

M.A. MASS COMMUNICATION
3rd SEMESTER

MSM-521

**MASS MEDIA STRUCTURE AND
MANAGEMENT**



Directorate of Distance Education
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SUBJECT: MASS MEDIA STRUCTURE AND MANAGEMENT	
COURSE CODE: MSM-521	AUTHOR: PROF MANOJ DAYAL
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ORGANIZATIONAL STRUCTURE OF PRINT MEDIA	

STRUCTURE

- 1.0 Learning Objectives
- 1.1 Introduction
- 1.2 Newspaper Departments and their Functions
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- 1.4 Types of Ownership of Newspapers and Magazines
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- 1.6 News Print Policy
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1.0 LEARNING OBJECTIVES

The objectives of this lesson are as follows:

- To know about newspaper departments and their functions.
- To evaluate the magazine departments and their functions.
- To understand types of ownership of newspapers and magazines.
- To study the economics of newspaper and magazine production.
- To acquaint the students with the News Print Policy.

1.1 INTRODUCTION

Every professional organization adopts the principle of division of labour for optimum output. A print media organizational structure specifies its division of work activities and shows how different activities are linked. It also indicates the distribution of work activities according to specialization and refers to the hierarchy, authority, structure and relationships in the print media organization.

1.2 NEWSPAPER DEPARTMENTS AND THEIR FUNCTIONS

In running the newspaper organizations effectively and successfully, the functions of newspaper departments are vital and important. It is only with the help and effective coordination of all the



departments of a newspaper, an attractive, expressive and impressive newspapers can be brought out and delivered to the readers timely with their successful feedbacks. Since time immemorial, a newspaper organization has been defined as three-legged table, i.e., it has got three departments:

- Editorial Department
- Advertising Department
- Circulation Department

But today, it is much more than three-legged table. Though the above three departments are the core departments often described as linchpins, yet many other relevant and important departments have also emerged these days in this era of digitalisation which are none-the-less significant.

These departments are as follows:

- Printing Department
- Administrative Department
- Accounting Department
- Personnel Department
- Legal Department, and
- Public Relations Department

EDITORIAL DEPARTMENT

This department is the real think-tank of the newspaper organization. It is the epicenter of news, views, reviews, previews, interviews, etc. Chief Editor or Editor-in-Chief or Editor heads this department. It is divided into several sections like: News Section, Views Section, Photo Section, Computer Section, etc.

The News Section is further divided into News Room and Reporter's Room. News Editor heads the News Room and it consists of many other staff like Deputy News Editors, Chief Sub Editors, Senior Sub Editors and Sub Editors. They are all responsible for editing news under the leadership of News Editor.

The Reporter's Room is further divided into Reporting Wing and Bureau Wing. The Reporting Wing is headed by Chief Reporter and it consists of staff like Senior Reporter, Sports Reporter, City Reporter, Principal Correspondent, Senior Correspondents and Correspondents. On the other hand, Chief of the Bureau heads the Bureau Wing and it also consists of Special Correspondents. The job of all of them is collection of news.

The Views Section is further divided into Editorial Wing, Article Wing, Feature Wing and Review Wing. The Editor, Resident Editor, Executive Editor, Associate Editors (or Deputy Editors), and Assistant Editors look after these wings.

Chief Photographer heads the Photo Section and there are many other photographers and a few photo editors also.



Computer In-charge heads the Computer Section and there are several other computer operators to support him. Here a lot of digitalized activities are continuously and constantly emerging in this modern era of online booms.

ADVERTISING DEPARTMENT

This department is the most important source of revenue for newspapers. Here a lot of creative, innovative and imaginative activities are carried out. Hence this department is often described as creative brain storming platform.. The economy of the newspaper depends heavily on this department. This department looks after the collection and publication of advertisements. There can be several sections in this department. One section looks after local advertising, another section looks after classified ads, another section looks after general/national advertising, another section looks after legal advertising, yet another section looks after preparing copy and so on.

CIRCULATION DEPARTMENT

This department is the final result producer. If a decent ,tasty and saviour food is prepared, but not served to the guests, then it is a thoroughly futile exercise. Similarly ,if a wonderful newspaper is produced, but not distributed or circulated to its readers timely and properly, then it is just like love labour lost. Hence, this department is indispensable and sine qua non for the basic existence of the newspaper organization.

In this way, this department is an integral part of a three-legged table and a triangular love story with editorial department and advertising department. The staffs and their coordination with transport section ,newspaper agencies and even hawkers are the most vital and important. This department can make or mar the ultimate results of the newspaper organization.

The main job of Circulation Department is to increase the circulation and readership of the newspaper, timely delivery of the newspapers to the readers and collection from them.

