinationals, Govt., public and private sector, academics and PR consultants. The PRSI is managed by the National Council, consisting of representatives elected by all the regional chapters.

**There are following classes of members:**

Members;

Life Members;

Associate Members;

Honorary Members; and

Student Members

In order to promote professional training, the regional chapters of the PRSI collaborate with universities and colleges and take up professional programmes on public relations for students of management, PR, advertising, mass communication and journalism.

The society also regularly organizes seminars, lectures and discussions on various facets of public relations. The First All India Public Relations Conference was organised in Delhi on April 21, 1968 based on the theme 'Professional Approach'. This was indeed a red letter day for public relations in our country, when a professional approach was given to public relations. In this conference, a professional Code of Ethics for PR profession was also adopted. In fact this day

marked the beginning of professional public relations in India. Therefore, this day is celebrated all over the country as National public Relations Day. The objective behind designating April 21 as National Public Relations Day is to focus attention on public relations function and public relations professionals in India

#### **4.5.2 IPRA**

The International Public Relations Association (IPRA) is an international body of public relations professionals. It was formally established in London on May 1 1955.

The concept of establishing the association first took concrete shape in November 1949 during a meeting in London between two Dutch and four British public relations practitioners. The main objective of establishing such an association was to raise the standards of public relations practice in the various countries and improve the quality and efficiency of practitioners apart from the promotion of higher standards of ethical conduct in the practice of public relations.

The IPRA Council and its Board of Directors meet regularly to review the organisation's activities and future operations and to focus the attention of the membership on emerging issues in public relations practice. Every three years IPRA sponsors a World Public Relations Congress, which brings together practitioners from all sectors of the profession to assess the latest standards and techniques of practice and to explore means of increasing co-operation.

In 1961 in Venice, the association adopted an IPRA Code of Conduct aimed at establishing accepted standards of professional ethics and behaviour in the field of public relations to be adhered to by all members of the Association worldwide. The IPRA Code has served as the inspiration and basis for similar codes of conduct adopted by many national public relations associations.

Later on, with further enhancement this became the International Code of Ethics, informally known as the "Code of Athens" from the site of the meeting in 1965 where it was approved by the IPRA Council. Its principles have been inspired by the United Nations Declaration of Human Rights. The Code has been promoted widely and presented formally to numerous Heads of State. IPRA is recognized as an international non-governmental organisation by the United Nations system and has been granted consultative status Category C by the Economic and Social Council (ECOSOC) and Category B by UNESCO. The latter entitles IPRA to participate in UNESCO funded programmes.

Today IPRA constitutes the most genuinely international grouping of public relations practitioners worldwide, active not only in promoting exchange of information and co-operation in every sector of the profession, but also in building a programme of professional development

opportunities and other initiatives aimed at enhancing the role of public relations in management and international affairs.

### **ASSESS YOUR PROGRESS**

1. What is PRSI? Where is its headquarters located?
2. When is National PR day celebrated? What is the significance of the day?
3. When was the IPRA formally established?
4. What is code of Athens?

### **4.6 SUMMING UP**

- The basis of Public Relations lies in one's understanding of the unchangeable fact that we live in an interdependent world.
- This interdependence of different people and organizations has given birth to a management function called 'Public Relations'
- Public relations is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation (or individual) and its (or their) publics.
- In the context of Public Relations, the term 'Publics' does not mean masses or the general public. It is a specific term generally used to refer to the different communities of people that have a direct or indirect association with an organization.
- Internal publics includes employees, investors or shareholders or other people who are directly associated with the organization.
- External publics include customers, dealers, media, government, community, industry associations, regulatory bodies and of course the public at large whose association with the organization is indirect.
- The history of Public Relations is as old as human civilization itself.
- Kings and emperors who employed spies to give them feedback on public opinion. Wise kings like Akbar often disguised themselves as common men and went out to the streets to collect information.
- Not just rulers, but also religious organizations have always tried to mould opinion in their favour for facilitating propagation.
- The American Revolution which changed history can also be seen as the event which laid the foundation of the present-day Public Relations.

