



COURSE CODE: MAMCD 204

COURSE NAME: MEDIA MANAGEMENT

# CENTRE FOR DISTANCE AND ONLINE EDUCATION TEZPUR UNIVERSITY

## MASTER OF ARTS

### MASS COMMUNICATION AND JOURNALISM BLOCK II



### **Vision**

**To grow to be a leading centre for human resource development through distance, open and universal learning system.**

### **Mission**

**To provide quality higher education at door step through barrier-less, flexible and open learning mode in conformity with national priority and societal need.**

### **Objective**

- **To offer degree, diploma, certificate level programme of study through distance learning in various emerging subjects across the disciplines.**
- **To offer job oriented and vocational programmes in flexible terms in the line of the national and regional level demand of manpower.**
- **To offer various programmes under lifelong learning contributing to the local and regional level requirements and as per the need of the society at large.**
- **To undertake various research and academic activities for furtherance of distance education in the region.**
- **To contribute to conserve and promote cultural heritage, literature, traditional knowledge and environment conducting short programmes, workshops, seminars and research in interdisciplinary field.**



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# BLOCK II

**MODULE III: TECHNOLOGY AND BRAND IN MEDIA**

**UNIT 9: INFORMATION TECHNOLOGY AND MEDIA**

**UNIT 10: ADVERTISING INDUSTRY**

**UNIT 11: BRAND IMAGE AND MANAGEMENT**

**MODULE IV: MEDIA ENTREPRENURESHIP**

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## COURSE INTRODUCTION

For a media student, it is important to understand the different functions of a media organisation. The course on Media Management (MMC 203) discusses different aspects of how a media organisation works including its management principles, ownership patterns, etc. This course comprises of 14 units which are divided into two blocks, **Block I** and **Block II**.

In **block I**, the units are divided into two modules, **Module I** and **Module II**. **Module I** deals with Indian Media Scenario, which discusses the overview of Media environment in India (Unit 1), Media as an industry and profession (Unit 2), Management principles (Unit 3) and Ownership patterns (Unit 4).

**Module II** is about media regulations which teaches you about media industry and regulations (Unit 5), newspaper management (Unit 6) such as structure of a newspaper organisation, functions of various departments of the organisation, etc. On the other hand, Unit 7 and Unit 8 includes topics like emerging revenue patterns for print media and broadcast management respectively.

**Block II**, comprises of 6 units which are further divided into **Module III** and **Module IV**. **Module III** is on media technology and brand in Media. Unit 9 under this **Module III** teaches you about information technology and media, Unit 10 teaches you about the structure and functions of advertising agency. On the other hand Unit 11 gives you an idea about brand image and how management of a brand image works for the media organisation.

**Module IV** includes three units which deals with media entrepreneurship. Unit 12 describes the concept of entrepreneurship and also media entrepreneurial scenario in North East India. Unit 13 is on customer relationship management which explains the importance of it in an organisation through discussing different case studies. The last unit, Unit 14 is about organisational studies which discuss the organisational hierarchy, organisational behaviour, etc.



**MODULE III: TECHNOLOGY AND BRAND IN MEDIA**

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## **UNIT 9: INFORMATION TECHNOLOGY AND MEDIA**

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### **UNIT STRUCTURE**

9.1 Introduction

9.2 Objectives

9.3 Information and communication technology

9.3.1 Role of ICT in the world of communication.

9.4 Media convergence

9.4.1 Need of media convergence

9.5 Summing up

9.6 Questions

9.7 Recommended Readings

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### **9.1 INTRODUCTION**

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The advancement of Information and Communication Technologies (ICTs) have changed the scenario of media functioning in every sphere. With the changing characteristics of communication channels it has changed the nature of communication from two way to multiway communication. This unit discusses the different features and role of ICTs in communication. You will also learn the concept of convergence where the old media and new media merges to form a new communication channel.

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### **9.2 OBJECTIVES**

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After studying the Unit you will be able to -

- To discuss the Information and Communication Technology.
- To explain the concept of Media Convergence

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### **9.3 INFORMATION AND COMMUNICATION TECHNOLOGY**

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ICT stands for Information and Communication Technology. ICT is used as a common term for various set of technologies which authorizes users to generate, produce, approach, spread, circulate, store, control and interface information in a digital format. Information and Communication Technology are explained for the cause of this primer as a multiple set of technological devices and resources used to communicate and to develop, shape, distribute, stock, direct and govern information.

ICT involve computer hardware and software applications, including: computers, mobile phones, internet, network, telecommunication systems and so on, also the diverse connected services and applications. In the present time there possess a conclusive interest in how computers and the internet can first be controlled to enhance and boost social communication at different levels. This has driven research and revolution in the sector of Information and Communication Technology and Social Digital Media (SDM), leading to the exposure of what has approach to be known as the Participatory Technologies such as Web 2.0.

ICT is one of the productive enlargement pillars to gain national competitive advantage. It can enhance and raise the standard of human life since it can be used as learning and educating media, the mass communication media in advancing, encouraging and campaigning practical and principal matters, which may include health, environment, and social sector.

Throughout the last decades of the twentieth century there was remarkable growth and evolution in the Information and Communication Technology (ICT) which led to a regenerate of procedures and implementations in all aspects of the human activities. Information and Communication Technology (ICT) are thus the technologies utilized in the transferring, dispatching and storing of facts and data by electronic method.

ICT have contributed society with an extensive formation of modern communication potentiality. As for instance: people now can communicate

instantly with others in other countries utilizing technologies such as instant messaging and video-conferencing. Social networking websites like the Facebook permit users from around the globe to stay connected and commune on a daily basis.

### **Tools of ICT**

Radio, television, video, DVD, telephone (fixed line & mobile), satellite systems, computer and network hardware and software; (equipment and services associated with these technologies, such as videoconferencing and electronic mail.) blogs. ICT communication utilizes these gadgets to bring together individuals, business and organizations.

### **Important Features of Information Technology**

- The advancement and innovations in Information and the Communication Technology have made the system of education easier, effortless, universal and extensive.
- Broadcasting of e-governance on a huge scale.
- Involvement of public in governance and strategy making.
- Speedy economic growth and progress.
- Expansion of distant areas.

#### **9.3.1 Role of ICT in Communication**

- ICT furnish appliance for communication:** In the absence of ICT, communication would not possess all the gadgets. Websites, social media, blogs and internet would not subsist in the absence of ICT. Currently that would make it nearly impossible to remain the globe informed.
- ICT fabricate communication quick:** Today you can observe any event at any area across the globe as it is occurring. Live events and real time reporting is currently achievable due to the technological development and progress in communication. With ICT,

communication is quick, rapid, exact, skilful, well selected and specific. In the absence of these, mass communication would not be potent and effectual.

**iii. In the absence of ICT, mass communication is cost-effective:**

With a connection of internet and a computer one can easily process information and facts across the globe. Now, it is not time consuming to post news on twitter, face book or some additional social media platforms. For this purpose prime media houses throughout the globe are currently welcoming and accepting the changes in the technology. In the absence of ICT, it would be nearly impossible to process individual contribution to the affair of communication. It is the technology that has extended to the globe and made it simple for information to proceed from one corner to the rest of the globe.

**iv. ICT expand communication:** In the current time you can receive the news or information on websites, mobile gadgets and the pages of social media. Gone are the times when we only read news on newspapers, or watch in television or listen to the radio. This diversity has made it achievable and manageable for communication to be well organized and systematic, effectual and outstretch all the four corners of the globe.

**v. ICT increases free access to information:** Mass communication will not be absolute if its final product does not reach out to its audience. ICT secures that communication attain its considered objective of extending to the masses. In the absence of technology, mass communication will not be capable of attaining its objectives.

The fact that ICT plays an important role in mass communication cannot be denied. Accordingly technology will persist to be at the point of promoting not only the access of information yet also the formation of communication messages.

Growth, evolution, progress and technological advancement have undergone impact on modern and current electronic media. The changes



are also prominent in the approach of journalist in collecting and presenting news. It has also changed the way public opinions are formed in the public sphere. Besides, acquisition of present technology in electronic media has enhanced and raised the standard as well as the quality of presentation of news; information technology has facilitated the information flow on electronic media.

The information and communication technology has generated many changes in each profession. Today computerized sources are managed and controlled across media organizations. The arrival of modern information and communication technologies has set challenges for conventional media as information all over the world is being computerized. In order to retain audiences, the conventional mass media are progressively proceeding to online platforms. Reporters and editors utilize the internet stories, discover new sources, accept press release and information, improve breaking news, interviews sources and engross in dialogue with readers which has outstretch record levels.

Journalism is the sole sector in which information technology and certain media technology has affected the process of communication. Various process in which information technology connect on the exercise of journalism mostly electronic media, entirely the whole of which have affected how journalism do their task.

Information technologies have started influencing our perception. It also administers our images of the globe and build various shapes of authority over the cultural stories that form our perception of who you are and your world.

Thus, the effect of information technology and utilization of this technology can be summarized as follows:

- Due to the development and growth of information technology electronic media is working in a well-organized, systematic and swiftly.

- Live coverage, updated news and on spot reporting become conceivable due to the development and progress in information technology.
- Accessibility of electronic media is achievable on various point alike the cell phones and on computers via internet.
- Conveyance of content has become effortless due to information and the communication technology.
- Photographs, images, audios and videos of occurring are achievable to assemble and to transfer from one place to another. Information is made accessible within a second.
- Animated and graphics effects are in utilization via this technology and accordingly film industry has been enlarged and expanded.
- Working capacity of the workers has been increased through information and the communication technology in electronic media and marketing media has also expanded.

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## **9.4 MEDIA CONVERGENCE**

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The word Convergence arises from the prefix ‘Con’ which means ‘together’ and the verb ‘verge’ meaning ‘turn toward’. Convergence is used to represent things that are in the procedure of approaching together. It is used to define as the multiple media such as the newspaper, television station, a radio station and a website working simultaneously. Convergence is progressively widespread in the world of IT. In this circumstance the term refers to the combining of two or additional technologies in a sole device. We can take the example of Surfing the Web on a television, and capturing images with cell phone. Computer- television convergence is ongoing with Web TV, which channels the World Wide Web to a moderately-changed TV set with a set-top box from a normal phone line and issue a degree of interaction.

Convergence is a term used by different disciplines to narrate, outline and examine processes of change regarding consistency or combination. Its approach in the communication section, frequently mentioned as media

convergence, also confine valuable approaches and perception to relate, narrate, specify and apprehend the digital innovative economy. A definite amount of indistinctness amalgamate with the wide, multipurpose character of convergence guide both to a common and a broad span of extremely determined comprehension of the convergence communication section. This section significantly overlaps with the digital productive and resourceful economy, which is also identified by a degree of ambiguity. Because of convergence general sub-section and concern connecting communications and digital creative industries such as transmitting, producing, issuing, advertising, film, games and music are even growing because of convergence. After that, the outcome of media convergence are also analysed for other section of creative industries such as the libraries, museums and design in specific. New digital media technology and services are regarded as central operator of creative industries.

### **Defining Media Convergence**

Jenkins (2006) idea of a convergence culture defines as “where old media and new media collide, where grassroots and corporate media intersect, where the power of media producer and the media consumer interact in unpredictable ways”. The Britannica Encyclopedias defines Media Convergence as an occurrence which necessitate the interconnecting of computing and information technology companies, telecommunication networks and content supplier from the issuing worlds of newspapers, magazines, music, television, films radio and entertainment software.