PRINTING DEPARTMENT

This department is responsible for good and attractive printing including installation of machines, plant layout, composing, processing, loading, scheduling, and maintenance of old machines and hiring of latest printing technologies.

ADMINISTRATIVE DEPARTMENT

The main task of this department is to administer the different types of work relating to training, promotion, distribution, liaison with government departments and all those activities, which facilitate the working of other departments.

ACCOUNTING DEPARTMENT

The primary job of this department is to monitor the accounting work like maintaining books of accounts, preparing balance sheet and other financial statements, payment, receipt, preparation of budget, financial management, etc.



STORES DEPARTMENT

This department maintains the proper storage of newsprint and raw materials used in the production of a newspaper.

PERSONNEL DEPARTMENT

This department takes care of all personnel functions from hiring to firing like selection, training, promotion, compensation, employee welfare, performance appraisal, retirement, etc.

LEGAL DEPARTMENT

In small and medium newspapers, generally the legal issues are looked after by the Administrative Department. But mostly a separate Legal Department exists in a full-fledged big newspaper.

PUBLIC RELATIONS DEPARTMENT

Like separate Legal Department this department is found mostly in big newspapers. This department looks after maintaining harmonious internal and external relations.

1.3 MAGAZINE DEPARTMENTS AND THEIR FUNCTIONS

Like newspapers, a full-fledged magazine set-up also consists of Editorial Department, Advertising Department, Circulation Department, Printing Department, Administrative Department, Accounting Department, Stores Department, Personnel Department, Legal Department and Public Relations Department having similar role. But in magazine set-up, the hierarchy and authority are somewhat different. In magazine set-up there are generally Editor-in-Chief, Deputy Editors Assistant Editors, News Coordinators, Special Correspondents, Correspondents, Copy Editors, Photographers, Artists, etc.

1.4 TYPES OF OWNERSHIP OF NEWSPAPERS AND MAGAZINES

In the beginning, the publication of a newspaper and a magazine was the result of the effort of one individual. The circulation range of the newspaper and the magazine was limited and profit was also too little. Journalism was a mission and was practiced only for service.

1. SOLE PROPRIETORSHIP

Even today the condition of a small newspaper is like this where the owner, publisher, printer and editor is the same person, i.e., one individual. This is called sole proprietorship. But today due to industrial and technological revolution, journalism has turned out to be a complicated profession. As a result, partnership, joint stock companies, trust, societies and associations have also emerged very fast in addition to sole proprietorship.

ADVANTAGES OF SOLE PROPRIETORSHIP

- Control of the whole newspaper is in the hand of one individual as the same person is the owner, publisher, printer and editor.
- As the editor himself is the owner, so there is no question of owner's pressure on editor. Editor himself frames the editorial policy with his own desire and freedom.



- Only one individual gets the whole profit of the newspaper business.
- The owner is wholeheartedly associated with the newspaper and the magazine. Therefore, the personality of the owner and the personality of the newspaper and the magazine are the same for the society.

DISADVANTAGES OF SOLE PROPRIETORSHIP

- The coordination of a fast growing industry like newspaper and magazine by one seems to be impractical and unsuitable
- In the sole proprietorship, there are unlimited responsibilities for one individual.
 - o Under this system, financial management becomes extremely difficult.
- After the death of the owner, the continuation of the occupation is difficult.

2. PARTNERSHIP

According to section 4 of the Indian Partnership Act, 1932, “Partnership is a mutual relationship of those who have decided to distribute the profit of a business which is run by any of them on behalf of all of them.

ADVANTAGES OF PARTNERSHIP

- People of different capacities, abilities and financial resources can jointly make this business a success. If required, an individual who is not acquainted with the business of newspaper and magazine, may also be associated with this business by way of investment and thereby the development of this business is possible.
- The responsibilities of publishing the newspaper are distributed and hence the work pressure on every individual is relatively reduced.
- In the business activities, the mental and psychological involvement of more than one individual helps a lot in brainstorming and finally in taking any decision.

DISADVANTAGES OF PARTNERSHIP

- Every partner is responsible for bearing the burden of whole credit of the newspaper and the magazine.
- Every partner has unlimited responsibility.
- Due to the cunning and crafty behaviour of one or some partners, other partners are also adversely affected.
- In partnership, there is difficulty in getting the long-term loan.

Some of the newspapers and magazines are being published under the partnership form of ownership. The names of different partnership forms are following:

- Labhchand Chajalani and others, Indore (Name of the newspaper: “Naidunia”, a Hindi daily).