- However, Public Relations as in its present day spirit and context began to emerge in the form of publicity in the middle of the 19th century and can be called a precursor to Public Relations.
- But Public relations took the shape of a profession mainly in the hands of two individuals - Ivy Lee, who is now considered to be the first real practitioner of public relations and Edward Bernays who is regarded as the father of Public Relations
- The practice of Public Relations serves to fulfill several purposes in an organization. In order to fulfil those functions, a Public Relations Officer (PRO) needs to carry out certain duties and responsibilities - *Writing and editing, Media Relations and placement, Special events, Speaking, Production, Research, Programming and counselling, Training, PR support to marketing, PR budgeting, PR agency Coordination, Website Management*
- There is no fixed structure for a PR department as it differs from organization to organization depending upon the size and PR needs of the organization. In certain organizations it can be manned by one person generally called the Public Relations Officer (PRO), while in other organizations it can also be a larger team.
- Like other organizations, Governments also have Public Relations Departments. The Government of Assam also has a Public Relations Department called 'Directorate of Information and Public Relations' or 'Jansanjog'.
- A Public relations agency is a professional outfit, which functions independently for a fee or on a retainer basis for one or more client companies, to advise and counsel them on virtually all aspects of public relations – employee relations, media relations, marketing aspects and even public affairs.
- Some well known PR agencies in India include Perfect Relations, Hanmer and Partners, Concept PR, Genesis Burson & Marsteller, Ogilvy PR, Good Relations, Approach Communication among others.
- The organizational structure of different PR agencies does not subscribe to any set pattern. It differs from agency to agency depending on the size of its business and operations.
- The Public Relations Society of India (PRSI) is a national association of PR practitioners in the country. It was established in 1958.
- The International Public Relations Association (IPRA) is an international body of public relations professionals. It was formally established in London on May 1 1955.

#### **4.7 SUGGESTED READINGS**

1. Jethwaney, Jaishri (2010), *Corporate Communication – Principles and Practice*, Oxford University Press.
2. Sachdeva, Iqbal S., (2009), *Public Relations – Principles and Practice*, Oxford University Press.

#### **4.8 PROBABLE QUESTIONS**

1. What is Public Relations? What is the significance of Public Relations in an organization?
2. Briefly trace the growth of Public Relations from its origin to the present day.
3. Discuss the functions of Public Relations.
4. What is the role of PR agencies?
5. Write short notes on: a. IPRA; b. PRSI

## **UNIT-5: MEDIA RELATIONS**

### **UNIT STRUCTURE**

5.1 OBJECTIVES

5.2 INTRODUCTION

5.3 BASICS OF MEDIA RELATIONS

5.3.1 UNDERSTANDING MEDIA RELATIONS

5.3.2 BENEFITS OF MEDIA RELATIONS

5.3.3 PUBLIC RELATIONS AND MEDIA – A SYMBIOTIC RELATIONSHIP

5.4 TOOLS AND TECHNIQUES OF MEDIA RELATIONS

5.5 ESSENTIALS OF GOOD MEDIA RELATIONS

5.6 SUMMING UP

5.7 PROBABLE QUESTIONS

5.8 SUGGESTED READINGS

### **5.1 OBJECTIVES**

After completing this Unit the learners will be able to

- explain the nature and types of media relations
- enumerate the benefits of media relations
- discuss the tools and techniques of media relations
- familiarize themselves with the essentials of good media relations

### **5.2 INTRODUCTION**

In the previous unit, we have discussed Public Relations in general. Based on our understanding of Public Relations, we have also gathered that media is one of the categories of publics for an organization. In fact, media happens to be a very important public for any organization. It is an external public which cannot be ignored at any cost. In this unit we will discuss media relations, their importance and benefits and different tools and techniques for practicing media relations. So, let us begin with a discussion on what we mean by media relations.

### **5.3 BASICS OF MEDIA RELATIONS**

#### **5.3.1. UNDERSTANDING MEDIA RELATIONS**

**Media relations** is a term used for maintaining a working relationship with representatives of the media fraternity who cover the organization so that the organization is reflected favourably in the media and negative coverage is avoided to the maximum extent possible.



Media has become an integral part of our society today. It is a very powerful source of information which has the ability to reach millions of people at once. Any information coming via the media is considered to be credible. People not only depend on the media for their daily information and entertainment needs but also trust media and make some important decisions which influence their lives based on media inputs. Independent media, in a democratic country like India, plays an important role in shaping public opinions.

As such, for any organization which wants to reach out to the people at large, it is only natural that media becomes a prime choice as an interface for communicating with the masses. Media is a vital link through which an organization can build bridges of understanding with other groups of publics. The media, therefore, is a very important category of public for any organization and for all practical purposes, organizations lay a lot of stress on media relations.

Napoleon Bonaparte once said, *“Four newspapers are more to be feared than a thousand bayonets”*. Newspapers, or for that matter, any media organization can, with a single coverage, hugely affect an organization’s reputation or even future prospects. Therefore, it is extremely essential for the organization to have strong media relations.

The basis of media relations is networking. For media relations to be effective, it is very crucial for the media relations officer to establish personal contacts with journalists. Networking effectively with the media is an effort to seek media understanding by supplying useful, factual and timely information that journalists would like to use for generating stories for readers’ consumption. By helping journalists to identify newsworthy topics, obtain access to sources and prepare interesting stories for publication, organizations can open up the way for building cordial relations with the media organizations. For that the person handling media relations need to be well aware of the media dynamics. He/she should also develop an understanding of what would interest which media persons. This, of course, has to be done with the aim of establishing credibility and working towards building a relationship of trust with media persons by being honest and accurate in matters of sharing information.