In Media Convergence each mass medium finally amalgamates to the point where they integrate with other medium facilitated by new communication technologies. The media convergence research theme usually refers to whole distribution and production which utilizes procedure of future digital media services from contents making to service.

Media convergence permits mass media professionals to tell stories and present information and entertainment utilizing different media. Converged communication dispenses multiple tools for telling story and permitting consumers to choose the extent of interactivity while self-directing content distribution. Media convergence leads to the three Cs simultaneously namely, Computing, Communication and Content.

#### **9.4.1 Need of media convergence**

Media Convergence is the amalgamation of mass communication outlet such as the television, print, radio and the internet along with transferable and associated technologies across different digital media platforms. Media convergence is thus the mixing of different media forms into one single platform.

Technologically rich societies have entered the digital age, and the media industries are tussling with advanced chances and threats- imparted by what is known as 'Convergence'. Media people incline to get extremely enthusiastic about convergence, because it grasps so many assurances. The merging jointly of different media, including advanced personalized services is both magnificent and enormous.

The acceptance of high- performance computers, move to digital platforms, and making of high-speed computer networks have led us to advanced system of performance. Previous obstacle of time and space are almost removed. One can perceive, learn, sight or study effectively everything at any place at any time. From the customers point of view the internet at the present time change our preference conveyance structure- newspapers in the present time dispense video, TV provides associate chat and radio now possess web-cams.

With the advancement of 3G telephony, mass media companies can incorporate consumer technologies including mobile phones and the video games. It has softened the lines between info- commercial, promo-commercial and edu-commercial. At the present time, it is difficult to

disparate interpersonal, intrapersonal and mass communication. Let us now learn about the different types of convergence.

### **Types of convergence**

- **Economic Convergence:** when a sole company has regard or interest over numerous media.
- **Organic Convergence:** it is multi-tasking or the natural consequence of a divergent media sphere.
- **Cultural Convergence:** when the stories pass over various kinds of media platform, and when readers or viewers can give statement or comment on, change, or otherwise speak back to culture.
- **Global Convergence:** when geographically aloof cultures are accomplished to impact each other.
- **Technological Convergence:** in which divergent types of technology amalgamate. The most intense example of technological convergence would be the as-yet hypothetical 'black box', one machine that administer each media function.

### **Advantages of Media Convergence:**

- The writer, inventor or composer of the contents can utilize the platform to create and produce content that is aimed at a particular group.
- This has also lead to a change in the dynamics of economy as issuance and value structure is not alike in conventional media.
- It has brought a sense of Post Modernism to the sphere of media utilization where the consumer is not an audience but is also a writer, developer or a composer.
- This has also led to a change in the experience that a person proceeds through by absorbing media. It has exceeded the restriction of the conventional media.



- In term of industries with the growth and evolution of technology, the value of the commodity, products and the software tend to be drop. Currently various newscrew or team for each medium, one converged media operation can be utilized the same reporters and staff to create stories for television, telecommunication and internet medium. Thus, merging each medium's resource, a converged action can enhance and expand the standard of its product.

#### **Disadvantages of Media Convergence:**

- Media Convergence has led to unpredictability in the reaction that a media would accept. With the audiences being opened to an abundance of media platforms it gets firm to perceive what has had what sort of consequence or result on the consumers.
- Media Convergence has initiated a move in the authority that the composer or the author of the content possesses above its belongings. With the arrival of mobiles, emails and blogs the customers are open to huge quantity of unmarked contents. This has led to an enlargement in the competitiveness for consumer's time and recognition that the creators of the content face.
- Audiences express dissatisfaction regarding facts and information. The changing of technology has blocked audience's undertakings and activities. People are inadequate of expertise and ability to hold of comprehensive advantage of the modern media particularly.

The acceptance and the demand of the internet has grown and enlarged with the initiation of the iPad. In one way it has overblown the media industry because of the facility of acquiring information and the news. One has got a way of acquiring facts and newspaper sales have thus been affected. Utilizer accepts the services and obtains the similar content, but in an associated form. Across the world about 800 million people use Facebook to connect with family and their friends. There have been raise in

the use of smart phones because they are so adaptable as it provides internet, apps, music, GPS etc. It has affected the sales of CD's, newspapers etc. electronic arts have begun to produce and create games for smart phones. Newspapers and magazines provide their everyday prints online. Most music artists in the present time vend their music in MP3 format, due to the reality that CDs are currently in decline.

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## **9.5 SUMMING UP**

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Present day information and the communication technologies have facilitated a global village, in which people communicate and interface with each other around the globe as if they are staying the next door. For this purpose, ICT is frequently deliberated in the backdrop of how the present day communication and technologies influence the society. People across the globe has witnessed the modern type of media in which they possess a huge authorization over the kinds of feeds the audiences collect in which they can interconnect with not only the media but also with the media supplier as well.

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## **9.6 QUESTIONS**

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1. What are the issues and the challenges to the use of Information and the Communication Technology in mass media?
2. Discuss the opportunities and the challenges of media convergence.

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## **9.7. RECOMMENDED READINGS**

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- Mannan, A. (2007). *Information and Communication Technology*. Himalaya Publishing House,
- Jenkins, H. (2006). *Convergence Culture Where Old and New Media Collide*. New York University Press. New York

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## **UNIT 10: ADVERTISING INDUSTRY**

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### **UNIT STRUCTURE**

10.1 Introduction

10.2 Objectives

10.3 Advertising Agency- Definition

10.4 Organisational Structure of an Advertising Agency

10.4.1 Account Services Department

10.4.2 Creative Services Department

10.4.3 Production Department

10.4.4 Media Department

10.4.5 Finance Department

10.4.6 Human Resource Department

10.5 Advertising Agency-Client-Media Interface

10.5.1 Factors leading to successful partnership between Agencies-  
Clients-Media

10.6 Summing Up

10.7 Questions

10.8 Recommended Readings

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### **10.1 INTRODUCTION**

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Just like mass media outlets, creative organisations like advertising agencies too need a well-defined organisational structure and hierarchy for their smooth and efficient functioning. The success of an advertising agency is also determined by the kind of relationship it forges with not only its clients but also the media in general.

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### **10.2 OBJECTIVES**

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This unit shall elaborate on-

- Meaning of an advertising agency

- Organisational structure of an advertising agency
- Hierarchy in an advertising agency
- Functions of the different departments in an advertising agency
- Factors leading to a successful partnership between advertising agencies, clients and the media

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### 10.3 ADVERTISING AGENCY- DEFINITION

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According to the American Association of Advertising Agencies (AAAA), an advertising agency is an<sup>1</sup>-

*...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.*

Thus, advertising agencies provide a holistic range of promotion, marketing, advertising and communication services to clients covering both traditional as well as digital mass media.

#### ASSESS YOUR PROGRESS

1. Find out the different types of advertising agencies. Give examples to support your answer.

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<sup>1</sup>Chapter 4: Role & Growth of Advertising Agencies in the Industry. Retrieved from [https://shodhganga.inflibnet.ac.in/bitstream/10603/25054/9/09%20\\_%20chapter%204.pdf](https://shodhganga.inflibnet.ac.in/bitstream/10603/25054/9/09%20_%20chapter%204.pdf)

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## **10.4 ORGANISATIONAL STRUCTURE OF AN ADVERTISING AGENCY**

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The organisational structure of advertising agencies varies from agency to agency depending on their size and specialisation. Generally an advertising agency has the following departments-

- Account Services Department
- Creative Services Department
- Production Department
- Media Department
- Finance Department
- Human Resource Department

### **10.4.1 ACCOUNT SERVICES DEPARTMENT**

The Account Services Department is the primary point of contact between the advertising agency and its clients. Account services meet up with clients, procure work assignments from them on behalf of the agency, write down the creative brief communicated by clients, and then pass on that brief to the Creative Services Department. The department also takes feedback from the client regarding the work done by the agency. It is also responsible for maintaining good relations with clients to ensure a regular flow of work to the agency.

The hierarchal structure of the Account Services Department is as follows (from senior to junior) -

- Account Director
- Account Managers
- Account Planners
- Account Executives
- Account Coordinators



### **Account Director**

As head of the Account Services Department, the Account Director works in collaboration with the Creative Director, the head of the Creative Services Department, in the overall execution of all advertising campaigns undertaken by the agency.

### **Account Managers**

Each Account Manager is assigned a fixed number of accounts i.e. clients. He/she is the chief point of contact between the agency and the accounts assigned to him/her. The Account Manager has to maintain cordial relations with their assigned clients. They are the ones who sit down with the client to discuss the creative brief and the campaign/advertising budget. They are in charge of payments to and from clients. They bring in new clients and also renew contracts with existing clients. They pursue clients for new work assignments. In short, Account Managers are the go-to-people for a particular account.

### **Account Planners**

Just as the Account Manager is focused on the client, Account Planners are focused on the consumers. They ensure that the creative briefs produced by the agency and the advertising campaigns undertaken by it are in tune with the wants and needs of the targeted consumers. They undertake research activities to get a hang of popular social and cultural trends and consumers' response and attitude to these trends. They are also responsible for evaluating the effectiveness of advertising campaigns.

### **Account Executives**

An Account Manager has several Account Executives under him. Account Executives are responsible for scouting for and building relationships with new clients, while simultaneously maintaining good relations with existing clients. Each Account Executive is assigned a fixed number of clients. It is his/her job to procure work assignments from their assigned clients and

collaborate with the latter in creating media pitches and creative briefs. They write press releases and hold press conferences on behalf of their clients. They contact bloggers and other influencers to collaborate on promotional activities. They even organise promotional events like photo shoots or videos making.

### **Account Coordinators**

An entry-level job in an advertising agency's Account Services Department, Account Coordinators provide customer service as well as administrative support to the department in general. They take care of the department's documentation with regard to on-going work assignments, past projects, meeting agendas and reports, client correspondence, contact lists and so on.

## **10.4.2 CREATIVE SERVICES DEPARTMENT**

The Creative Department is the backbone of an advertising agency. The creative briefs formulated by the Account Services Department in consultation with the clients are handed over to the Creative Department. Based on the creative briefs, the latter then executes an advertising/promotional campaign through several rounds of consultation and revision with the clients. Once the campaign/project is approved by the client, the department packages the final product in the form of print and broadcast advertisements, websites, direct mails, social media publicity, guerrilla campaigns and so on.

The Creative Services Department is composed of the following functionaries-

- Creative Director
- Copywriters
- Art Directors
- Designers
- Web Developers

- Production Artists
- Sketch/Storyboard Artists

### **Creative Director**

The Creative Services Department is headed by the Creative Director. He/she oversees all the functionaries working under the agency's creative team and ensures that the creative products and contents produced by the agency are top-shelf. Thus, while Creative Directors get all the fame, glory and credit for the success of an advertising campaign, they also have to take the fall for campaign failures.

The Creative Director leads the creative team in developing advertising copy and design ideas based on the creative brief forwarded by the Accounts Services Department. In some agencies, Creative Directors may adopt a hands-off approach by merely offering suggestions or feedback to his/her team.

### **Copywriters**

There are multiple levels of copywriters within the Creative Services Department. Some agencies also hire freelance copywriters. Copywriters generally collaborate with Designers and Art Directors to develop copy and design ideas including words, visuals as well as audio-visuals.

### **Art Directors**

Art Directors in collaboration with Copywriters and Designers conceive and create advertising campaigns. Their job is to make the creative content look visually appealing as well as engaging while making sure that the content reflects the client's message in a crystal clear manner. They direct the campaign's visual elements i.e. advertising layouts, broadcast advertisements, photo and video shoots, outdoor media, brochures, websites and so on. Like Copywriters, there are multiple levels of Art Directors in an advertising agency.