- R.C. Seth and others, Ahmedabad.
- Ram Gopal Maheshwari and others, Nagapur (Name of the newspaper : “Navbharat”, a Hindi)

3. JOINT STOCK COMPANY

In the modern industrial age, Joint Stock Company is an important source of supply of huge capital for large-scale production. Most of the disadvantages of sole proprietorship and partnership can be overcome by organizing the set-up on the principle of Joint Stock Company.

According to section 3 of the Indian Company Act, 1956, “By company, we mean company which is registered and formed under this act or such company which has been registered under the Indian Company Act 1866 or 1883 or 1913 or 1932”.

In this type of set-up the responsibilities of shareholders are limited. This set-up is of two types:

- Public Limited Company
- Private Limited Company

In Public Limited Company the minimum number of members is seven while the maximum number is unlimited.

In Private Limited Company the minimum number of members is two, while the maximum number of members is 50.

ADVANTAGES OF JOINT STOCK COMPANY

- The responsibilities of shareholders are limited.
- Due to change in shares, the newspaper and magazine business is not immediately affected.
- The transfer of ownership is elastic.
- The business can easily be expanded by investing more capital.

DISADVANTAGES OF JOINT STOCK COMPANY

It has to work under several legal bindings.

- A good amount of tax is levied on its profit.
- Almost all the demerits of big business are found under Joint Stock Company.

Some of the newspapers and magazines are being published under the ownership of Joint Stock Company. The names of different Joint Stock Companies are following:

- Indian Express Newspapers Private Limited, Bombay.
- Bennet Colman and Company Limited, Mumbai.
- Anand Bazar Private Limited, Calcutta.
- Amrit Bazar Patrika Limited, Calcutta.



- Hindustan Times and Associated Publication, New Delhi.
- Matribhoomi Printing and Publishing Company Limited, Kojokor
- MalayalamManorama Company Limited, Kottayam.
- Statesman Limited, Calcutta.
- Basumati Private Limited, Calcutta.
- Indian National Press Private Limited, Calcutta.
- Kasturi and Sons Limited, Madras.
- Printers Private Limited, Madras.
- Nageshwar Rao Estate Private Limited, Madras.
- Newspapers and Publishers Private Limited, Patna.
- Sandesh Limited, Ahmedabad.
- Pioneer Limited, Lucknow.
- Shri Narkeshwari Prakashan Limited, Nagpur.
- LokPrakashan Limited, Ahmedabad.
- Maharashtra Papers (Private) Limited, Mumbai.
- Associated Journals Limited, Lucknow.
- Mysore Press Private Limited, New Delhi.
- RastradharmPrakashan Limited, Mumbai.
- Hindi Samachar Limited, Jalandhar.
- DailyTej Private Limited, New Delhi
- Raisina Publications Limited, New Delhi.
- Rastradharm Prakashan Limited, Lucknow.

4. TRUST

Some of the newspapers and magazines are not aimed at earning profit, but are targeted for the propagation of certain purpose. In addition, many a time, the property of newspapers and magazines are not transferred to some other form of ownership, but is transferred to some selfless management system to establish a trust so that irregularities in management and publication of newspapers is not distributed, but is re-invested in the same organization.

The names of some of the prominent trusts are following:

- Thanthi Trust, Madras.
- Saurashtra Trust, Mumbai.



- LokShichhan Trust, Hooghly.
- Tribune Trust, Chandigarh.

5. SOCIETIES AND ASSOCIATIONS

For publishing newspapers, some societies and associations have been established in our country. But their number is limited. The circulation of such newspapers and magazines is also very less. Moreover, the purpose of such newspapers and magazines is not to earn profit, but to convey some special messages to the people.

The names of some of the well-known societies and associations are following:

- Shri Bhavani Sen Somnath Lahidi and others, Calcutta
- All State Kashmiri Pandit Conference, Sri Nagar.
- Servants of the People Society, Cuttak.
- Servants of India Society, Nagpur.

1.5 ECONOMICS OF NEWSPAPER AND MAGAZINE PRODUCTION

Finance is the lifeblood of newspaper and magazine production. Establishment and continuance of a newspaper and magazine enterprise requires that it entrench financially. The plans of newspaper and magazine publishing would remain a dream unless adequate money is available to convert them into a reality. The rising costs of materials, machines, land, paper, communication and taxes have made economic planning of newspaper and magazine production more complex. At the time of commencement of newspaper and magazine production, economic planning involves:

- Estimation of the amount of capital to be raised
- Determining the sources of collecting capital including banks and other financial institutions
- Planning in respect of surpluses and reserves
- Planning regarding return of investment
- Framing policies for administration of capital
- Budgeting

More specifically speaking economics of newspaper and magazine requires broader details of revenue and expenditure.