### **5.3.2. BENEFITS OF MEDIA RELATIONS**

Media relations have many benefits. These are enumerated below:

- Media relations complement as well as take forward other communication efforts of an organization by acting as the transmission medium.

- Media relations professionals use media relations as a means to avoid or dispel rumours, respond to criticism as and when they arise, tackle controversies and transform adverse situations into advantageous ones.
- Media relations help generate necessary news coverage to draw necessary attention of the masses as well as the policy makers on important issues.
- Media relations is also useful for drawing attention as well as gain support of the opinion leaders, for or against an issue by generating the necessary publicity and if required even hype.
- Media is a magic multiplier. Media takes care of the distribution of messages at its own cost. It is an advantageous and cost effective way for an organization to evenly spread information about its business amongst the intended publics, and that too in a credible way.
- The news coverage generated through media relations helps to confirm and reinforce the information that people receive about a corporation from other information sources, such as advertising, entertainment programmes, brochures, field salesmen, family members and friends.

### **5.3.3. PUBLIC RELATIONS AND MEDIA – A SYMBIOTIC RELATIONSHIP**

In order to understand the working of media relations, it is very important to understand the relationship between public relations and media. We have already seen that media is indispensable for public relations. But media relations can be successful only when such relations are initiated with the understanding that media needs Public Relations support as much as organizations need the media. Just as the support from the media is important for any organization, so no media person can function without the active support of public relations professionals, as the latter serve as a major source of information that goes to build news. Therefore, by gaining a clear understanding of the requirements of the media persons, the media relations professionals can plan a systematic strategy to support the media by trying to fulfill these very needs of the media

Public Relations can assist the media in the following ways:

- Provide accurate, timely and interesting information
- Collect and analyze information that interests the news media and meets their needs
- Produce news releases, feature stories, opinion pieces, newsletters, backgrounders and other readily usable materials
- Prepare press kits, fact sheets, expert lists and aids that can be of help to media persons

- Present story ideas to the journalists and supplement the ideas with relevant information and assistance
- Arrange news conferences, conduct site visits and other events that may have potential for developing stories
- Arrange exclusive interviews with organizational leaders, who have potential for media coverage
- Keep the company website updated for facility of logging and downloading
- Open a media query portal to receive and reply media men's queries
- Deal with public controversies, when they arise and counter false rumours, by providing timely contradictions and clarifications to media
- Have a crisis management plan for media relations, whenever an organization is faced with one.

### **ASSESS YOUR PROGRESS**

1. Define media relations.
1. Discuss some of the benefits of media relations.
2. How is public relations beneficial to the media?

## **5.4 TOOLS AND TECHNIQUES OF MEDIA RELATIONS**

There are several tools and techniques which media relations professionals can use in order to build networks and maintain relationship with media persons. Let us discuss some of them.

### **Targeted Media List**

It is a list which includes the names and contact details of all media organizations and media persons who cover the organization, the concerned industry or area of business. Such a list is a compulsory item in a media relations officer's kitty. In order to receive appropriate public relations impact, publications and journalists who matter need to be targeted. Therefore, a well thought out and updated list of targeted media persons is a very essential media relations tool for any organization.

### **Media Advisories / Media Alerts**

These are brief, one-page, written notices designed to alert the media of an upcoming news event, such as a news conference. Advisories include details of what the activity is all about - the who, what, where, when and why. It could also include examples of what visuals will be available for photographs and video. Advisories are generally sent via fax or email two or three days before an event and followed with a phone call on the day or previous day of the event.

### **Press Releases / News Releases**

Press Releases or News Releases are notices put out by organizations, written like news stories but from the organization's perspective, for inclusion in the media. They offer more information than media advisories and reach more contacts in less time than phone calls. Generally press releases are of three types – announcements, issue-based releases and image-building releases.

A news release may precede a news event that an organization wants covered, or may be used in isolation to make a certain announcement without inviting the media to cover the event. At other times, it is released as part of a press conference. Normally, the length of a news release ranges from one to two pages. It is advisable to send out a release only when there is some real news.

### **Fact Sheets**

Fact sheets are brief documents which apart from the basic who, what, when, where and why of the campaign or event include key facts, statistics, dates and milestones and an overall snapshot for readers.

### **News Conferences/ Press Conferences**

These are events organized by institutions/ organizations to get media coverage when they have a visual story or need to get information out to all media sources at once. The media are alerted of a news conference by sending out a media advisory two to three days prior to the event and followed-up with a phone call to confirm whether the information was received by the correct person and at the same time remind them to attend the event.

The press conference is addressed by the spokesperson(s) chosen by the organization for the event. It could be the CEO, President or PRO as the case may be and they are also available for one-on-one interview with the media persons after the event.

Media kits are handed out to the media persons during the event. This kit includes everything that a news reporter would need in order to file a news story based on the event. It includes the event agenda, news release, fact sheet, contact sheet with speakers' names, titles and organizations and a brief backgrounder on the program apart from a note pad and pen. At times it also includes gifts or mementos for the media persons. Media kits can also be sent to those reporters who were unable to attend your event. This encourages media persons to file a report even if they have not attended the event themselves.