## **Graphic Designers**

Graphic Designers primarily create the visual elements in an advertising campaign i.e. images, logos, illustrations and so on using digital software and tools for designing. They determine the use of colours, fonts and images in the design layout.

## **Web Developers**

As evident from the name itself, Web Developers are in charge of the digital elements of an advertising campaign. They design, modify and maintain the campaign or brand's online experience.

## **Production Artists**

Production Artists bring together the creative, technical and multi-media elements of an advertising campaign. Prior to production they review the layout of projects; check the compatibility of files across different devices; adjust the images (size, colour balance, resolution, gradient) using image editing software to ensure that they are of top quality; and compress video/audio files.

Sometimes Production Artists act as the primary point of contact between the Creative Services Department and its clients. They collaborate with Programmers regarding functionality issues while developing websites and mobile/web applications for clients. They also maintain an archive of videos, audio, images and other media files for future usage.

## **Sketch/Storyboard Artists**

Storyboard Artists create pencil/digital sketches and visuals for television shoots, outdoor advertising and image campaigns undertaken by the advertising agency. The finished sketch will often resemble a comic strip.

### **10.4.3 PRODUCTION DEPARTMENT**

All advertising agencies do not necessarily have a Production Department. It depends on the agency's size. In small advertising agencies, the task of

production may be outsourced to an external production company. However, large advertising agencies or full-service agencies tend to have an in-house Production Department to handle the execution and logistics of advertising campaigns.

The Production Department, headed by a Production Director, sets up schedules for video and photo shoots; talks to printers, typographers, photoengravers, web designers and digital artists; hires talent for advertisements; assembles all the design elements to prepare the final content; and sends the approved product or creative content to the media for release.

#### **10.4.4 MEDIA DEPARTMENT**

Headed by a Media Director, the Media Department in an advertising agency performs three core functions-

- Media Research
- Media Planning
- Media Buying

The department conducts research pertaining to the market, competitors, popular socio-cultural trends, media trends, consumer behaviour and so on. Media researchers also draw intra-media comparisons to determine the pros, cons, efficiency and effectiveness of the different media outlets. The research findings are critically analysed and used in the execution of advertising campaigns.

The media planners within the Media Department use the research findings and information compiled by the media researchers to determine the most appropriate mass medium for placing advertisements and other promotional content. Accordingly they create the media schedule which is forwarded to the Account Services Department which in turn forwards it to the concerned client for approval. Media planners also determine the scheduling strategies (refer to Unit 8: Broadcast Management) for the



brand/advertising campaign to get maximum coverage and reach among the target audience.

Media buyers collaborate with the Account Services Department and the Creative Services Department to determine the kind of exposure wanted by clients for advertising and promotional campaigns. Accordingly they handle the buying of space/time in the different mass media at the best possible rate.

#### **10.4.5 FINANCE DEPARTMENT**

The Finance Department takes care of the agency's financial and accounting matters. It handles salary payments to the agency's staff, vendor costs, travel allowances, employee benefits, day-to-day operational costs, client invoices, government dues and taxes, and all other financial costs borne by the agency.

The department comprises of the following functionaries-

- Chief Financial Officer
- Accounts Payable Manager
- Accounts Receivable Manager
- Accounts Supervisors
- Accounts Executives

#### **10.4.6 HUMAN RESOURCE DEPARTMENT**

The Human Resource Department in an advertising agency deals with the recruitment and firing of staff, their vacation and sick leaves, and their general well-being. The department ensures that the functioning of the agency is compliant with the constitutional laws and regulations.

### **ASSESS YOUR PROGRESS**

1. Take the example of an existing advertising agency discuss its organisational structure and hierarchy.

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## **10.5 ADVERTISING AGENCY – CLIENT - MEDIA INTERFACE**

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In 1899 when Lintas launched their promotional campaign for Lifebuoy soap, it was a watershed moment that marked the beginning of a solid client-agency partnership. Back then agencies partnered with clients for the long haul. We still see glimpses of such a solid long-term partnership today with Unilever and the Mullenlowe Group sharing one of the oldest partnerships for approximately 117 years. BBDO Worldwide and General Electric have been going strong for around 96 years now, while the agency's partnership with Mars has continued for almost 80 years.

### **10.5.1 FACTORS LEADING TO SUCCESSFUL PARTNERSHIP BETWEEN AGENCIES-CLIENTS-MEDIA**

Today it is becoming increasingly difficult to maintain long-term client-agency-media partnerships. Mutual trust, understanding and respect lies at the crux of the relationship between advertising agencies, clients and the media. A strong partnership between the three will produce quality work as well as solid business results. In this section we will discuss some key factors which can lead to a successful partnership between advertising agencies, clients and the media-

- Communication is the key to a good agency-client-media relationship. It helps the agency create advertising and promotional content that aligns with the client's brand message.
- Merely hiring an agency does not relieve the client of their responsibility in the promotional initiatives. Clients and agencies should be proactive in giving as well as receiving continuous

feedback right from the time the client hands the agency the work assignment till the time the agency submits the final creative content for the client's approval.

- Holding key information about the brand will lead to the agency second guessing its creative decisions. Therefore, it is best to give agencies as much access to information about the brand as possible. This will enable agencies to give their best without any distractions.
- Clients need to treat agencies as extended partners and give them clarity regarding their company objectives, vision and mission as well their expectations from the promotional/advertising campaign.
- Agencies are more in tune than clients with technology as well as popular socio-cultural trends. Good agencies will encourage clients to think outside the box and will help them adapt their brand image to grab the attention of potential consumers.
- Over reliance on technology takes away the charm and intimacy provided by inter-personal face-to-face communication. In order to form a strong agency-client-media relationship, it is imperative that the three parties schedule regular face-to-face meetings to provide each other better insight and feedback which will ultimately result in better work output.
- Any issues or problems that clients face should be faced and solved using a front door approach instead of dodging the problem.
- Genuine passion for the client's business, particularly during their highs and lows, is another determinant of a healthy client-agency-media relationship.

According to recent R3 and SCOPEN's Agency Scope Study (2018), the relationship between advertising agencies and clients in India have been steadily improving. As per the report, on an average, agencies and clients work together in partnership for 4.7 years. When the study was conducted for the first time in 2009, the agency-client relationship lasted for 3.4 years.

The study also recorded an improvement in the relationship between the media and their clients. The average partnership between the two increased from 4.1 years in 2009 to 4.5 years at present.

The study revealed Ogilvy and J Walter Thompson to be the most recalled agency in India. While the former is considered the most creative as well as the most ideal agency by marketers in India, the latter has the highest satisfaction rate among clients. Madison Media takes the top spot as the most recalled media agency in the country. It is also deemed the most creative as well as the most ideal media agency for the Indian market. Wavemaker, on the other hand, has the highest client satisfaction rate among media agencies.

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## **10.6 SUMMING UP**

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The advertising agency-client-media relationship is a symbiotic partnership that benefits all three. The agency helps the client in meeting its organisational goals while simultaneously generating revenue for itself. Satisfactory work output also increases the chances of the client working together with the agency in the future. The media too is reliant on advertising for generating revenue. Successful collaborations with advertising agencies and advertising clients increase the media's chances of retaining them for future collaboration. Agencies are reliant on the media for securing quality time/space for broadcasting/publishing promotional messages on behalf of their clients. Therefore, a solid partnership between the three parties requires cooperation on the part of all three. Only then will there be benefits for the three parties to reap.

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## **10.7 QUESTIONS**

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1. Define an advertising agency.
2. Give a brief historical overview of the evolution of advertising agencies.
3. Discuss the organisational structure of an advertising agency.

4. Trace the hierarchal structure of the different departments in an advertising agency.
5. What functions do the different departments in an advertising agency perform?
6. Discuss some of the factors which can lead to a successful partnership between advertising agencies, clients and the media?
7. According to you, what are some of the issues which may pose a challenge to a strong agency-client-media partnership?
8. Explain the present state of agency-client-media interface in the context of India.

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## **UNIT 11: Brand Image and Management**

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### **UNIT STRUCTURE**

- 11.1 Introduction
- 11.2 Objectives
- 11.3 What's in a name?
- 11.4 Brand Image and Brand Identity
- 11.5 Brand Differentiation and Positioning
- 11.6 Media as Brand
- 11.7 Summing Up
- 11.8 Questions
- 11.9 Recommended Readings

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### **11.1 INTRODUCTION**

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Building and maintaining a brand are requisite marketing activities of any corporate establishment. According to the American Marketing Association (AMA), a brand is a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition.” A brand helps consumers recognize the products or services and also associate them with certain qualities, values or characteristics. A brand can be inclusive of various items; a branded product can be a physical good like, Samsung electronics, Kellogg's Corn Flakes cereal, or Maruti Suzuki automobiles; a service or organisation such as Indigo Airlines, State Bank of India; a store like Fab India, Body Shop specialty store or an idea like corporate responsibility, free trade, or freedom of speech.

However what needs to be kept in mind is, a brand is more than a product, because it can have aspects that distinguish it in various manners from other products designed to satisfy the same need. Susan Gunelius, an entrepreneur and marketing communication author states “A product is made by a company and can be purchased by a consumer in exchange for

money while brands are built through consumer perceptions, expectations, and experiences with all products or services”. For example, Maruti Suzuki’s product is cars. Its umbrella brand is Maruti Suzuki and each product has its own more specific brand name to distinguish the various Maruti-manufactured product lines from one another. Our purchase of a specific brand of Maruti will depend on the experiences and expectations we have of the particular brand.

For people to perceive brands, they are required to be communicated. Brand communication is a core aspect of brand management by which the company informs, persuade, remind, and enrich the knowledge of their stakeholders about the brand. Media plays a crucial role in communicating about the brand to the customers at large. Various media tools such as newspapers, televisions, radio and new media platforms are used to inform the customers about the offerings of the brand. Also what we witness in the recent times is, apart from communicating brands to various stakeholders, media houses have themselves emerged as brands. Media houses like NDTV, AajTak, Times of India, Hindu etc have positioned themselves as recognised brands amongst the array of media houses available.

This unit shall therefore help you to understand the concept of brand in general and its significance in the media sector in particular.

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## **11.2 OBJECTIVES**

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This chapter shall enable you to understand

- The concept of brand
- Brand image and Brand identity
- Brand differentiation and Positioning
- Media as a brand

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## **11.3 WHAT’S IN A NAME?**

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The concept of having a brand name that people can identify to is a notion that garnered recognition around the 1980s, when organizations came to realise that the principal asset of a company or its services was in fact its



brand names. Apart from other aspects of valuation of a company, the consumer is of utmost importance and a strong brand name helps positioning the organisation or its services in the minds of its potential consumers. “A brand encapsulates in its name and its visual symbol all the goodwill created by the positive experiences of clients or prospects with the organisation, its products, its channels, its stores, its communication and its people” Kapferer (2008).

A brand-name product holds greater significance than its generic equivalent as it is acknowledged by consumers and is perceived as being more trustworthy and familiar. For instance you would prefer having a Coca-Cola, Sprite or a Pepsi over general available beverages. This occurs because of the familiarity with the brand name.

While naming a brand, a company needs to plan a strategy. Manufacturers and service companies adopts the following four strategies to name a brand. Individual Branding as the name itself suggests that every product of the company has its own unique brand name. For instance Procter and Gamble has distinct brand names for its products such as Vicks, Tide, Whisper, Pantene, Oral-B, Head & Shoulders etc. Blanket Family Branding or Umbrella Branding is when one brand name is applied for all products of the company.