The details of average expenditure of newspaper and magazine are given below:

Elements of Expenditure	Percentage
Staff salary	25%
Newsprint	25%
Teleprinter and Computers	10%



Transport	10%
Telephone	10%
Electricity	05%
Films	05%
Plates	05%
Ink	02%
Maintenance	03%
Total:	100%

(Source: Registrar of Newspaper for India, Press in India, 1996)

The details of average revenue of newspaper and magazine are given below:

Elements of Revenue	Percentage
Advertisement	60%
Circulation	30%
Wastage	10%

(Source: Registrar of Newspaper for India, Press in India, 1996)

The details of average revenue of newspaper and magazine collected from advertisement are given below:

Elements of Advertisement	Percentage
Public Sector Ads	23.33%
Private Sector Ads	76.67%
Total	100%

(Source: Registrar of Newspaper for India, Press in India, 1996)

1.6 NEWS PRINT POLICY

One of the biggest problems of the Indian press today is extreme crisis of newsprint. In order to judiciously and justifiably allocate the newsprint to different press, the government framed a Newsprint Policy.

But the government's policy about newsprint so far has not been satisfactory or encouraging. Newsprint supply in India is state controlled. Extreme crisis of newsprint has adversely affected the interests of the Press.



It is important to mention here that in 1992, the Government of India permitted private mills to produce newsprint in India. But this could not solve the problems and the crisis still continued. The production capacity of all government owned and privately owned mills is much less than the required quantity of newsprint.

Moreover, what is more disturbing and distressing to the Indian Press is the sky-rocketing prices of newsprint. From 1990 to 1994, the price of the newsprint supplied by Mysore Paper Mills shot up by 30 per cent. During the same period, the Hindustan Newsprint and their government-owned mill, increased the newsprint price by as much as 40 per cent.

But the latest Newsprint Policy of the government is much more liberal and open than what it was earlier. At present, there is no state control over the newsprint and anybody can import it from outside.

Regarding newsprint, the following questions are often asked: Whether the government has made some changes in the newsprint import policy? Whether the newsprint policy is anti-small newspapers?

The present import policy of newsprint was announced on 29.01.1997 through Notification No. 22(RE-96)/92-97. As per the present policy import of news print is permitted without an import license subject to actual user condition to those who hold a “Certificate for Entitlement to Import Newsprint” issued by the Registrar of Newspapers for India, Government of India, Ministry of Information & Broadcasting, New Delhi.

1.7 CHECK YOUR PROGRESS

Note: 1) Use the space below for your answers.

2) Compare your answers with those given at the end of this lesson.

A. CHOOSE THE RIGHT OPTION.

1. What are the most important departments of a newspaper organization?
 - a) Printing, Public Relations & Stores
 - b) Editorial, Advertising & Circulation
 - c) Accounting, Personnel & Legal
 - d) None of The Above.
2. Editorial department is headed by:
 - a) Chief Editor
 - b) Circulation Manager
 - c) Advertising Manager
 - d) None of The Above.
3. Partnership has been defined in which of the following Act?
 - (a) Section 2 of The Indian Partnership Act, 1930



- (b) Section 3 of The Indian Partnership Act, 1931
- (c) Section 4 of The Indian Partnership Act, 1932
- (d) None of the above.

B. FILL IN THE BLANKS

1. The latest Newsprint Policy of the government is much morethan what it was earlier.
2. Theof newspapers and magazines under Societies and Associations is not to earn profit, but to convey some special messages to the people.
3. The names of the prominent Trust are Thanthi Trust ,Chennai, Saurashtra Trust, Mumbai, Lok Shikshan Trust, Hoogly and

1.8 SUMMARY

- A newspaper organization has Editorial Department, Advertising Department, and Circulation Department, Printing Department, Administrative Department, Accounting Department, Personnel Department, Legal Department, and Public Relations Department.
- Like newspapers, a full-fledged magazine set-up also consists of Editorial Department, Advertising Department, Circulation Department, Printing Department, Administrative Department, Accounting Department, Stores Department, Personnel Department, Legal Department and Public Relations Department having similar role. But in magazine set-up, the hierarchy and authority are somewhat different. In magazine set-up there are generally Editor-in-Chief, Deputy Editors Assistant Editors, News Coordinators, Special Correspondents, Correspondents, Copy Editors, Photographers, Artists, etc.
- Even today the condition of a small newspaper is like this where the owner, publisher, printer and editor is the same person, i.e., one individual. This is called sole proprietorship. But today due to industrial and technological revolution, journalism has turned out to be a complicated profession. As a result, partnership, joint stock companies, trust, societies and associations have also emerged very fast in addition to sole proprietorship.
- According to section 4 of the Indian Partnership Act, 1932, “Partnership is a mutual relationship of those who have decided to distribute the profit of a business which is run by any of them on behalf of all of them.
- In the modern industrial age, Joint Stock Company is an important source of supply of huge capital for large-scale production. Most of the disadvantages of sole proprietorship and partnership can be overcome by organizing the set-up on the principle of Joint Stock Company.
- According to section 3 of the Indian Company Act, 1956, “By company, we mean company which is registered and formed under this act or such company which has been registered under the Indian Company Act 1866 or 1883 or 1913 or 1932”.
- Some of the newspapers and magazines are not aimed at earning profit, but are targeted for the propagation of certain purpose. In addition, many a time, the property of newspapers and magazines are not transferred to some other form of ownership, but is transferred to some selfless