News conferences are generally held in locations that are easily accessible to the media and offers adequate electrical, audio and visual access to the reporters for proper coverage of the event. It is generally followed by tea or lunch depending on the timing of the event.

**Photo-ops (photograph opportunity)**

It is an opportunity to take a memorable and effective photograph of a politician, a celebrity, or a notable event. Organizations can create such opportunities for the press to come and take photos and shoot videos when there may not be much of a story there, but just an opportunity to make it to the newspaper pages. Sometimes separate photo-ops are organized as peripheral to a news conference or notable event.

**Radio and TV Talk Shows**

Radio and TV talk shows often prove to be good platforms for presenting the organization or issues and concerns of interest to the community. The important thing is to identify the most appropriate programs for reaching the intended audience. Further, one has to effectively network with the concerned channel to place a spokesperson on a talk show. This is usually done by sending a pitch letter to the concerned producer explaining why the issue is important to listeners and viewers and how it could benefit the channel and the programme. Such requests need to be submitted a few months in advance as talk shows often require significant lead time.

**Letters to the Editor**

This is another simple way of increasing visibility for the organization in the media or drawing attention of the public to the concerned issue. Letters should be well-written, succinct and to the point. Generally, 75-100 words is the maximum length recommended.

**Articles and Features**

News is not the only way to reach out to people. Another simpler and often more interest generating way is publication of features and articles. As most newspapers have spaces allotted for such soft news pieces, particularly in the weekend or other topic based supplements, Public Relations or Media Relations personnel can themselves write articles and features on the issue and send it for publication. They are generally welcome in any newspaper if they are well-written and interesting. The organization can also engage other writers or experts in the field to write on the issue (on request or payment) and get them published in the newspapers.

**Op-Eds (opposite the editorial page)**

Op-ed pieces are written in a news article format, but in an opinionated fashion, outlining the organization's persuasive points and solutions to issues, and citing necessary statistics and facts as back up to the opinions and arguments cited. Op-Eds are submitted to the Editorial Page Editor of a newspaper. As in the case of a letter to the editor, an op-ed piece also provides one with a format to react to an issue, state a fact or express an opinion. The maximum length of the op-eds is generally 450 to 600 words.

### **Editorial Board Briefings**

Yet another way to boost media relations is to directly take up the concerned issue with the editorial board of the media houses and seek their support. Here, key members from the organization seeking media coverage on a certain issue sit down with the editorial board of a targeted newspaper or TV channel and discuss the matter at hand and encourage them to take up the issue in the newspaper by stressing its relevance.

In order to arrange for an editorial board briefing initially a letter of request can be written to the editorial page editor and subsequently followed up with phone calls.

### **Press tours/ Facility visits**

Conducting press tours or facility visits can be very potent opportunities for building contacts with media persons. Here representative members of the press are invited to join the management on a visit to the factory/ manufacturing unit or facilities created/ supported/ sponsored by them or to any place where the 'news happens'. Having visited and seen with their own eyes, the reporters file official reports to their organization and the story is carried in the media.

### **Follow-Up and Monitoring Efforts**

Finally, in spite of everything, if the efforts are not monitored and follow-ups not done, then it might be difficult to achieve results as expected. Follow-up and monitoring is an important part of any media relations campaign. Distributing the materials is merely initiating. But it is also important to keep the issue alive by writing letters to columnists and responding to articles and editorials. Follow-up calls also need to be made on time to ensure that the news release or op-ed lands in the right hands. To track successful media placements it is advisable to use the services of professional media tracking services in the region.

### **ASSESS YOUR PROGRESS**

1. Write short notes on the following:
  - a. Media advisories
  - b. Press tour
  - c. News conference
  - d. Fact sheets
  - e. Photo-ops
2. Explain how editorial board discussions help enhance media relations.
3. Explain why is follow up essential in media relations?

## **5.5 ESSENTIALS OF GOOD MEDIA RELATIONS**

Media Relations is a very tricky job. Good media relations are always very rewarding. However, the lures of successful media relations often tempt media relations professionals to give ethical

and moral considerations a pass. It is very easy to choose short cuts for achieving short term goals. But, if media relations need to endure and the good name of the organization is to be maintained, then one must be very careful where one treads. Here are some of the points to be kept in mind for maintaining good, healthy and dignified media relations.