For example the brand names like Samsung, LG includes the diverse electronics products such as refrigerator, television, air conditioner under one name. Separate family name branding is adopted by companies with products of various sectors. In such cases distinct brand names for each product line is used. For example in case of Hindustan Unilever it has different sectors of products named under separate brand names, such as Lakme, Kissan, Brooke Bond etc.

The last strategy is called the Company name combined with individual name also known as Combination branding allows company to combine the family brand name as well as the individual brand name. Such branding

allows advantage of the family brand name while also building a distinctive brand name that better suits the product. This for example is followed by companies like TATA for all its products; TATA steel, TATA sky, TATA tea etc.

Philip Kotler (2000) identifies the following rationale of the brand names:

Strategy	Rationale
Individual names	The firm does not tie its reputation to the product's; if the product fails or seems low quality, the company's name or image is not hurt
Blanket family names	The firm spends less on development because there is no need for "name" research or heavy ad spending to create brand-name recognition; also, product sales are likely to be strong if the manufacturer's name is good
Separate family names for all products	Where a firm offers quite different products, separate family names are more appropriate than one blanket family name
Company trade name with individual product names	The company name legitimizes while the individual name individualizes each product

Source: Brand Name Strategies, Kotler (2000)

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## 11.4 BRAND IMAGE AND BRAND IDENTITY

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Brand image is consumers' perceptions about a brand, as reflected by the brand associations held in consumer memory. Here brand associations are informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers. Associations may reflect characteristics of the product or aspects independent of the product (Keller

2013) Brand image is eventually a deciding factor that promotes the product sales. It is only when you have a good impression of the brand in your mind, you tend to purchase it. For example, if somebody asks you what comes to your mind when you think of the brand Adidas, what would you state? You might reply with associations you have of it, such as comfort, stylish, durable etc. The associations that came to your mind make up the brand image for Adidas.

On one hand where image reflects the way people perceives the company or its products. Brand Identity comprises the ways that a company aims to position itself or its products. It is inclusive of strategies of how a company aspires to be perceived amongst its customers. It includes both tangible and intangible characteristics, elements such as brand culture and values, logo, colour, design which together mark the essence of individuality that differentiate the brand from the generic products. For example SBI monogram has been the de-facto symbol of State Bank of India, combined with the abbreviated SBI word mark makes up the brand identity. For the word mark itself (SBI), a modern Sans Serif typeface is adapted to create a sense of weight and heighten the institutional feel. It is a sturdy, geometric and highly legible typeface. Also the deep inky blue colour symbolises trust and integrity. The aim of the bank's identity is to present it as an approachable bank for the customers

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## **11.5 BRAND DIFFERENTIATION AND POSITIONING**

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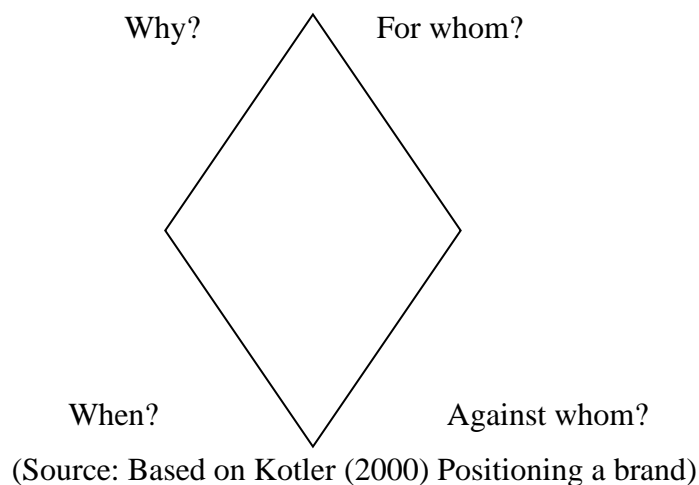
A brand strategy encompasses various aspects, out of which differentiation and positioning of a brand are crucial. Brand differentiation is a process employed by businesses to ensure that their brand stands out from their competitors. The strategy focuses on highlighting distinct qualities your product offers and promoting them to targets your potential consumers. Differentiating your products or services from similar businesses enables customers to link to the brand based on its distinctiveness. It can be created through attributes, psychological or emotional benefits, or through customer experience. Also a comprehensible brand identity which includes

a set of values, brand personality, brand attributes and promises that distinguish the brand from its competitors plays an important role.

The act of positioning a brand emphasizes on the distinct characteristics that make it differ from its competitors and appealing to a target audience. It is done with an agenda to create a distinctive place in the audience's mind. It was advertising executives, Al Ries and Jack Trout who popularized the concept *positioning*. According to them, "Positioning starts with a product. A piece of merchandise, a service, a company, an institution, or even a person. . . . But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect."

The process of positioning is based on the four following questions:

- i. A brand for what benefit? It refer to the promise and consumer benefit aspect of the brand
- ii. A brand for whom? This denotes the target aspect of the brand.
- iii. Reason? This refers to the elements, factual or subjective, that support the claimed benefit.
- iv. A brand against whom? This denotes the main competitor(s), i.e those whose clientele we think we can partly capture.(Kotler 2000)



Let us take the example of Patanjali, inclusive of a range of products from medicines, homecare, grocery, personal care; the brand uses the strategy of differentiation and positioning by placing the products in a way that appeals to the Indian consumer's belief in Ayurveda and natural products. The slogan "Prakritika Aashirwaad" meaning blessings of nature positions it as natural products at affordable prices. Also what is intriguing is use of *Made in Bharat* label affirming the virtues of products made in India among the customers.

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## 11.6 MEDIA AS BRAND

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The study of media brands is a relatively recent field. It was only during the early 1990s that media platform: newspaper, radio, television, cable, satellite etc began experiencing enormous competition for the attention of audiences, which led to the emergence of the concept called branding in the media market. The unprecedented increase and availability of media channels and content have resulted in overwhelming choices for the audience.

In such cases brand names helps audience to make decisions based on their perception of the brand. For instance there is an array of news channels available (NDTV, AajTak, ABP news, DD news), but only few are watched by you. This occurs because of the associations you have in your mind with those particular brands. The Indian media market today exists of a plethora of media platforms such as CNN, Hindu, Times of India, ESPN, MTV etc. that people perceive as brands today.

Media products includes two components: the immaterial component (news, fiction); and the material component (the medium or means by which it reaches the consumer). The key aspect of media products remains in their ability to satisfy the potential audience's needs for contents that are informative, persuasive or entertaining in nature. In doing so there is a necessity to create a brand, distinct for the audience at large. For which

there is a necessity to create brand strategy that positions the media brand differently from other media. Also apart for the general public and the media brands must generate brand strategies: for business community to generate advertisements and revenues.

In recent years, media houses have shifted toward greater use of corporate branding, which attempts at bringing all products and services under a unifying parent brand instead of focussing on an array of individual brands. The newspaper Hindu under Hindu group apart from a number of publications such as The Hindu Business Lines, Frontline, Sportstar have ventured into online merchandise websites (The Hindu Lounge), events management THEME' (The Hindu Group Events, Meets & Experiences), bulletin app (Briefcase). The World Wrestling Entertainment, famously known as WWE, is an American integrated media and entertainment company for professional wrestling has endeavour into movies (WWE studios), real estate, and various other businesses. This extension of an established brand name beyond its original designated product or service is termed as *Media brand extension*.

Media brands such as Sony, Disney, HBO, MTV are for instance global brands. However, in order to position itself in a host country like say India, the media outlets project a distinct brand identity. For instance, media contents of such channels are localized to the extent that they are meet the local requirements (i.e., language, manufacturing, marketing style) of the audience of the host nation.

Let us consider the Disney channel, earlier it used to broadcast shows imported from the US, but from 2006 onwards it has started making Indian adaptations of the shows (*Best of Luck Nikki based on Good Luck Charlie*) and presents locally produced shows such as *Vicky aur Vetaal*, *Kya mast hain life*. Also in 2015, the media brand introduced a strategy catering to family audience. The strategy was called *Shaanivaar*, *Ravivaar only for Parivaar*. The media brand thus aimed to position a resonance or

connection in the Indian audience's mind toward the media content or channel.

The most significant aspect that makes media brands exceptional is that they are the medium itself and, therefore, can be developed as communication tools for self-branding.

Case study:

The Times of India is an Indian English-language daily newspaper owned by The Times Group. According to Audit Bureau of Circulations it is the third-largest newspaper in India by circulation and largest selling English-language daily in the world. With the slogan "Let the Truth Prevail", the newspaper projects the identity of maintaining objective and truthful journalism. The brand image is perceived by reader's perception of the newspaper; it is based on factors related to the coverage and presentation of the news content by Times of India in comparison to other available sources of news.

With its various ventures the Times group has proliferated the brand market employing various branding strategy. For instance, the company uses individual branding for its products such as The Economic Times, Mumbai Mirror, Times Now, Navbharat Times; living and entertainment: Filmfare, Mens XP.com, Femina, Zoom, services such as- Magicbricks, Techgig Times Jobs, Times Mobile, Used Cars, AstroSpeakTimes. Each product has made its individual and distinct positions as brands in the consumer market.

Apart from this the company has also ventured into different sectors maintaining the parent brand name. For instance, it has Times Bridge an investments firm, TimesGauranty Ltd. for retail and corporate lending, Times Music; record label and music publisher, Times Internet the digital section etc. thus the company has made its brand presence in almost all sectors targeting niche consumers.

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## 11.7 SUMMING UP

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Brand management has emerged as a specialized aspect of marketing, that allows analysis and planning of how a brand will be perceived in a market. How a business establishment wants to be perceived amongst the customers and how they are perceived by the consumers are crucial for the sustenance of a brand. The brand image refers to the ways how consumers decode all information coming from the products, services and communication covered by the brand. Brand identity on the other hand refers to the brands attempt at creating an identity. Differentiating and Positioning remains important aspect for maintaining distinctiveness for brands in the ever changing and growing market. Brand differentiation focuses on what you can offer your customers by being different from your competitors. Whereas Positioning refers to the place created in the consumers mind, thus the benefits you recall of the brand. Media outlets are recent additions to the brand market proliferating in various sectors employing various brand strategies and creating brand images

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## 11.8 QUESTIONS

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1. Define the concept of brand with suitable examples.
2. How crucial is naming a brand for corporate? Define the various brand name strategies with rationale and examples.
3. How is brand differentiation distinct from positioning?
4. Brand extension is the common phenomenon in the brand market illustrate the need for brand extension in reference to media houses?

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## 11.9 RECOMMENDED READINGS

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## **MODULE IV: MEDIA ENTREPRENEURSHIP**

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## **UNIT 12: ENTREPRENEURSHIP**

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### **UNIT STRUCTURE**

12.1 Introduction

12.2 Objectives

12.3 Concept of Entrepreneurship

12.3.1 Concept of Media Entrepreneurship

12.4 Media Entrepreneurial Scenario in Northeast

12.5 Problems and Prospects of Media Entrepreneurship in North-East

12.6 Summing Up

12.7 Questions

12.8 Recommended Readings

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### **12.1 INTRODUCTION**

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The concept of entrepreneurship is based on the significant relationship between economy and society. It is about the economy of optimum utilisation of resources and establishment of equilibrium in the society. This unit under the Media Management course is centred on the concept of media entrepreneurship discussing different aspects related to media and entertainment industry.