management system to establish a trust so that irregularities in management and publication of newspapers is not distributed, but is re-invested in the same organization.

- For publishing newspapers, some societies and associations have been established in our country. But their number is limited. The circulation of such newspapers and magazines is also very less. Moreover, the purpose of such newspapers and magazines is not to earn profit, but to convey some special messages to the people.
- Finance is the lifeblood of newspaper and magazine production. Establishment and continuance of a newspaper and magazine enterprise requires that it entrench financially. The plans of newspaper and magazine publishing would remain a dream unless adequate money is available to convert them into a reality. The rising costs of materials, machines, land, paper, communication and taxes have made economic planning of newspaper and magazine production more complex.
- One of the biggest problems of the Indian press today is extreme crisis of newsprint. In order to judiciously and justifiably allocate the newsprint to different press, the government framed a Newsprint Policy.
- But the government's policy about newsprint so far has not been satisfactory or encouraging. Newsprint supply in India is state controlled. Extreme crisis of newsprint has adversely affected the interests of the Press.
- It is important to mention here that in 1992, the Government of India permitted private mills to produce newsprint in India. But this could not solve the problems and the crisis still continued. The production capacity of all government owned and privately owned mills is much less than the required quantity of newsprint.
- Moreover, what is more disturbing and distressing to the Indian Press is the sky-rocketing prices of newsprint. From 1990 to 1994, the price of the newsprint supplied by Mysore Paper Mills shot up by 30 per cent. During the same period, the Hindustan Newsprint and their government-owned mill, increased the newsprint price by as much as 40 per cent.
- But the latest Newsprint Policy of the government is much more liberal and open than what it was earlier. At present, there is no state control over the newsprint and anybody can import it from outside.
- Regarding newsprint, the following questions are often asked: Whether the government has made some changes in the newsprint import policy? Whether the newsprint policy is anti-small newspapers?
- The present import policy of newsprint was announced on 29.01.1997 through Notification No. 22(RE-96)/92-97. As per the present policy import of news print is permitted without an import license subject to actual user condition to those who hold a "Certificate for Entitlement to Import Newsprint" issued by the Registrar of Newspapers for India, Government of India, Ministry of Information & Broadcasting, New Delhi.

1.9 KEYWORDS

Editorial Department: Chief Editor or Editor-in-Chief or Editor heads this department. It is divided into several sections like: News Section, Views Section, Photo Section, Computer Section, etc.



The News Section is further divided into News Room and Reporter's Room. News Editor heads the News Room and it consists of many other staff like Deputy News Editors, Chief Sub Editors, Senior Sub Editors and Sub Editors. They are all responsible for editing news under the leadership of News Editor.

The Reporter's Room is further divided into Reporting Wing and Bureau Wing. The Reporting Wing is headed by Chief Reporter and it consists of staff like Senior Reporter, Sports Reporter, City Reporter, Principal Correspondent, Senior Correspondents and Correspondents. On the other hand, Chief of the Bureau heads the Bureau Wing and it also consists of Special Correspondents. The job of all of them is collection of news.

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Chief Photographer heads the Photo Section and there are many other photographers and a few photo editors also.

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Advertising Department: The department is the most important source of revenue for newspapers. The economy of the newspaper depends heavily on this department. This department looks after the collection and publication of advertisements. There can be several sections in this department. One section looks after local advertising, another section looks after classified ads, another section looks after general/national advertising, another section looks after legal advertising, yet another section looks after preparing copy and so on.

Circulation Department: The main job of Circulation Department is to increase the circulation and readership of the newspaper, timely delivery of the newspapers to the readers and collection from them.

Printing Department: This department is responsible for good and attractive printing including installation of machines, plant layout, composing, processing, loading, scheduling, and maintenance of old machines and hiring of latest printing technologies.

Administrative Department: The main task of this department is to administer the different types of work relating to training, promotion, distribution, liaison with government departments and all those activities, which facilitate the working of other departments.

Accounting Department: The primary job of this department is to monitor the accounting work like maintaining books of accounts, preparing balance sheet and other financial statements, payment, receipt, preparation of budget, financial management, etc.