- It is essential to remember that media persons work on a number of stories everyday and that too with the pressure of meeting deadlines. So, it is most important to provide them with news stories and materials in a form that suits them best and fulfils their needs - accurate, on-time and ready-to-publish.
- Honesty is not just a must-have policy in media relations, but actually dishonesty can be suicidal to the relationship. If one needs to build good media relations, first and foremost one must build trust. And trust can be built only with honesty and openness as this is highly appreciated. Whether good or bad, everything should be honestly communicated to the media and their support sought. Manipulation does not help achieve anything; rather it leads one to lose the trust when the manipulation is unearthed.
- When information is shared it should always be shared in full without withholding any details. Preferably, arguments both for and against an issue should be shared in order to project a perspective. This increases transparency and ensures trust.
- As it is important for media persons to safeguard the identity of their sources, so PR professionals also need to keep the confidence of media persons. Particularly when a reporter is chasing a 'scoop', it is necessary that the PR persons extend sufficient cooperation so that their (media person's) exclusivity is safeguarded.
- Many media relations professionals often try to plant stories in the media or get certain stories killed. This is totally unethical and undignified. Media relations should be maintained in order to enhance the reputation of one's own organization but never at the cost of inconvenience to others.
- At times errors are found in the reportage of an event by media persons. Sometimes the mistakes are minor and at other times they are major putting organization at disrepute or disadvantage because of the wrong information provided in the report. Minor errors can be ignored but one should never overlook the matter when major corrections are required.
- When an organization wants to spread some information, it is important to spread information evenly without playing favourites. Leaving some out may earn media men's wrath endangering one's future prospects.

- Media relations persons should avoid bragging and boasting, until there are enough facts to support it. It is more important to show performances rather than simply talking about it. Actions speak louder than words.
- It is not always necessary that whatever event an organization conducts or whatever news one releases to the media must be picked up. So one should not resent it if a story is not picked up and instead try harder next time to improve one's media relations as well as the newsworthiness of the events.

### **ASSESS YOUR PROGRESS**

1. Why is honesty important in media relations?
2. What should a media relations officer do if he finds out that a news report about their organization has carried some wrong information?

### **5.6. SUMMING UP**

- Media relations is a term used for maintaining a working relationship with representatives of the media fraternity who cover the organization so that the organization is reflected favourably in the media and negative coverage is avoided to the maximum extent possible.
- Media has become an integral part of our society today. It is a very powerful source of information which has the ability to reach large numbers of people at once. As such for any organization which wants to reach out to the people at large, it is only natural that media becomes a prime choice as an interface for communicating with the masses.
- The media, therefore, is a very important category of public for any organization and for all practical purposes, organizations lay a lot of stress on media relations.
- The basis of media relations is networking.
- Networking effectively with the media is an effort to seek media understanding by supplying useful, factual and timely information that journalists would like to use for generating stories for readers' consumption.
- Media relations has many benefits:
  - o It complements as well as takes forward other communication efforts of an organization.
  - o It is a means to avoid or dispel rumours, respond to criticism.
  - o It helps generate necessary news coverage to draw the necessary attention of the masses as well as the policy makers.
  - o Media is a magic multiplier.



- o The news coverage generated through media relations helps to confirm and reinforce the information that people receive from other sources.
- Media needs Public Relations support as much as organizations need the media.
- Therefore, by gaining a clear understanding of the requirements of the media persons, the media relations professionals can plan out a systematic strategy to support the media by trying to fulfill these very needs of the media.
- There are several tools and techniques which media relations - Targeted Media List, Media Advisories / Media Alerts, Press Releases / News Releases, Fact Sheets, News Conferences/ Press Conferences, Photo-ops, Radio and TV Talk Shows, Letters to the Editor, Articles and Features, Op-Eds, Editorial Board Briefings, Press tours/ Facility visits, Follow-Up and Monitoring Efforts.
- Media Relations is a very tricky job. It is very easy to choose short cuts for achieving short term goals. But, if media relations need to endure and the good name of the organization is to be maintained, then one must be very careful where one treads and never adhere to unethical means.

### **5.7. SUGGESTED READINGS**

- Jethwaney, Jaishri (2010), *Corporate Communication – Principles and Practice*, Oxford University Press.
- Sachdeva, Iqbal S., (2009), *Public Relations – Principles and Practice*, Oxford University Press.

### **5.8. PROBABLE QUESTIONS**

1. What do you mean by media relations? What is the significance of media relations in the present day context?
2. Media and public relations share a symbiotic relationship. Discuss.
3. Discuss the different tools and techniques of media relations.
4. Discuss the importance of ethics in media relations.

## **UNIT-6: CORPORATE AFFAIRS & COMMUNITY RELATIONS**

### **UNIT STRUCTURE**

6.1 OBJECTIVES

6.2 INTRODUCTION

6.3 BASICS OF GOVERNMENT RELATIONS

6.3.1 VARIOUS MEANS OF GOVERNMENT RELATIONS

6.4 COMMUNITY RELATIONS

6.4.1 OBJECTIVES OF COMMUNITY RELATIONS

6.4.2 COMMUNITY RELATIONS MEDIA

6.5 PROBABLE QUESTIONS

6.6 SUGGESTED READINGS

6.7 SUMMING UP

### **6.1 OBJECTIVES**

After completing this Unit the learners will be able to

- explain the features of government relations
- discuss the various means of government relations
- explain the concept of community relations
- elaborate on the objectives of community relations
- enumerate the different media of community relations.