However, before understanding media entrepreneurship, you need to understand the concept of entrepreneurship, what are the principles and foundations of an entrepreneurial activity. The basic objective of this discussion is to make you understand the scope of entrepreneurship as well as to give an idea about the concept of media entrepreneurship. Throughout this unit you will find three key terms, these are - entrepreneurial activities, entrepreneurs and entrepreneurship. The term entrepreneurial activities includes innovative and value generating business activities. On the other hand entrepreneurs are the persons involved in the entrepreneurial activities and entrepreneurship is the phenomenon associated with it.

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## **12.2 OBJECTIVES**

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After studying this unit, you will be able to

- Understand the concept of entrepreneurship particularly media entrepreneurship
- Explain media entrepreneurial scenario in Northeast
- Evaluate the problem and prospects of media entrepreneurial scenario in Northeast

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## **12.3 CONCEPT OF ENTREPRENEURSHIP**

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Entrepreneurship has become a need of the hour specially in a developing country like India in order to accelerate the process of economic growth through generating employments. The origin of the term entrepreneurship is based on the French word “enterprendre” which means is to undertake or to enter upon an enterprise. An entrepreneurial activity starts with generating new ideas.

Śledzik (2013) in the research article “Schumpeter’s View on Innovation and Entrepreneurship” mentioned the definition of entrepreneurship given by Joseph Alois Schumpeter as “the function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry and so on”.

According to this definition , entrepreneurship does not only mean producing new commodities or ideas but also reforming the old ideas into some new and innovative one. This process contributes to the economy through optimum utilisation of resources as well as supplying good and services into the market.

There are a few key features of an entrepreneurial initiative. The first one is the identification of an opportunity. In exploring opportunities, an entrepreneur needs to consider a problem as an opportunity for new ventures. For instance, if you think that the community you are living with is facing some kinds of a crisis situation, you as an entrepreneur can see it as a business opportunity. A strong decision making capacity is the key of an entrepreneurial activity for discovering or realising the values of an opportunity and also recognising the potentiality of it as a business initiative.

The second one is innovation which is the building block of an entrepreneurial activity. Innovation involves the process of generating new ideas to produce new products or services or a solution. Why is it so important to develop innovative ideas in entrepreneurship? It is because of the competitive market forces which always require new ideas in order to survive in the market.

This innovation process in entrepreneurship includes the steps from generating new idea to transforming it into action in the form of an enterprise. For generating innovative ideas it also requires a creative mind. In other words, creativity is required for discovering new ways of opportunity and also seeing a problem with an industrious method. On the other hand, an innovative mind will apply solutions to those problems and opportunities and builds the foundation of entrepreneurship.

Risk taking is the key feature of entrepreneurship. For execution of a business plan, an entrepreneur needs to take risk in terms their financial status, carriers as well as different aspects of one's personal life. However, propensity of risk depends on the decision making skills of the entrepreneur and also the capacity of handling a crisis situation. Assessment of risk is very much required while initiating an entrepreneurial activity and it depends on the rational mind as well as experiences of the entrepreneur. This risk taking process also depends on self-confidence or self-efficacy of

the entrepreneur in taking a calculated risk, making a decision under risk and uncertainty, taking charge for ideas and decisions and work in stressful and conflicting conditions. It also requires evaluating the expected outcome of the new venture and based on the assessment the entrepreneur needs to develop control over the degree of risk.

After understanding the concept of entrepreneurship in general, now we will discuss media entrepreneurship in particular. Media entrepreneurship focuses on the business side of establishing media start-up and also understanding profit orientation of media products and services.

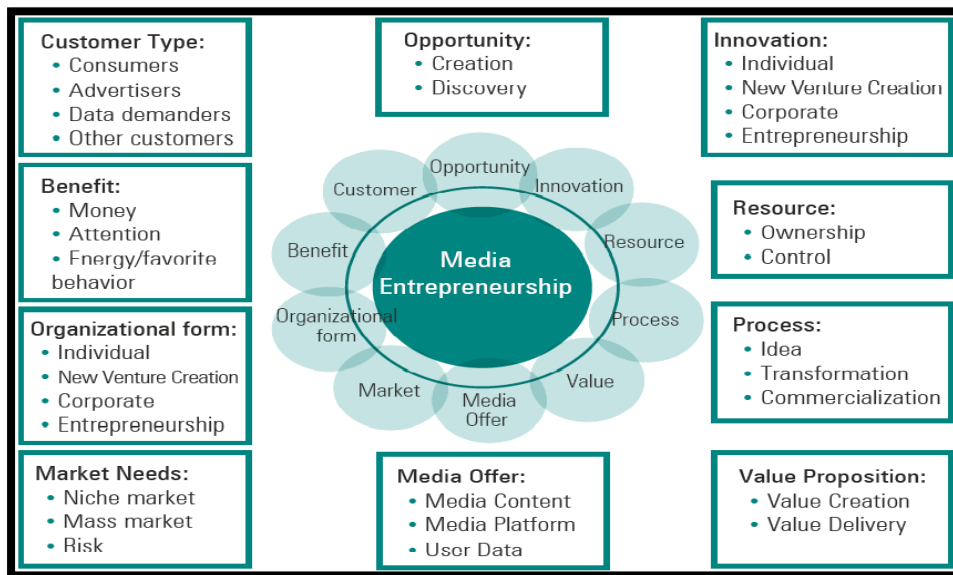
### **12.3.1 Media Entrepreneurship**

The key players of media entrepreneurship are the media producer, media content and the media consumers. Innovation in context to media entrepreneurship is creation of new voice in terms of media content. In the research work “Measuring Media Entrepreneurship”, Anne Hoag (2008) defined media entrepreneurship as “the creation and ownership of an enterprise whose activity adds an independent voice to the media marketplace.

The “media” in media entrepreneurship refers to traditional mass communications systems and content genres as well as other technologies for mediated human speech. This would include traditional publishing (newspapers, periodicals, or books), traditional electronic media (broadcasting, broadband, cable, or satellite), motion pictures, video gaming, recorded music, advertising, and adaptations of the Internet for any of these media”. From this definition you can understand that mediated voice is the key element of media entrepreneurship. Channelizing a new idea in the form of information or voice can be a business venture for media entrepreneurs.

On the other hand, in a research article “Media entrepreneurship: A consensual definition”, Datis Khajeheian (2017) has developed a framework of media entrepreneurship which is illustrated in the following figure (Fig:1). In this framework, Khajeheian (2017) discussed ten elements of media entrepreneurship, these are –

- Opportunity
- Innovation
- Resource
- Process
- Value
- Media offer
- Market
- Organisational form
- Benefit
- Customer.



**Fig 1: Elements of Media Entrepreneurship definition (Khajeheian, 2017)**

Using these ten elements, Khajeheian (2017) defines media entrepreneurship as “Media entrepreneurship is taking the risk to exploit opportunities (creation/discovery) by innovative use of

(radical/incremental/imitative) resources (ownership/control) in transform of an idea into activities to offer value (creation/delivery) in a media form (content/platform/user data) that meets the need of a specific portion of market (businesses or consumers), either in an individual effort or by creation of new venture or entrepreneurial managing of an existing organizational entity and to earn benefit (money/ attention/favourite behaviour) from one of the sources that is willing to pay for (direct consumers, advertisers, data demanders or any customer of generated information of consumers).”

According to this definition a media entrepreneur takes the risk to discover or create an opportunity through exploring innovation and utilising resources. It creates value in any media forms such as media content, media platform to share opinion or voice, user data, etc. A media entrepreneur may create a target to reach a niche market or mass market depending on the type of customers such as media consumers, advertisers, data demanders, etc. However, an initiative of media entrepreneurship may be based on different organisational forms such as individual, corporate organisation or a new venture.

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## **12.4 MEDIA ENTREPRENEURIAL SCENARIO IN NORTHEAST**

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The media entrepreneurship scenario in North East India has been growing especially with the advent of cross media ownership. Under this cross media ownership, many media houses have been simultaneously creating a large media market in both print media as well as electronic media specially in the state of Assam. For instance, Pride East Entertainment Pvt. Ltd is one of the media enterprises owned by Riniki Bhuyan Sharma ,who is a renowned woman entrepreneur from this region. Since its establishment on 13 November, 2006, with the mission to “Pushing North East 24×7” , this media enterprise has been expanding its operational areas in the states of North East including Assam, Arunachal Pradesh, Manipur, Meghalaya ,Mizoram, Nagaland, Sikkim and Tripura.



This enterprise has two satellite news channel including News Live, launched in 2008 and North East Live launched in 2013 and the later is the first 24x7 news channel in the entire North East Region. This enterprise also publishes newspaper and magazine namely *NiyomiaBarta* and *Aaina Jibonor* respectively under the same ownership. However, this group has also large share in the entertainment industry in North East region with two entertainment channels called Rang and *Indradhanu* which broadcast different genres of entertainment programmes such as drama and comedy program, chat show, music show, film show, etc.

Another media enterprise in Assam is the Pratidin Group which publishes the *Asomiya Pratidin*, the highest circulated Assamese newspaper in this state. On the other hand, Pratidin Time is the satellite news channel under this group and Nitumoni Saikia is the Editor-in chief of this news channel. Headquarters of both the media enterprise, i.e Pride East Entertainment Pvt. and Pratidin Group are located in Guwahati. There is another leading satellite news channels in Assam i.e. DY365 which is a media entrepreneurial initiative of Brahmaputra Tele Productions Pvt. Ltd.

In the print media industry of North East India, G.L Publication is a leading company which was established by Mr. Ghisa Lal Agarwala in 1988. It published *Purvanchal Prahari* in 1989 which is the first Hindi daily in North East India. Since its establishment, this media entrepreneurship has recognised as the largest media house of the North East India publishing four newspapers in three languages, English, Assamese and Hindi. The two English daily The North East Times and The Meghalaya Guardian were started in October 2, 1990 and in January 1, 1990 respectively. On the other hand, *Amar Asom* is an Assamese daily newspaper in Assam which was found in April 21, 1997.

Since pre-independence, Assam Tribune Private Limited is another pioneer of print media in North East India. This group was established by Radha Govinda Baruah in 1939 with the publication of English daily called Assam Tribune. This group also publishes one Assamese daily called *Dainik Asam*

which was established in 1965. There are some other leading print media enterprises such Dainik Janambhumi, The sentinel, Eastern chronicle , etc. which are playing significant role in the growth of print media industry in Assam.

The multilingual demographic profile of this North East region has created a niche market of vernacular press in the states. For example, Tenyi Ralha is a vernacular newspaper of Nagaland in Angami dialect, Vanglaini is the leading newspaper daily in Mizoram, Mawphor Daily, Rupang Daily and U Nongsain Hima are Khasi dallies from Meghalaya, Naharolgi Thoudang, Poknapham are Meitei newspapers from Manipur. Apart from vernacular press, there are some leading English newspapers from this region and some of them are listed in the following table-

Table 12.1 : List of English newspapers in North East

Newspapers	States
Imphal Free Press, Manipur Mail, Sangai Express	Manipur
The Shillong Times, Meghalaya Guardian	Meghalaya
Arunachal Times, Echo of Arunachal, Dawnlit Post	Arunachal Pradesh
Mizoram Post, Highlander , Newslink	Mizoram
Tripura Times, Tripura Observer,	Tripura
Nagaland Post, Eastern Mirror, Morung Express, Nagaland Page and North East Herald	Nagaland

In the film industry, AM Television Pvt. Ltd is one of the biggest film production house in North East India , which was found by SanjiveNarain in 2005. This company have produced many popular Assamese films such as *Doordarshan EtiJantra* , *Shinyor*, *DooronirNirolaPoja*, *Chor: The Bicycle*, etc. This company also owns one of the satellite news channels in Assam namely, *Prag News* and an entertainment channel called *Rengoni*.

