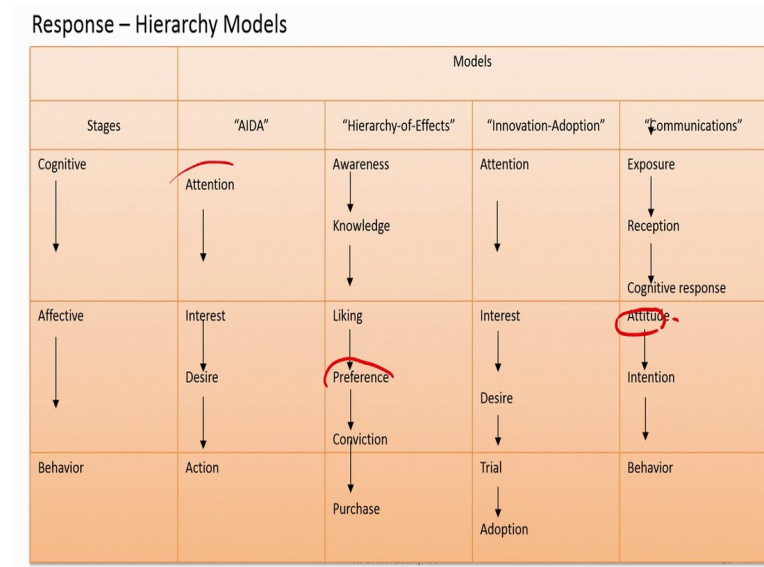


**Integrated Marketing Management**  
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**Lecture - 26**  
**Advertising, Marketing Organisation**

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When we are in the realm of advertising so many models come into place. We call them by this response hierarchy models this title given for that is called response hierarchy. Every consumer goes through three stages one is a cognitive stage, second is effective stage, third is a behavior stage depending on what stage he is these models will elicit different types of response.

One is called the AIDA model where in the cognitive stage you bring the product awareness to the consumer. This can be the second stage is where after the product awareness, it creates interest, then it creates a desire that is in the effective stage, then it creates an action, this action can be in terms of, the action can be in terms of the purchase of your product.

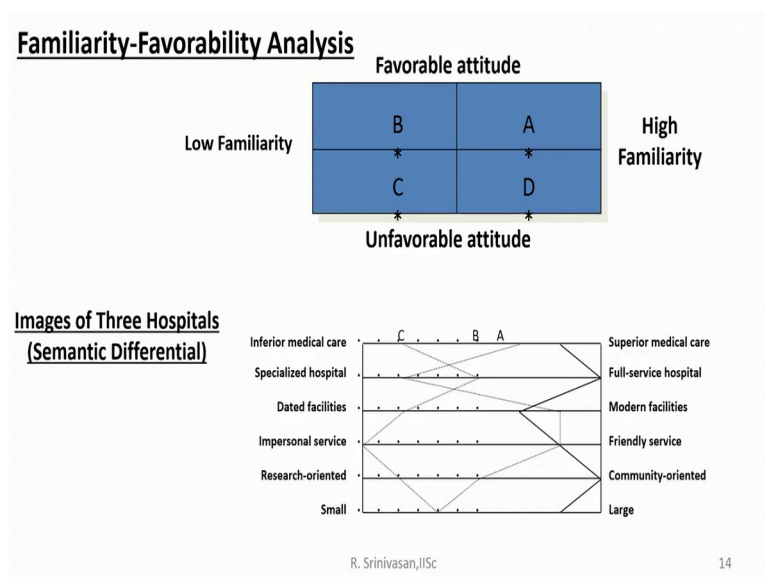
The second is what is called the hierarchy of effects the hierarchy of effects model will give you first the awareness, second the knowledge, third the liking for your product, fourth the preference, fifth the conviction, second the final one is a purchase. Customer

prefers your product over the other products. This is called the hierarchy of effects model.

The next one is innovation adoption where you bring it to the notice of the consumer that is the attention of the consumer that this product is available, this is an innovative product out for adoption. The consumer expresses interest shows a desire then wants a trial of the product then goes to adopt. Suppose, it is an innovative this is a very important thing which you should note an innovative product, you should be prepared to allow it to go for trial and then adoption.

Now, in the communications model you are exposing the consumer, then when you are exposing the consumer there is a certain amount of reception which is coming in results in a cognitive response, results in an attitude maybe favorable or not favorable then if it is favorable goes to intention then goes to behavior.

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This is the way a working gives with respect to models. This is what is represented in a matrix like this. It can be a familiarity favorability analysis, your product is having low familiarity or high familiarity then elicits an unfavorable attitude or a favorable attitude depending on the quadrant you are in.