### **6.2 INTRODUCTION**

In the last unit we discussed media relations. In this unit we will discuss the maintenance of relationship with two more important stakeholders – government and community. Here we will discuss the importance of government relations, their basics and various means. Also we will talk about the concept of community, the importance of corporate social responsibility and community relations, the objectives of community relations and the different media which can be used for maintaining community relations. Let us begin the unit with a discussion on government relations.

### **6.3 BASICS OF GOVERNMENT RELATIONS**

The sustenance and growth of any organization – whether business or otherwise - depends on its relationship with various stakeholders, including policy makers and opinion leaders. The relationship of an organization with the government is extremely crucial. The government is integral to the life of every person living in the society. Irrespective of whether the government is a democratic one, socialist or dictatorial, any government applies control over the public as well

as public life. Naturally, therefore, different organizations and institutions operating in the society function under various legal frameworks and regulations set forth by the government.

Every country has a set of rules, regulations and regulatory bodies for regulating different kinds of organizations. Particularly business organizations operate in the midst of many regulations. In many countries, companies can be formed only through procedures laid down by the government. There are certain sectors which face more restrictions and regulations than other sectors, for instance, companies in the business of tobacco, liquor, pharmaceuticals and banking/ finance. Because of the very nature of the products or services they deal in they are always under the scanner.

Keeping in view the requirements of various sectors, the government formulates different policies in matters relating to procurements, investments, mergers, pricing, government funding, law and order, international relations, environmental protection etc. The responsibility of thinking through and drafting bills generally lies on the government, which in turn comprises of politicians and civil servants. Therefore, their support is a must-have if one must have policy decisions favouring one's organization or sector. Apart from those in the government, the support of the other MPs/ MLAs is also very crucial, particularly when a bill is being discussed in the legislature. Therefore, business organizations keep a close watch on politics and constantly try to influence legislation to suit their interests and for smooth sailing and expansion. These efforts to maintain relationship with and gain the support of the government are called government relations.

While discussing corporate communication in *Corporate Communication – Principles and Practice*, Jaishri Jethwaney says that the relationship with the government works at various levels:

- Formally, through the government relations cell or a public affairs/ PR consultancy
- Through the CEO
- Through the industry associations

### **6.3.1 VARIOUS MEANS OF GOVERNMENT RELATIONS**

The maintenance of government relations is a very tricky job. It requires a lot of planning and strategic action on the part of the organization. There are various means of maintaining government relations. They have been discussed below:

#### **Lobbying**

Lobbying forms the core of all activities involved in government relations. According to the official website of the British Parliament, lobbying is the 'practice of individuals and organizations trying to influence the opinions of MPs and Lords.' In fact the term lobbying is believed to have come into use when people with business and social interests met the parliamentarians in Britain in the lobby of the parliament building. The parliamentarians argued on bills or raised questions in the parliament favouring the interests of the lobbyists in return for favours. And the lobbyists remained handy with information and arguments for those members of parliament who were arguing on the concerned bills.

### **Public Affairs**

The terms lobbying and public affairs are often used interchangeably. However, many scholars feel that public affairs is more than just lobbying (which only aims at influencing legislation) as it includes varying target audiences like policy makers/ bureaucracy, influential bodies, regulatory authorities, commercial bodies and the various other stakeholders of an organization apart from the central, state and local government.

Public affairs seek to influence legislation, regulatory and policy decisions and negotiations on public sector contracts or grants in favour of the concerned organization. It aids the organizations in constantly monitoring the ever changing social, political and economic environment so that crisis situations can be handled in time, strategies altered when necessary and one can respond to situations with deftness and clarity so that the reputation of the individuals and organizations can be protected. However, for most practical purposes, the distinction between public affairs and lobbying gets blurred as far as its usage is concerned most organizations and people dealing with governments use these two terms interchangeably.

Methods of public affairs include sending letters, making presentations, providing briefing material to members and organizing rallies among others.

In this context media also plays a very important role as public, politicians and media are intrinsically linked. Media with its tremendous power and glamour and being the magic multiplier that it is, is often able to exert pressure on the political class. It can also attract the attention of the opinion leaders and at the same time give a larger than life imagery to issues. Just like media, the public can also be successfully used to catch the attention of the political class as well as opinion leaders. Road shows, rallies and signature campaigns are very potent means as they catch the attention of one and all and the media of course plays its part in further hyping up the issue. Therefore it is very important for the public

affairs manager to understand the media dynamics well so that the benefits of media can be put to good use.

Jethwaney describes the process of lobbying/ public affairs management as follows:

- Step 1: Identify people and institutions that are likely to be helpful in the pursuit of the chosen issue.
- Step 2: Carry out research on the stand and position taken by these people and institutions in the past on similar issues.
- Step 3: Solicit the support of the identified individuals who are important opinion makers/ elected representatives of the legislature, and who would be particularly sympathetic to the cause and influence their peer group on behalf of the organization.

