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## **E – Content**

### **B.F.A Applied Art, 8th Semester**

#### **Paper:- Advertising Profession and practice(APP)**

#### **Topic:- Economical aspects of Advertising**

Here are some of the major points on the economic impact of Advertising:-

1. It improves the living standard of the consumer.
2. After a product is being advertised it give rise to a chain of economic events and directly affect the product's value:-
  - It creates brand Image
  - Educates customers about the products
  - It offers opportunity to satisfy needs and wants
3. Impact on the prices of a product:-
  - It helps reduce the price by encouraging mass consumption, thus lowering per unit price.
4. Impact on Competition:-
  - Competitions are determined by the type of market. Local and small companies can advertise heavily on local, regional and selected market segments, which are less affected by big companies.
5. Impact on consumer demands:-

- It helps increase the exact needed information by the consumer and thus increase demand for a product or product category.
- It slows down the rate of decline in a declining market by engaging customers.
- In a growing market, it helps build up faster growth.

6. Impact on consumer choice:-

- It helps differentiate products in a competition by various unique features and inform consumers of such unique qualities and thereby help them in making well informed choices.
- It helps to promote the existence of the product in the market and thereby helping the brands to withstand competition.

7. Impact on the business cycle:-

- Advertising helps protect and build market share by creating consumer preference for its products and brands even during adverse situation or recession.
- It has a positive impact by creating consumer demands and provides employment.
- It helps support the economy of every Nation.

8. Advertising helps stimulate competition and offers better products.

9. It helps companies to compete more efficiently.

10. It helps in stimulating healthy economy by giving informed choice and better products to consumers who are always demanding for better products, helping product innovation.

Good luck and Stay safe

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