Stores Department: This department maintains the proper storage of newsprint and raw materials used in the production of a newspaper.



Personnel Department: This department takes care of all personnel functions from hiring to firing like selection, training, promotion, compensation, employee welfare, performance appraisal, retirement, etc.

Legal Department: In small and medium newspapers, generally the legal issues are looked after by the Administrative Department. But mostly a separate Legal Department exists in a full-fledged big newspaper.

Public Relations Department: Like separate Legal Department this department is found mostly in big newspapers. This department looks after maintaining harmonious internal and external relations.

Sole Proprietorship: Even today the condition of a small newspaper is like this where the owner, publisher, printer and editor is the same person, i.e., one individual. This is called sole proprietorship. But today due to industrial and technological revolution, journalism has turned out to be a complicated profession. As a result, partnership, joint stock companies, trust, societies and associations have also emerged very fast in addition to sole proprietorship.

Joint Stock Company: In the modern industrial age, Joint Stock Company is an important source of supply of huge capital for large-scale production.

Trust: Some of the newspapers and magazines are not aimed at earning profit, but are targeted for the propagation of certain purpose. In addition, many a time, the property of newspapers and magazines are not transferred to some other form of ownership, but is transferred to some selfless management system to establish a trust so that irregularities in management and publication of newspapers is not distributed, but is re-invested in the same organization.

Societies and Associations: For publishing newspapers, some societies and associations have been established in our country. But their number is limited. The circulation of such newspapers and magazines is also very less. Moreover, the purpose of such newspapers and magazines is not to earn profit, but to convey some special messages to the people.

Newsprint Policy: But the latest Newsprint Policy of the government is much more liberal and open than what it was earlier. At present, there is no state control over the newsprint and anybody can import it from outside.

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1.10 SELF-ASSESSMENT TEST



1. What do you mean by organizational structure of print media?
2. Discuss the functions of the different sections of an Editorial Department of a newspaper.
3. Discuss the functions of the various departments of a newspaper organization.
4. How are the hierarchy and authority of a magazine is different from that of a newspaper? Discuss.
5. Discuss briefly the merits and demerits of different types of ownership of newspapers and magazines.
6. Which form of ownership is most suitable for India? Give your opinion and justify it.
7. Discuss briefly the economics of newspaper and magazine production.
8. Throw light on News Print Policy.

1.11 ANSWERS TO CHECK YOUR PROGRESS

A. CHOOSE THE RIGHT OPTION.

1. b) Editorial, Advertising & Circulation
2. a) Chief Editor
3. c) Section 4 Of The Indian Partnership Act, 1932

B. FILL IN THE BLANKS

1. Liberal
2. Purpose
3. Tribune Trust, Chandigarh

1.12 REFERENCES/SUGGESTED READINGS

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SUBJECT: MASS MEDIA: STRUCTURE AND MANAGEMENT	
COURSE CODE: MSM-521	AUTHOR: PROF MANOJ DAYAL
LESSON NO.: 02	
AIR & DOORDARSHAN: STRUCTURE & SERVICES	

STRUCTURE

2.0 Learning Objectives

2.1 Introduction

2.2 Organizational Structure of All India Radio

2.3 Organizational Structure of Doordarshan

2.4 Organizational Structure of Private TV Channels

2.5 Economics of Programme Production for Radio and TV

2.6 Some facts about AIR & DD

2.7 Check Your Progress

2.8 Summary

2.9 Keywords

2.10 Self-Assessment Test

2.11 Answers to Check Your Progress

2.12 References/Suggested Readings

2.0 LEARNING OBJECTIVES

The objectives of this lesson are as follows:

- To know about the organizational structure of All India Radio.
- To understand about the organizational structure of Doordarshan.
- To study the organizational structure of Private TV channels.
- To explore the economics of Programme Production for Radio and TV.
- To overview some facts about AIR & DD.

2.1 INTRODUCTION

To be systematically organized is extremely important. More so in case of an extremely significant body like media. Every organization is structured in a particular way. The organizational structure plays an important part in the functioning of any organization. An organization means proper arrangement of men, materials, machines and other resources in the best possible way for attaining broader and specific objectives. The organizing function of a manager in an electronic media involves:

- Determination of the activities.
- Grouping of the activities.
- Assignment of these activities to group departments.



- Delegation of authority to carry out these activities.

Organizational structure refers to the systematic management of the component parts and positions of an organization. This relates to the timely execution of the allocated work. An electronic media's organizational structure specifies its division of work activities, and shows how different activities are linked. To some extent, it shows the level of specialization of work activities. It also indicates the hierarchy, authority, structure and relationships in the electronic media organizations.