### **Issue management**

Another means of government relations is issue management. In *Corporate Communication – Principles and Practice*, Jethwaney has defined issue as an ongoing public policy dispute affecting the performance of an organization or a long-term social or political problem that defies solution. We may cite as examples the issue of 33% reservation for women, pollution, road safety, domestic violence against women, the issue relating to the construction of big dams, the demand for scrapping of AFSPA in certain states, peace talks between the ULFA and the government, female foeticide, public health, Lokpal Bill etc. Issue management aims at management of perception to reach a desired goal, i.e., it aims at changing the perceptions of the public and important stakeholders, particularly opinion leaders to favour the interests of the organization.

### **ASSESS YOUR PROGRESS**

1. What do you mean by government relations? What is the importance of government relations for an organization?
2. Define the term issue. Give some examples of current issues in the North-east region.
3. Compare and contrast the terms lobbying and public affairs.
4. What are the steps in the process of lobbying?

## **6.4 COMMUNITY RELATION**

Another very important public relation for any organization is its community relations and maintaining good community relations is very essential for any organization. H. Frazier Moore and Frank B. Kalupa define community as ‘a group of people who live in the same place, share the same government, and have a common cultural and historical heritage.’

The basis of community relations lies in the understanding that the people who live in a community and the institutions that serve them are mutually dependent. While the people who live in the community depend on various institutions for the fulfillment of its various needs, the institutions can exist in the society only with the consent and support of the people. The society can actually make or mar the chances of success for an organization. For instance, people living in the society need various institutions for serving different needs – educational institutions for education, hospitals for medical needs, retail stores for buying their day-to-day necessities etc. Similarly, one can open a school, but it cannot run unless the people living in the society send their children to study in that school. Therefore, an organization's relationship with its neighbours and community is crucial to the growth and prosperity of the organization.

Not only does the society provide the customer base for the goods and services manufactured and marketed by an organization, but it serves the organization in many other ways too. Organizations draw their necessary workforce from the community. The vendors who provide the necessary materials and services for the organization to run also come from the community. Similarly, investors willing to finance the organization can also emerge from within the community itself. At the same time if the community is angered or anguished, it even has the potential to create hurdles in the smooth functioning of an institution. Therefore, it is necessary to maintain a cordial and mutually complementary relationship with the community in the interest of the organization.

Smart organizations very well understand that business cannot operate in isolation from society and that business must also result in the larger good of society. Therefore, most organizations today essentially have a social mission as part of their business vision. Many organizations have a policy for what is termed as corporate social responsibility (CSR). Philip Kotler and Nancy Lee define CSR as *'a commitment to improve community well-being through discretionary business practices and contributions of corporate resources'*

CSR is about how companies manage their business processes to produce an overall positive impact on society. According to the definition given by the World Business Council for Sustainable Development, *"CSR is the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as the local community and society at large."*

Here are some of the ways in which a business can carry out its responsibility towards society:

- Businesses can have a policy for employing people from the community as far as possible and providing them secure employment, reasonable wages and financial benefits.
- Organizations can procure the necessary goods and services from the local suppliers without of course compromising on quality or affecting the quality of the output.
- Organizations should ensure that they pay taxes honestly as in this way they can help to maintain local government
- Business can donate generously towards local public funds or contribute towards building public infrastructure like schools, hospitals, parks, toilets and other facilities for community use.
- Play the role of a good citizen by aiding the community whenever necessary, particularly during crisis.

#### **6.4.1 OBJECTIVES OF COMMUNITY RELATIONS**

Only doing one's part for the society is not enough. Much of the efforts put into CSR activities will go waste if the community cannot be made aware of such activities. A good community relations plan is also essential for effective community relations so that the lines of communication between the organization and the community remain open. Understanding the objectives of community relations will help one prepare an effective plan. Some of the common objectives of community relations are as follows:

- Disseminate necessary information to the community regarding various corporate operations concerning employment, education, public health, and the initiatives taken towards the uplift of living standards of the community.
- Identify the opinion leaders amongst the employees and involve them in various CSR activities, so that they spread the information to a larger group of people.
- Monitor from time to time the attitudes of the community leaders towards the organization and make attempts to change their attitudes when deemed necessary.
- Build a relationship of trust with the community leaders and other functionaries of the neighbouring organizations and create a stage for mutual exchange of ideas.
- Keep a watch on the activities of the pressure groups so that attacks can be forestalled in time.
- Project the organization to the community in a positive light as a responsible member and well-wisher of the community.
- Project the organization as a good employer in the employment market.

- Develop a well thought out communication programme to keep the community informed about the company's activities and get credit for the efforts.