This discussion gives you a brief idea about the trend of media entrepreneurship in North East India, but it is a continuous process and it has been changing throughout the years.

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## **12.5 PROBLEMS AND PROSPECTS OF MEDIA ENTREPRENEURSHIP IN NORTHEAST**

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The developing scenario of media and entertainment industry in North East India has been facing many challenges. The first challenge is the existence of a niche market which is basically centred upon the urban areas. Increasing number of competitors in such a media market scenario has been resulting in cut throat competition for TRPs. However, one serious issue in media industry specially in print media is the challenge in earning revenues and many media houses have to depend upon the advertisers as source of revenue generation. Again this dependency has been creating competition and as a result of which questions have been raised for compromising with quality of media content. Lack of skilled human resources is another challenge in this industry. There are two perspectives on this aspect, one is the inadequate education policies for Media and Communication studies specially in Assam as this discipline is yet to be introduced in the undergraduate courses.

On the other hand, Dhirendra Nath Bezboruah (2010) in his article “The State of the Media in the Northeast” has mentioned that “it is important to look at the kind of human resource one can hope to secure for the kind of salaries that one is willing to pay. What is common about the media of the entire Northeast is that in all the States journalists are terribly underpaid. What is saddening is that even in an age when the salaries of metropolitan journalists have become so handsome, journalists in the Northeast do not command even fair wages”.

Another challenge for media and entertainment industry in North East is the diversity in languages and culture among the people living in this

region. So, it is important for the entrepreneurs to segregate the market based on vivid socio-cultural needs of the people and thereby creating contents in order to meet such needs to retain the audience in the market.

However, with the increasing rate of internet users, this media market has been changing with times. For example, many print media houses have started publishing e-newspaper simultaneously with the printed newspaper. This is helping the print media houses to cope up with the changing trend of readers.

On the other hand, in the entertainment industry, especially in Assam, the film industry has also been adapting new technologies for better cinematography and as a result of which the numbers of audience watching vernacular films have been gradually increasing. On the other hand, emerging web portals in this region such as Nezine, Gplus, etc. have been adding new dimension to the media entrepreneurship scenario in the region through reaching consumers beyond geographical boundaries.

### **ASSESS YOUR PROGRESS**

1. Name some media enterprises in India and discuss its growth.

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## **12.6 SUMMING UP**

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The foundation of the concept of entrepreneurship is based on the theories of economics. It is about generating income through exploring new ideas and transforming it into innovative business venture. For an entrepreneur, it takes courage to take risk of establishing a new business which may or may not be successful. Therefore, to establish entrepreneurship, it requires determination and patience to face an adverse situation and also an innovative mind with systematic plan to compete in the market.

Media entrepreneurship in North East region started with the establishment of print media houses. Both vernacular and English newspapers and magazines published from this region have been contributing significantly in the socio, economic, political and cultural growth of this region. However, with advancement of communication and information technologies, this region has been witnessing significant growth in satellite news channels.

Entrepreneurial initiatives such as Pride East Entertainment Pvt. Ltd. Protidin Group have been enlarging the competition in the media market in this region. Nowadays, the concept of media entrepreneurship is beyond only the conventional mass media such as print, television, radio etc., but the emerging trend of creating web portals for disseminating information has been changing the scenario of media market.

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## 12.7 QUESTIONS

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1. Discuss the concept of entrepreneurship. What are the features of an entrepreneurial initiative?
2. What do you understand by the term media entrepreneurship? Discuss the present status of media entrepreneurship in North East India.
3. What are the problems and challenges of entrepreneurship with reference to media entrepreneurship in the North East India?

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## **UNIT 13: CUSTOMER RELATIONSHIP MANAGEMENT**

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### **UNIT STRUCTURE**

13.1 Introduction

13.2 Objectives

13.3 Meaning and concept of customer relationship management

13.4 Significance of customer relationship management

13.5 Strategies of Customer relationship management

13.6 Summing up

13.7 Questions

13.8 Recommended readings

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### **13.1: INTRODUCTION**

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The concept of customer relationship management (CRM) has great significance in the context of media management. As there are two concepts called internal publics and external publics in an organisational structure, customer relationship management deals with external publics. Internal public includes the all the stakeholders including manger, employees, owner, etc. on the other hand external public include all the suppliers, customers, shareholders, government, society, etc. Public relation activities of an organisation aim to maintain an effective communication among both internal and external publics. The concept of customer relationship management is a part of these public relation activities in an organisation. The purpose of CRM is to build a healthy relationship with the customers of an organisation. It serves the organisation to generate sales, customers, revenues, etc. From this unit you will understand the concept of CRM, its significance in media management, different approaches of CRM and also some cases of customer relationship management in India.

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## **13.2: OBJECTIVES**

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A thorough understanding of this unit, you will be able to-

- Understand the concept of customer relationship management
- Comprehend the importance of customer relationship management
- Learn different approaches of customer relationship management

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## **13.3: MEANING AND CONCEPT OF CUSTOMER RELATIONSHIP MANAGEMENT**

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Customer relationship management (CRM) is a strategy to streamline the interaction with the existing as well as potential customers. Marshal Hargrave (2019) defines it as “customer relationship management includes the principles, practices, and guidelines an organization follows when interacting with its customers”.

The core of CRM is acquisition and retention of customers through reaching their needs and demands. In this process of maintaining acquisition and retention of customers, an organisation needs to balance between the goals of the organisation as well as needs of the customers. The relationship between the organisations and the customers is always a symbiotic one which is based on mutually beneficial goals. Integration between these two depends on the CRM function of an organisation which focuses on creating values for the customers in the form of customer service. These values should be maintained throughout the lifecycle of the customers which includes an initial stage of considering a product or a service, purchasing, using and maintaining loyalty to the same.

Who are the customers for whom an organisation executes customer relationship management activities? These customers are not only individuals who buy product or service, but it also includes the suppliers, business partners, employees, investors, etc. Customer relationship management aims to build a strong relationship among these stakeholders of the organisation evaluating impacts on each other. It means CRM looks



into the impact of organisation on the customers in terms of sales, revenue growth, market share, etc.

Similarly, it also needs to make changes in the plans and strategies as per the need of the customer or market demand. Therefore, it is very important for an organisation to evaluate this interdependent relationship between the customers and the organisation in order to make new strategies for a business environment in which both generate profits for each other. Through CRM a company analyses data of the customers including the history of their relation with the company and also compile their data in a system which helps the company to understand the customers well. This ultimately leads to execution of plans and strategies for customer satisfaction and thereby achieves loyalty of the customers.

The above discussion gives you a general idea of the concept of customer relationship management. Now, we will discuss this term in the context of media and entertainment industry. As you know, media and entertainment industry comprises of all the media forms including the conventional mass media such as television, radio, print media, radio, etc. and also new media. In this media and entertainment industry, a media organisation has different kinds of customers including the viewers, subscribers, advertisers, investors, etc. So, the function of customer relationship management in a media organisation aims at establishing effective communication with these customers. This customer relationship management function in a media organisation includes management of deals and outreach activities as well as keeping track and evaluation of any media programme considering the reactions and feedbacks of the target audience. For example, in an advertising agency, the basic purpose of customer relationship management is to maintain a good relationship with the clients i.e. the advertisers, media organisation which is going to give space/ time for publishing/broadcasting the advertisement and most importantly keeping a track of the demand and taste of the potential customers of the product or service being advertised.

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### 13.4: SIGNIFICANCE OF CUSTOMER RELATIONSHIP MANAGEMENT

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An effective customer relationship management adds to the growth and profit of an organisation. In a media organisation, it influences many aspects of an organisation including designing a media programme, retaining viewers/ readers and also different levels of investment, etc. The significance of customer relationship management in a media organisation is discussed below-

- **Strengthens communication:** CRM in a media organisation helps building a strong communication channels with the audience. It also provides scope for the organisation to specifically select the target audience based on the characteristics of the programme content as well as perceptions of the audience. CRM channelizes the platform to get feedback from the audience. Such feedbacks further help a media organisation to customize any content as per demand of the audience. Sometimes such CRM activity may invite collaborations from the audience in developing content.
- **Expands market:** It is the most significant benefit of a customer relationship management function of media organisation. Through understanding the nature and characteristics of the target audience through CRM, it becomes easy for the organisation to adopt initiatives to expand their market through reaching increasing number of audience. CRM helps the organisation to have a clear picture of the customers through keeping a track on the consumer trend.
- **Retains loyalty:** CRM activity of a media organisation helps in retaining loyalty of the customers. From audience perspective, this loyalty implies continuation of subscriptions as well as viewership of a particular media programme or channel. On the other hand, CRM activity of a media organisation also includes receiving trust from the advertisers. So, the relationship between the organisation

and the customers in any form is mostly dependent on the approach how CRM is managing in retaining loyalty through building mutual relationship.

- **Builds brand image:** You have already understood the term brand image in previous unit and how it works for a media organisation. Customer relationship management is an effective strategy for an organisation to build a strong image. It is very important for an organisation to be in the list of most valued brand among the customers. Through maintaining a strong relationship reaching the need and demand of the customers, CRM helps the organisation to always in this list.
- **Competitive advantage:** It means that with appropriate plan and strategies of customer relationship management an organisation can easily face the market forces. It helps building customer equity which implies the degree of values that customers assign for a particular brand which ultimately leads to higher returns on investment.

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### **13.5: STRATEGIES OF CUSTOMER RELATIONSHIP MANAGEMENT**

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The customer relationship management (CRM) in an organisation includes a five steps process of managing customers database. This process starts from collecting information about the customers to utilising it for adopting and executing business plans and strategies for growth of the organisation. Although these steps discussed here are basically related to product market, yet it can be applied to the media organisations considering media contents as products. It is a business philosophy of managing customers' needs and behaviours for developing a stronger relationship with them. These six steps process of customer relationship management are discussed below-

#### **Step I: Collection of information about the customers**

At the first step, it is required to collect details about the customers who may be the viewers, the subscribers, the advertisers, investors, etc. This detailed information about the customers includes mapping the needs and consumption behaviour of the customers. This step furthers the process of categorisation of customers based on their behaviours. For example, in case of viewers, the needs and behaviour of watching any media content varies with changing age, lifestyle, education, etc. Therefore, keeping details about the characteristics of the viewers as customers helps further development of the media content.

### **Step II: Storage of collected information about the customers**

This step deals with maintaining and storing of information about the customers in a centralised customer database and makes it accessible to the staffs. It is effective in the sense that it helps to manage a strong database of the customers at a central system which can be updated regularly. Analysing and evaluating this database helps to strategize plans and project for reaching the customers satisfaction.

### **Step III: Analysis of customer behaviour**

This analysis of information about the customers involves the process of drawing patterns or relationship in the customer behaviours. Based on these patterns, one can make strategies to reach the market demand. This is very important to understand the customer's nature of consumption, because, without knowing the same may result in failure of the marketing strategies. If you are going to launch a media programme for the youth and without researching their needs and taste of consumption will create hurdles in reaching the market. For instance, you can see a difference in the content of web series available in Netflix from the content shown in television soap opera. It is because of the existing difference of the buying behaviour of the target audience.

#### **Step IV: Effective marketing**

Once you are done with analysing the customers' needs, desire, perceptions, etc. you need to adopt effective marketing strategies for retaining the customers. For instance, different customer reward programmes, contests, etc. helps an organisation to strengthen their relationship the existing and potential customers.