Suppose it is a low familiarity unfavorable at for a product coming from C that is here in this particular case three hospitals taken low familiarity, but a favorable attitude coming

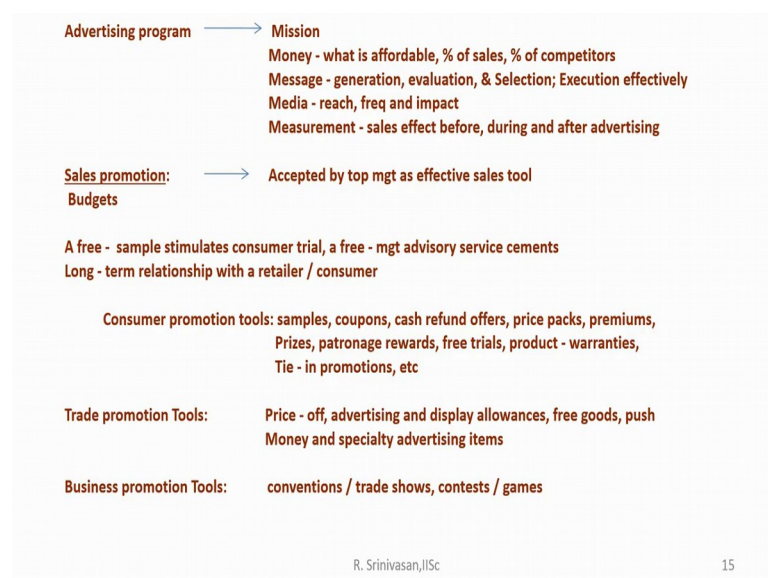
for hospital B then when you look at these high familiarity again it can be for different hospitals unfavorable attitude or the favorable attitude.

What is it that we have done here? If you look at these hospitals, these hospitals are evaluated on a semantic differential scale 7 points scale a small hospital to a large hospital and when it is a small hospital to a large hospital, you can go from research oriented to community oriented and interpersonal service to friendly service, dated facilities to modern facilities, a specialized hospital to full service hospital, from an inferior medical care to superior medical care.

You plot these three hospitals A B and C on this. Find out where do they really come, if you really see some of these hospitals with the a you are getting it a better ranking compared to B and C. So, maybe it is a large hospital giving you superior medical care going towards that all that.

You are going to get high familiarity and favorable attitude or low familiarity and unfavorable attitude depending upon where you figure in these differential scales. The images of these hospitals can bring you to familiarity and favorability depending on where you are.

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The advertisement program which you are adopting should give you what is called the 5 Ms an advertisement program should have a mission, should have a money that is a

budget. What is affordable percentage of sales, percentage of competitors should carry a message that is you must generate a correct message and able to evaluate and select and then execute it effectively. You should also take the right media depending on the reach frequency and the impact that it is going to create.

And the last one is measurement, what is the sales effect before your ad during the ad and after the ad all these represented by 5 Ms. The sales promotion management now has been accepted by top management as an effective sales tool for all almost all organizations. The budgets are said to be yes; give a particular budget for this. What is the whole aspect?.

Sometimes it is characterized by this statement free sample stimulates sales - avail a free management advisory cements long term relationship with a retailer and consumer. You must consider it as an investment. Consumer promotion tools could be your samples, coupons, cash refund offers, price pack, premiums, prices, patronage rewards, free trials, product – warranty, Tie- in- promotions, etcetera which are being practiced by many companies now.

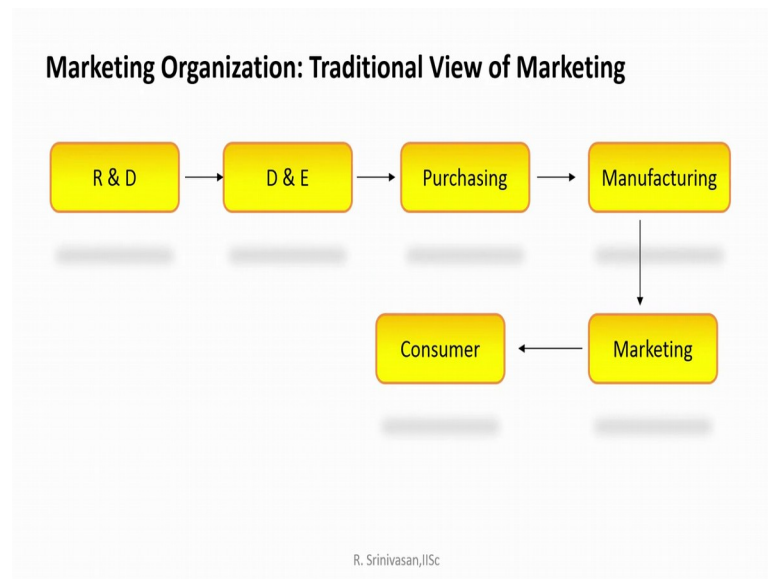
You go through this different pay options, whether it is a PhonePe or the Paytm they say recharge your phone, if you recharge your phone so, much cash back, recharge for 100 rupees, you will get a message that you have got 10 rupees back that is cash back. That 10 rupees can be made use of in your next transaction.

Sometimes they say 35 rupees recharge will be done for 28 rupees on this particular service provider through this particular Paytm or PhonePe or Amazon pay, whatever they are giving it. In the market you have this is what the digital marketing has done in the present-day markets. You can make use of trade promotion tools, this press trade promotion tools could be price off advertising and display alliances.