The various components of organizational structure include the following:

- Specification of activities.
- Standardization of activities, Coordination.
- Centralization and decentralization of decision-making.
- The size of the work unit.

Specification of activities is simply related to the specification of individual and group work tasks throughout the organization and the aggregation of these tasks into work units. Standardization of activities can be achieved through job description, operating instructions, rules and regulations, formal programmes, plans and control systems. Then there is coordination. It is related to interlinking and integration of activities in organization.

The next important aspect of organizational structure is both centralization and decentralization of decision-making. Size of the work unit refers to the determination of personnel in a work group.

2.2 ORGANIZATIONAL STRUCTURE OF ALL INDIA RADIO

All India Radio is under the direct control of the Ministry of Information and Broadcasting, Government of India. The Minister of Information and Broadcasting heads this ministry. A Secretary and four Joint Secretaries assist the Minister of Information and Broadcasting, in dealing with the following:

- Policy,
- Broadcasting,
- Financial Advisor, and
- Film.

In order to help the joint secretaries in the execution of above jobs, there are deputy secretaries and under-secretaries also.

Radio stations come in all sizes and generally are classified as being either small, medium or large market outlets. The size of the community that a station serves usually reflects the size of its staff. That is to say, the station in a town of five thousand residents may have as few as six full-time employees. It



is a question of economics. However, some small market radio outlets have staffs that rival those of rival market stations because their income warrants it.

However, a few small stations earn enough to have elaborate staffs. But the key word at the small station is flexibility, since each member of the staff is expected to perform numerous tasks.

Medium markets are set up in more densely populated areas and in this type of station; there are twelve to twenty employees. While an overlapping of duties does occur even in the larger station, positions usually are more limited to specific areas of responsibility.

Large market stations employ as many as fifty to sixty people and as few as twenty depending on the nature of their format.

As far as All India Radio is concerned, Director General is the head of the organization. This being a sensitive post, the requirements include: a wide cultural background, initiative, tact, administrative ability, sound judgement of men and matters, a deep commitment to broadcasting and qualities of leadership of a high order.

Sometimes, Indian Administrative Service Officers are assigned an additional task of Director General of All India Radio. This is somehow not considered to be a healthy trend. However, since independence, there have been around many I.A.S. officers who have performed the task of Director General of All India Radio.

There are Additional Director General and Deputy Director Generals also who help the Director General in the discharge of his vast duty. Director of Programmes assists the Deputy Director General.

Other than that a Director whose rank is equivalent to Deputy Director General heads the News Division. Chief News Editor, News Editor, and Joint Director etc assist the Director. Moreover, there are Translators, News Readers and Announcers also to help the News Division.

The Engineering Division of AIR is looked after by Engineer-in-Chief and is assisted by Chief Engineer and Regional Engineers.

The Regional Stations of AIR is under the control of Station Director who is assisted by Assistant Station Directors and Programme Executives.

In addition to that B. G. Verghese Committee has also proposed an organizational structure for AIR, which is given below: The committee proposed the creation of the following posts of General Managers:

1. GM Legal Services
2. GM Planning
3. GM Information

The committee also proposed a Central News Room consisting of following:

1. General Manager
2. Editor, Akashwani



3. Editor, Doordarshan
4. Foreign Editor
5. Editor Monitoring

It also proposed the five Zonal Executive Boards, which are following:

1. Zonal Director
2. Controller Doordarshan & Controller Personnel
3. Controller Engineering
4. Controller Finance
5. Controller Akashwani & Regional Controller

Moreover, this committee also proposed the creation of the posts of Station Manager, Accounts and Personnel Officer, Programme Officer, Extension Officer, etc.

2.3 ORGANIZATIONAL STRUCTURE OF DOORDARSHAN

The organizational structures of Doordarshan and All India Radio are more or less the same. But Doordarshan these days are growing bigger in terms of number of sections, sub-sections and staff of various kinds.

The overall head of all the departments in Doordarshan is the Director General. The rank of the Director General of Doordarshan is equivalent to that of the Director General of All India Radio, while earlier it was not the case.

Now as far as Doordarshan organizational services are concerned, it is crystal clear from chart-I and chart-II that there are mainly two departments — Department of Programme and Administration and Department of Engineering.

The Director General heads the Department of Programme and Administration. His main job is to supervise, guide, govern and control the entire functioning of the department. Those who work under the Director General include the Additional Director General and Deputy Director General (Development), Deputy Director General (News and Current Affairs), Deputy Director General (Communication and Film), Deputy Director General (Production and Transmission), and Director (Finance and Personnel Control).