#### 6.4.2 COMMUNITY RELATIONS MEDIA

There are many different media which can be used for community relations. Some of them are discussed below:

**Advertising:** Advertising, particularly corporate advertising or institutional advertising is a very useful media for community relations. Through corporate advertising, organizations can generate the necessary publicity about different CSR initiatives taken up by the organization and thereby draw the attention of the community towards the good work done by them.

**Open House:** These are occasions which can act as a very good interface for the organizational management and the community to interact with each other and understand each other. Organizations can declare certain days of the year (for example, during certain festive occasions or on national holidays) as open days and invite the employees and their families, and people from the community to have a fun-filled day hosted by the management and the organization can use this event as a platform where they can initiate discussions for the community to understand the organization and its policies better.

**Sponsorships:** This is one of the most widely used means of community relations. By sponsoring or supporting community activities, events or public utilities the organization can earn the goodwill of the community and at the same time remind the wider audience of its presence. Organizations can also sponsor the education of the needy and talented youth, support the local sports clubs, libraries, drinking water facilities, ambulance services, colleges festivals etc.

**Conducted tours:** The organization can also arrange for representative members of the community, particularly opinion leaders to take a tour of the organizational facilities, its manufacturing units, resources and facilities supported or created by the organization for the benefit of the community.

**Contribution to funds:** By contributing to public funds like local MLA fund, relief funds etc., organizations can play the role of a good corporate citizen and earn the goodwill of the community.

**House journals:** The house journal is actually an in-house publication of the organization meant for internal circulation. But the same house journal can also become an important medium of community relations. For instance issues of the house journal which carry news about CSR activities of the organization or achievements in terms of community initiatives can be also distributed amongst members of the community, particularly opinion leaders. Copies can also be



sent to the local libraries, schools and colleges and even to doctors who can keep it in the patient's waiting area.

**Media Relations:** Good media relations can also help in maintaining community relations as media would pick up interesting stories on community initiatives and take these stories to the public in their own way.

### **ASSESS YOUR PROGRESS**

1. What do you understand by the term community?
2. Why are community relations important for an organization?
3. How can an organization benefit from the community?
4. What are the objectives of community relation?
5. Discuss different media of community relations?

### **6.5 SUMMING UP**

- The relationship of an organization with the government is extremely crucial.
- Different organizations and institutions operating in the society function under various legal frameworks and regulations set forth by the government.
- Keeping in view the requirements of various sectors, the government formulates different policies for their functioning.
- Therefore, the support of the government is a must-have if one must have policy decisions favouring one's organization or sector.
- Apart from those in the government, the support of the other MPs/ MLAs is also very crucial.
- Therefore, business organizations keep a close watch on politics and constantly try to influence legislation to suit their interests and for smooth sailing and expansion.
- These efforts to maintain relationship with and gain the support of the government are called government relations.
- Relationship with the government works at various levels:
  - Formally, through the government relations cell or a public affairs/ PR consultancy
  - Through the CEO
  - Through the industry associations

- There are various means of government relations – Lobbying, Public Affairs and Issue management.
- The process of lobbying/ public affairs management is as follows:
  - Step 1: Identify people and institutions that are likely to be helpful in the pursuit of the chosen issue.
  - Step 2: Carry out research on the stand and position taken by these people and institutions in the past on similar issues.
  - Step 3: Solicit the support of the identified individuals who are important opinion makers/ elected representatives of the legislature, and who would be particularly sympathetic to the cause and influence their peer group on behalf of the organization.
- Another very important public relation for any organization is its community relation and maintaining good community relations is very essential for any organizations.
- The basis of community relations lies in the understanding that the people who live in a community and the institutions that serve them are mutually dependent.
- Smart organizations understand that business cannot operate in isolation from society and that business must also result in the larger good of society.
- Therefore, most organizations today have a social mission as part of their business vision.
- CSR can be defined as *‘a commitment to improve community well-being through discretionary business practices and contributions of corporate resources’*
- A good community relations plan is also essential for effective community relations. Therefore, understanding the objectives of community relations will help one prepare an effective plan.
- Some of the objectives of community relations are:
  - Disseminate the necessary information to the community.
  - Identify the opinion leaders amongst the employees and involve them in various CSR activities.
  - Monitor from time to time the attitudes of the various community leaders.
  - Build a relationship of trust with the community leaders.
  - Keep a watch on the activities of the pressure groups.
  - Project the organization to the community in a positive light

- There are many different media which can be used for community relations – Advertising, Open House, Sponsorships, Conducted tours, Contribution to funds, House journals, Media Relations

## **6.6 SUGGESTED READINGS**

- Jethwaney, Jaishri (2010). *Corporate Communication – Principles and Practice*, Oxford University Press.
- Sachdeva, Iqbal S., (2009). *Public Relations – Principles and Practice*. Oxford University Press

## **6.7 PROBABLE QUESTIONS**

1. Discuss why the government is an important stakeholder for an organization.
2. Discuss the role of issue management in government relations.
3. Discuss the role of community relations in the context of corporate social responsibility.
4. What are the different media of community relations? Discuss with examples.