Price off meaning it was let us say priced at that 35 for this particular date is now price at 30. This is what you see with respect to an outlet like reliance fresh or big bazaar, big bazaar saying Wednesday market, Wednesday market price off that is earlier it was at 32 for this vegetable. On this particular day we are selling it at 24 rupees he is prepared to take a cut of nearly one fourth.

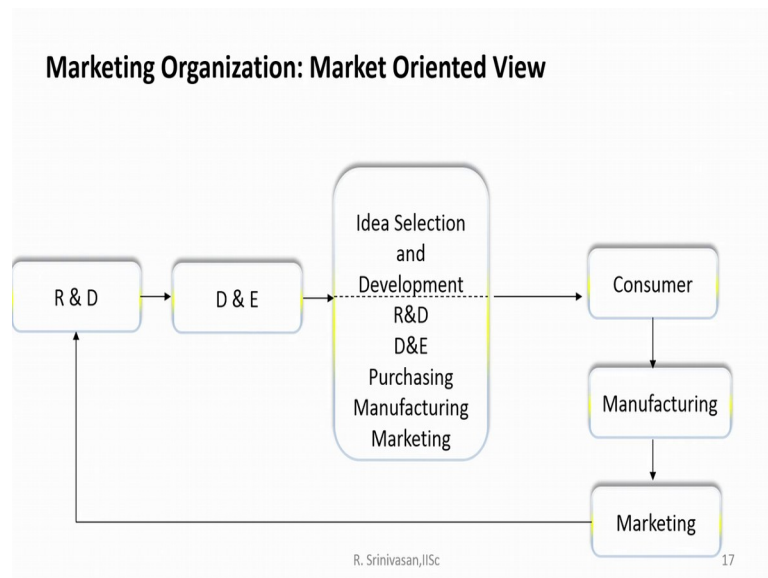
He wants to make it up by increased sales margins then advertising and display alliances, free goods then push money. You take this so, the company is prepared to push money on this particular product, you take this product. Then this next product you will get it at a much lower price all these types of incentives to make sales coming in and specialty advertising item. If you are a business promotion tool could be your conventions trade shows contests and games.

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The traditional view of marketing was looking at organizations that is R and D as to come out with ideas gives to design and engineering hope execute that then goes to purchase, goes to manufacturing, then to marketing, then to consumer.

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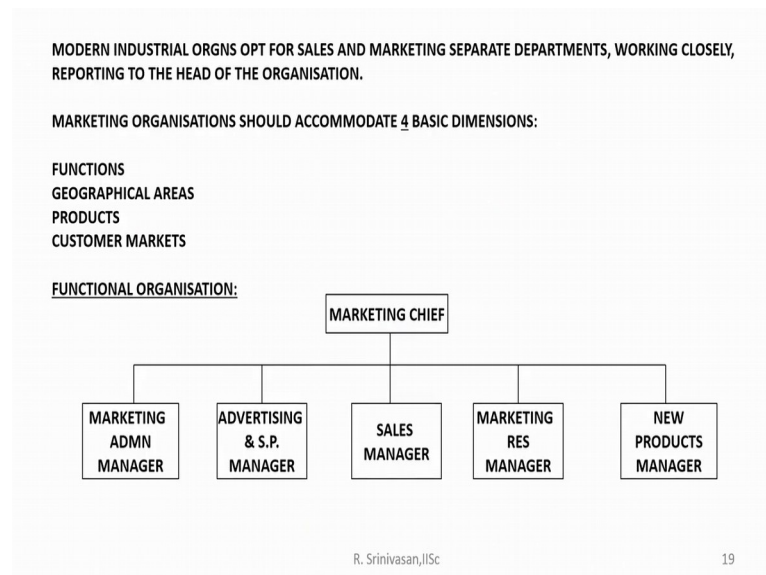
But what is the present day? The present day is you are looking at R and D giving it to D and E. But essentially you are looking at marketing giving a feedback to R and D. Then R and D coming out with ideas giving it to design and engineering then this idea selection and development takes place in this particular block R and D, D and E purchasing manufacturing marketing, all are involved. And coming to this you are getting the consumer manufacturing and marketing here. This is the market oriented view of the organization.

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**Japanese**  
**Zero Customer F/B time**  
**Zero prod. Improvement Time**  
**Zero purchasing time**  
**Zero setup time**  
**Zero defects**

You have different concepts coming in whether it is the zero customer feedback time, Japanese concepts, zero production improvement time, zero purchasing time, zero setup time and zero defects all these to help your production lines to become market effective.

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All this gives you whether you should go in for sales and market separate departments or working closely, reporting to the head of the organization so, but wherever it might be, whatever you might be adopting you must keep four basic dimensions. What are the functions? The geographical areas and the customer markets you are satisfying with the through this organization.

Depending on that you can have a functional organization with a marketing chief on the top at the top, then having a marketing administration manager, then an advertising and sales promotion manager, then a sales manager, a marketing research manager and a new products manager, all these contributing to this marketing organization. This is a wonderful way of looking at sales and marketing in an organization.

Both of them getting combined reporting to the marketing head and looking at so many dimensions whether it is, but you should accommodate this four basic dimensions, the functions they are doing the geographical areas products and the customer markets. We stop here, we will continue in the next class.

Thank you.