#### **Step V: Improving strategies for customers' experiences**

It should be a constant effort of an organisation to improve the quality of customers' experiences. This involves immediate responses to the feedbacks and complaints of the customers, lesser will be the complaints, more will be customer retention. Managing a strong relationship leads to more profitable business and this is applicable each and every kind of business venture including a media organisation.

There are different approaches of maintaining customer relationship management. Re-appropriating content based on the type of gadgets such as mobile, handheld platforms is one of the examples of strategy used for giving better experience for customers. Another example is the social media customer relationship management (SCRM) which uses social media to maintain relationship with the customers.

For instance, marketers have started using different social media forms such Facebook, Twitter, LinkedIn, etc. for this purpose as using social media for reaching the customers makes it easier to maintain a good relationship with them through an easily accessible channel. Because, social media have become intensively used platform for communication among the users of all age groups. Nowadays, individuals depend more and more on the social media technologies for getting connected with their friends and peers which provides a greater scope for expansion of market through establishing network with them.

The customers can use social media as a platform to give feedbacks sharing their experiences. Through social media, the customers can also complain

if they have any negative experiences with a particular brand. However, some newspaper organisation also use social media platform enabling users to create profiles to update about what type content they are interested to read.

Apart from social media, different channels or modes of customer relationship management are given in the following table (Table: 13.1)-

Table 13.1: Different CRM Communication Channels/Modes

	<b>Customer Communication Channel/Mode</b>	<b>Description of the Communication Channel/Mode</b>	<b>Preference – Sample Situations - When This Communication Channel/Mode Is Preferred (for Marketing, Sales, Service)</b>
1	Meeting individual customers in person	Meeting individual customers and having face to face meetings with them	For meeting customers and explaining offers, demonstrating products, offering service support
2	Events/road shows	Meeting specific groups of customers through events/road shows and having face-to-face meetings with them	For meeting customer groups (e.g. specific industry verticals) and explaining offers, demonstrating products to them
3	Postal correspondence	Sending correspondence (paper copy) through post (to individual/group of customers)	For sending printed copies of letters/offers brochures/contracts etc., on products/services
4	Phone calls	Speaking to customers over phone to explain offers, offer service support	For communicating on products/services that need an explanation/dialogue (e.g., explaining housing loans, resolving customer problems)
5	Fax	Sending correspondence (paper copy) through Facsimile (to	For sending printed copies of letters/offers brochures/contracts

		individual/group of customers)	etc., on products/services
6	Email	Sending correspondence through email (to individual/group of customers)	For sending soft copies of letters/offers brochures/contracts etc., on product/services
7	Short Message Service (SMS)	Sending SMS updates to mobile phones (to individual/group of customers)	For sending brief text messages on current offers/events/status updates
8	Multimedia Message Service (MMS)	Sending MMS updates to mobile phones (to individual or group of customers)	For sending picture-based messages on current offers/events
9	Video conferencing (VC)	Discussion with a group of customers (located in remote location or in distributed locations) through VC	For discussing with a group of stakeholders, demonstrating products, making presentations
10	Chat	Having an online chat with customers on products/services	For interacting with the customers online and answering their queries related to products/services
11	Blogs	Posting information on products/services on a blog and communicating further with customers	For posting information on products/services on a blog; customers start sharing their opinions/experience, post their queries, which are answered by the organization/other customers
12	Social networks	Customer communication/product launch through social networks (like Facebook, Twitter)	For offering products/services to a larger audience and to enable customers to share their views/experiences with their friends and followers in the social network

Source: The Evolution of CRM Communication Channels, Gnanasambandam, S. (2011)

You have already understood what is product in context to media organisation from the Unit 11 which describes it in terms of immaterial and material components. The different channels and modes given in the above table will help you to understand the uses of different communication channels in different context to sell the media products in order to build a strong customer relationship. For that, as a communicator first you will have to understand the nature of message you want to communicate with the customers and also you need to do a research about the profile of the target audience including their needs, age groups, occupations, etc.

#### **ASSESS YOUR PROGRES**

1. Find out some customer relationship management strategies of media houses in India.

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2. Social Media as a platform for building customer relationship. Discuss with examples.

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### **13.6: SUMMING UP**

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This unit gives you an understanding of the concept of customer relationship management (CRM) and its significance in any organisation. You have learnt how CRM plays a significant role in planning and executing strategies for accelerating growth and revenues of an organisation. This unit also discusses the different steps involved in the process of customer relationship management. However, you have learnt different modes of communication which can be used as a channel to establish effective communication with the customers. Though this unit discusses the concept of CRM from broader perspective management, yet as a part of the media management course, this discussion will make you



understand the importance of CRM in media organisations. The definition of customers may change with the nature and functions of an organisation.

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### **13.7: QUESTIONS**

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1. What is customer relationship management (CRM)? Discuss the significance of CRM in a media organisation.
2. Discuss the different steps involved in the process of customer relationship management.
3. Discuss the role of social media in customer relationship management.

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### **13.8: RECOMMENDED READINGS**

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## UNIT 14: THEORIES IN ORGANIZATIONAL STUDIES

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### UNIT STRUCTURE

- 14.1 Introduction
- 14.2 Objectives
- 14.3 Classical Organization Theory
  - 14.3.1 Division of Labour
  - 14.3.2 Scalar and Functional Processes
  - 14.3.3 Structure
  - 14.3.4 Span of Control
  - 14.3.5 Scientific Management Theory
- 14.4 Neo-Classical Organization Theory
  - 14.4.1 Elton Mayo's Hawthorne Studies
- 14.5 Modern Organization Theory
  - 14.5.1 Systems Theory of Organizations
- 14.6 Organizational Communication
- 14.7 Summing Up
- 14.8 Questions
- 14.9 Recommended Readings

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### 14.1 INTRODUCTION

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Nicholson (1995) defines organizational theories as-

*...a series of academic viewpoints which attempt to explain the multiplicities of organizational structure and operating process.*

According to Zhu (1999)-

*Organizational theories are knowledge systems which study and explain organizational structure, function and operation and organizational group behaviour and individual behaviour.*

Shafritz, Ott and Jang (2005) have divided organization theories into the following nine schools of thought-

1. Classical Organization Theory

2. Neo-Classical Organization Theory
3. Human Resource Theory/Organizational Behaviour Perspective
4. Modern Structural Organization Theory
5. Organizational Economics Theory
6. Power and Politics Organization Theory
7. Organizational Culture Theory
8. Reform Through Changes in Organizational Culture
9. Theories of Organizations and Environments

In this unit, the focus will be on the Classical, Neo-Classical and Modern organization theories.

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## **14.2 OBJECTIVES**

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This unit shall elaborate on-

- Meaning of Organizational Theory
- Types of Organizational Theory
- Classical Organizational Theory
- Frederick Taylor's Scientific Management Theory
- Neo-Classical Organizational Theory
- Elton Mayo's Hawthorne Studies
- Modern Organizational Theory
- Daniel Katz and Robert Kahn's Systems Theory of Organization
- Meaning of Organizational Communication
- Types of Organizational Communication

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## **14.3 CLASSICAL ORGANIZATION THEORY**

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Although organizations and the process of management dates back to Sumerian society in 5000 BC, organizational theory reached maturation in

the early 20<sup>th</sup> century with Frederick Taylor, Henri Fayol and Max Weber. The Classical organization theory represents the merger of Taylor's *Scientific Management Theory* (1911), Weber's *Bureaucracy Model* (1922) and Fayol's *Administrative Theory* (1925). Together these three are considered the founding fathers of the Classical organization theory.

The Classical organization theory focuses on the organization, rather than its employees. It deems the organization as a machine, and its employees as different cogs in the machine. The latter are seen as mere means to achieving the organizational goals and objectives. The primary focus lies in maximizing efficiency in order to meet financial goals (Onday, 2016).

The theory is based on four pillars-

1. Division of Labour
2. Scalar and Functional Processes
3. Structure
4. Span of Control

#### **14.3.1 DIVISION OF LABOUR**

Division of labour or work specialisation involves sub-dividing the different activities necessary to achieve the objectives and goals of an organisation into separate jobs. For instance- KFC has divided its staff into two teams- Customer Service and Food Service. While the former deals with customer satisfaction, the staff members belonging to the latter team are involved in meal preparation.

#### **14.3.2 SCALAR AND FUNCTIONAL PROCESSES**

The scalar and functional processes refer to the vertical and horizontal elaboration of an organization respectively. The former includes the chain of command, the delegation of authority and responsibility, unity of command, and the obligation to report (Onday, 2016). Chain of command

forms the very basis of organizational structure. The concept of chain of command in organizational management was put forward by Henry Fayol.

It refers to the official hierarchy of authority within an organisation that determines who is in charge of decision-making and wielding of command. In a chain of command, instructions flow downwards, while accountability flows upwards. Another principle of organizational management put forward by Fayol, unity of command establishes that an employee reports to or is only responsible to one supervisor. The functional process deals with the division of an organization into specialised parts or departments and regrouping of the parts into compatible units (Onday, 2016).

### **14.3.3 STRUCTURE**

Classical organization theory is based on two basic structures i.e. Line and Staff. Line positions in an organization are directly responsible for its day-to-day operation with regard to revenue and profit generation. Examples of line positions include Marketing, Sales and Production. Staff positions, on the other hand, provide assistance and specialised expertise to those in line positions. Examples include Human Resource, Public Relations, Engineering, Accounting and so on.

### **14.3.4 SPAN OF CONTROL**

Span of control in the managerial context refers to the number of subordinates assigned to each Manager within an organization. The span of control is determined by a number of factors-

- The departmentalisation of the organization
- The size of the workforce
- The goals and objectives set down by the organization
- And the strategies devised by the organization to pursue those goals and objectives.

### **14.3.5 SCIENTIFIC MANAGEMENT THEORY**

Frederick Taylor was the first to attempt to study human behaviour in the work environment using a systematic scientific approach. A founding father of organizational studies, Taylor is deemed the father of scientific management (Sarkar & Khan, 2013). His theory of scientific management is commonly referred to as Taylorism.

As evident from the name itself, scientific management simply refers to applying science to work. It focuses on using scientific methods to ensure that production takes place in the fastest, most efficient and least fatiguing manner, and in the process generating more wealth for the employees as well as the world at large (Onday, 2016).

In his theory, Taylor has put forward four fundamental principles-

- A proponent of the concept of division of labour, Taylor supported the division of the whole work process into smaller, simpler and separate steps/tasks. Each worker would perform one or two steps of the production process, while the next step or couple of steps would be performed by the next worker.
- Taylor deemed the self-styled, customised approach to work as highly inefficient and the primary hindrance to organizational productivity. Therefore, he conducted Time and Motion Studies to determine the amount of time and number of motions every individual task should take in order to determine the best possible way to do every individual task within the shortest possible time so as to boost productivity.
- He also supported organizational hierarchy i.e. a clear chain of command to separate all the employees at the bottom of an organization from all the managerial positions (Supervisors, Managers and Owners) at the top. The managers would be responsible for designing the work process as well as enforcing the work performance. They were deemed the thinkers. Employees, on the other hand, were the doers who would simply follow directions.

- Taylor supported the selection of high-performing workers who he deemed ‘first-class employees’ for further training. Following their training, these employees would be matched to a job that they were best suited for. He argued that first-class employees should be given higher monetary compensation than average-performing workers. He did not have a high opinion of below average-performing workers and suggested that they be fired from the organization thus leaving only the best people behind.

Taylorism has had its fair share of appreciation as well as criticism. It helped organizations in boosting the productivity of their workforce by 200% or even 400% more. It also helped to consistently maintain the arguably higher quality of products. However, often organizations that adopted Taylorism failed to abide by one of his core principles of providing higher compensation to first-class employees.

Treating workers as merely doers separated them from the greater meaning of the work performed by them. Because they were not allowed to think at all, they often lacked the required motivation to do their assigned tasks and could no longer derive satisfaction from performing their monotonous jobs. In the long run, Taylorism made employees expendable by de-skilling them. Most importantly it led to the dehumanisation of employees by treating them as mere cogs in a machine.

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#### **14.4 NEO-CLASSICAL ORGANIZATION THEORY**

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The Neo-Classical organization theory emerged as a reaction to the inability of the Classical organization theory to achieve sufficient efficiency in production as well as harmony in the workplace. A critique of the latter, the theory rationalised that since management involves getting things done through and with people, the study of management should focus on understanding inter-personal relationships. It moved beyond the employer-oriented approach associated with Classical organization theory to focus on human behaviour, attitudes and needs in the workplace. The theory shifted the focus from the organization to its human resource. It

promoted the idea that satisfaction of the basic needs of employees is key to increasing their productivity. Therefore, jobs should be designed in such a manner so as to meet the higher-level needs of employees enabling them to fully utilise their potential. In a way the theory laid down the very foundation of the Human Resource Department in organizational management.

The Neo-Classical theory covers the Hawthorne Studies, the Human Relation Movement and Organizational Behaviour. The Human Relations Movement is associated with the works of Abraham Harold Maslow (Hierarchy of Needs), Douglas Murray McGregor (Theory X and Theory Y), Frederick Irving Herzberg (Motivation-Hygiene Theory), Rensis Likert (Likert Management System), Keith Davis and others. The development of Organizational Behaviour is credited to the works of Kahn, Chris Argyris, R.L. Katz, Homans Kurt Lewin and others. In this unit we will discuss the Hawthorne Studies conducted by Elton Mayo.

#### **14.4.1 ELTON MAYO'S HAWTHORNE STUDIES**

A major study that was undertaken as part of the Neo-Classical theory was Elton Mayo's Hawthorne Studies. The Hawthorne Studies were conducted at the Hawthorne plant of the Western Electric Company in several stages between 1924 and 1932 in order to determine the effect of lighting on the productivity of employees. Following the Hawthorne Studies, Mayo stated that money alone was not the biggest driving force behind employee productivity.

Instead he prioritised emotional factors over physical and mechanical factors as key determinants of employee productivity and efficiency. According to him, employees need to be supervised and mentored in a supportive and balanced manner that simultaneously ensures autonomy in order to induce motivation and productivity. There should be continual and reciprocal communication among team members on the one hand and between teams and the management on the other with feedback being the essentiality. Thus, through the Hawthorne Studies, Mayo demonstrated



how inter-personal and intra-personal workforce behaviour i.e. the feelings, behaviour and thought process of all the employees within an organization affects work performance.

Clark Kerr, a major critic of the Hawthorne Studies, criticised the approach as being highly manipulative on the ground that the employees are led to believe that the organization is genuinely interested in their well-being, whereas in reality the organization's focus remains on increasing its productivity. Thus, motivating employees is nothing more than a means to an end.

#### **ASSESS YOUR PROGRESS**

2. Discuss in brief the different stages of Elton Mayo's Hawthorne Studies.

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### **14.5 MODERN ORGANIZATION THEORY**

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The Modern theories of organization and management developed in the early 1960. They are multi-disciplinary in nature owing to the contribution of researchers, theorists and practitioners from diverse fields. The Modern organizational theories are guided by the principle of integration of both individual as well as organizational interests. The organization is seen as a dynamic entity that continually interacts with the environment in which it exists and operates, and is directly or indirectly affected by the environment and vice versa.

There are three approaches to the modern understanding of organizations-

- Systems Approach
- Socio-Technical Theory
- Contingency or Situational Approach

In this Unit, we will elaborate on the Systems Approach developed by Daniel Katz and Robert Kahn.

#### 14.5.1 SYSTEMS THEORY OF ORGANIZATIONS

The foundation of the General Systems Theory was laid by Ludwig von Bertalanffy and J.G. Miller in the 1960s and 70s. The systems metaphor of the living biological organism developed by the two and the key terms that go along with it was borrowed by researchers and applied by to the field of Organizational Studies in order to grasp a better understanding of how organizations function. In this context, the lead was taken by Daniel Katz and Robert Kahn who published *The Social Psychology of Organizations* (1966) where they applied the key concepts of the General Systems Theory to organizational life.

In contrast to the Classical organization theory which viewed organizations as machines and employees as cogs in the machine, the Systems Approach looks at the organism as a whole instead of the little cogs in the machine. It focuses on how it all fits together as a whole. The approach primarily seeks to explain and describe how organizations function. It does not believe in the existence of the one right way or the best possible way, as advocated by Frederick Taylor. Instead it strives to pursue multiple ways in order to accomplish the various goals of the organization while simultaneously staying away from a control mind set.

As per the Systems Approach, an organisation has three main parts-

1. **Inputs** i.e. the information and resources that are required to supply the organizational system. In a pizzeria, for instance, inputs would include the workers, food, microwaves, ovens, refrigerator, pizza boxes and so on.
2. **Processes/Throughputs** i.e. all the activities within the system that needs to be done in order to accomplish work. For instance- making the dough for the pizza base, cutting the vegetables, mixing the different sauces, answering phones, taking orders, making the pizza and so on.

3. **Outputs** i.e. the products, services and other outcomes that are created, manufactured or provided by the organization. In the context of the pizzeria, outputs would include delivery/in-house serving of pizzas to customers, taking out the trash to the dumpster, generating profit, giving pay checks to employees and so on.

Thus, there is a continual flow and exchange of resources and information both to and from the organization and the larger environment in which it exists and operates and vice versa. However, because this environment is highly unpredictable, there exists Boundary Spanners i.e. leaders whose job is to constantly scan the environment to keep an eye on everything that is happening in and around the organization- where the general economy is headed, what needs and opinions do customers have, what the competition is up to, what the vendors are doing and so on- so as to help the organization make better decisions.

Another important aspect of the Systems Approach is holism. Under holism, organizational systems are viewed as a whole instead of a collection of separate pieces. In other words, an organizational system is greater than the sum of its individual parts. The different parts in the system are inter-dependent and inter-connected and continually interact with each other through mutual feedback processes.

This inter-dependence also applies to the different sub-parts or sub-systems that exists within the organizations. To simplify, an organizations will have several departments (parts). Each department in turn may be composed of one or more work teams (sub-parts). The different work teams, on their part, are inter-connected as well as over-lapping. Therefore, if any changes take place within one part part/sub-part, it will affect the other parts/sub-parts whether directly or indirectly. For instance- if an employee of a particular work team is on leave or calls in sick, the other employees in the organization may be expected to pick up some or all of the work assignments of that employee. Again, when new employees are hired to the organization, other employees will most likely be assigned the responsibility of training them.

Every organization has certain goals and objectives. However, unlike the Classical organization theory which stated that finding the one best way was the primary goal of any organization, under the Systems Approach goals are negotiated as well as contingent. They depend on and are determined by the circumstances that organizations face at any given point of time.

The Systems Approach also holds that all ways of organising are not equally effective. It recognises that while there does not exist one single way to do things there are some ways that are better than others. However, it is simple impossible to know beforehand what those better way to do things are. Goals simply adapt as situations demand and develop. This concept is termed equifinality.

Another important component of the Systems Approach is feedback. Negative feedback seeks to reduce and correct deviations in order to realign the organization's processes with its goals. Positive feedback, on the other hand, seeks to change, adapt and grow the organization in desired ways that enhance its on-going processes. However, positive feedback is not always necessarily beneficial to an organization. For instance if a supervisor or manager who is constantly yelling at or is disrespectful towards his/her subordinates gets a promotion, it may cultivate an organizational culture where the subordinates adopt such kind of behaviour believing that they too will be rewarded.

Finally, the Systems Approach is guided by the concept of entropy. Just as the human body needs regular care to sustain and thrive, organizations too require time, effort and work to help it reach and maintain a balance. Left on their own, organizations will undoubtedly deteriorate, run down and eventually move towards disorganization.

The Systems Approach has paved the way for the development of several other organizational theories. Complex Adaptive Systems or the Chaos theory was built upon the foundation of the Systems Approach. Another school of thought that came out of the Systems Approach is the Learning

Organization. Karl E. Weick's research on Loosely Coupled Systems is another direct outshoot of the Systems Approach.

### ASSESS YOUR PROGRESS

1. Discuss the relevance of the Systems Approach in the context of modern organizations.

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## 14.6 ORGANIZATIONAL COMMUNICATION

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Organizational communication refers to the exchange of information between the individual employees and the work groups within an organization. It can move in a variety of directions, and can be formal or informal in nature. For instance- sending e-mails, writing office memos, organizing and attending meetings, teleconferencing, video conferencing, presentations and so on. Just as liquids take the shape of the physical container they are in, organizational communication too is shaped by the structure of the organization. Such communication is primarily concerned with the transmission of information through the organization.

Organizational communication can occur in different directions, and can be formal as well as informal in nature. Following are some communication types that occur within an organization-

- **Downward communication** i.e. communication that flows in a downward direction from Supervisors to Subordinates.
- **Upward communication** i.e. communication that flows upwards from Subordinates to Supervisors. Such communication enables Supervisors to understand the goals, work performance, challenges and complaints of their Subordinates. At the same time, it also gives employees and opportunity to express their ideas and suggestions.

- **Management by wandering** i.e. a face-to-face communication technique in which Supervisors/Managers often venture out of the physical confines of their offices to informally communicate with their Subordinates to get a feel of what is going on in and around the organization.
- **Horizontal communication** i.e. communication between peers or those belonging to the same organizational level mainly with the purpose of coordinating resources and the work flow.
- **Diagonal communication** i.e. communication that occurs across departments and levels.
- **Formal communication** i.e. official communication sanctioned by the organization. It can occur in an upward or downward manner, or even horizontally, vertically and diagonally. Such a communication exchange usually occurs in the written form and thus has a permanent record.
- **Informal communication** i.e. any unofficial communication such as gossip.

#### ASSESS YOUR PROGRESS

3. Cite some examples of the different types of organizational communication discussed in this unit.

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### 14.7 SUMMING UP

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Organizational theories help understand the complexities and multiplicities of an organization, its structure and operation. While the Classical organization theory was entirely employer-centric and treated employees as mere cogs in the machine, the Neo-Classical organization theory shifted the focus from the employer to the employee. The Modern organization theory integrated the interests of both the organization and the employees. This

unit concludes with a brief overview of organizational communication. However, the focus of this unit has been only on intra-organizational communication.

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#### **14.8 QUESTIONS**

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1. Discuss the key features of organizational theory.
2. Give a brief overview of the Classical theory of organization. Elaborate on the four pillars of the theory.
3. Discuss Frederick Taylor's Scientific Management Theory. Highlight some of the pros and cons of the theory.
4. What is the Neo-Classical organization theory?
5. Elaborate on the key findings of Elton Mayo's Hawthorne Studies.
6. Discuss the Systems Approach as a Modern theory of organizational studies.
7. Define organizational communication.
8. What are the different types of organizational communication?

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#### **14.9 RECOMMENDED READINGS**

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- Onday, O. (2016, March). Classical To Modern Organization Theory. *International Journal of Business and Management Review*, 4(2), 15-59.
- Sarkar, M. S., & Khan, M. R. (2013, November-December). Classical and neoclassical approaches of management: An overview. *IOSR Journal of Business and Management*, 14(6), 1-5.





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