The Additional Director General looks after News and Current Affairs, Programme Policy, Programme Coordination, Planning, Public Relations, etc. The rank of Additional Director General is equivalent to that of Joint Secretary, Govt. of India. He is assisted by the Controller of Programme (Policy), Controller of Programme (Coordination), Controller of Programme (Development), Public Relations Officer, etc.

The Deputy Director General (Development) looks after the proper and sequence-wise development of the programme and is supported by Director, Audience Research, Controller of Programme (Development) and Deputy Controller of Programme.



The Deputy Director General (News and Current Affairs) looks after the administrative part of current newsgathering, news selection, news processing, news evaluation and news presentation. He is supported by Chief Editor News, Chief Producer News and News Editor (Teletex).

The Deputy Director General (Communication and Film) monitors the entire communication process of the organization. He is assisted by Controller of Programme (Communication) and Deputy Controller of Programme (Films).

The Deputy Director General (Production and Transmission) looks after the entire activities of Production and Transmission and is supported by Deputy Director Administration in the discharge of his vast duties.

The Director (Finance and Personal Control), guides, governs and controls the financial activities and personnel works and in the discharge of his vast duties, Deputy Director Administration and Senior Analyst support him.

The Department of Engineering is headed by Engineer-in-Chief who is answerable to the Director General. The Engineer-in-Chief is responsible for the growth and maintenance of all the engineering and technical activities. In the discharge of his enormous duties, he is assisted by Chief Engineer (Project and Budget) and Chief Engineer (Maintenance and INSAT).

The Chief Engineer (Project and Budget) supervises and prepares various projects and budgets and is supported by Director Engineering (Study Design Coordination with ISRO and P&T), Director Engineering (Teletext), Director Engineering (Purchase), Director Engineering (Progress and Budget), Director Engineering (Estimates and NLF) and Director Engineering (Transmitter Design).

In addition to that there is a large number of staff in Doordarshan which are directly associated with pre-production, production and post-production. These staff members are: Programme Producer, Programme Executive, Video Engineer, Vision Control Operation, Lighting Engineer, Cameraman, Vision Mixer, Studio Engineers, Make up Supervisors, Script Designer, Programme Assistant, Production Assistant, Audio Control Manager, Mic Boom Operator, and Script Writer, etc.

2.4 ORGANIZATIONAL STRUCTURE OF PRIVATE TV CHANNELS

The organizational structures of different private TV channels are not the same. Some of them are more hierarchical and some of them are structured differently.

But broadly speaking a private TV channel has the following organizational structure:

- Chairman
- Chief Executive Officer
- Managing Director
- President
- Senior Vice-President



- Vice-Presidents
- Director
- Technical Director
- News Director
- News Editor/News Coordinator
- Chief of the Bureau
- Programme Producer
- Programme Executive
- Video Engineer
- Vision Control Operator
- Lighting Engineer
- Cameraman
- Vision Mixer
- Studio Engineers
- Make-up Supervisors
- Script Designer
- Programme Assistant
- Production Assistant
- Audio Control Manager
- Mic Room Operator
- Script Writer o Researcher
- Performer/Artist

The Chairman, the Chief Executive Officer, the Managing Director, The President, Senior Vice-President and the Vice-Presidents belong to the Administrative Department. This department directly or indirectly controls guides and governs all other departments, sections, sub-sections and staff.

2.5 ECONOMICS OF PROGRAMME PRODUCTION FOR RADIO AND TV

Finance is the lifeblood of programme production for radio and television. Establishment and continuance of a radio and television enterprise requires that it entrench financially. The plans of a radio and television production would remain a dream unless adequate money is available to convert them into a reality. The rising costs of materials, machines, land, equipments, their maintenance, and taxes



have made economic planning of radio and newspaper production more complex. At the time of commencement of radio and television production, economic planning involves:

- Estimation of amount of capital to be raised
- Determining the sources of collecting capital including banks and other financial Institutions.
- Planning in respect of surpluses and reserves
- Planning regarding return of investment
- Framing policies for administration of capital
- Budgeting

More specifically speaking economics of radio and television requires the broader details of sources of revenue and expenditure.

SOURCES OF REVENUE FOR RADIO:

The major source of revenue for radio is advertisement. 50 to 60 per cent of the revenue is generated by different varieties of advertisements. Other sources of revenue are royalty, rent on production facilities and equipments, etc.

SOURCES OF EXPENDITURE FOR RADIO:

The various sources of expenditure for radio are radio programme productions, transmission through AM and FM, payment of equipments, maintenance of equipments, subscription to different agencies and so on.

SOURCES OF REVENUE FOR TELEVISION:

The most important source of revenue for a television is advertisement. It generates around 55 to 60 per cent revenue. The other important sources of revenue are selling of time slots to different film producers, royalty, taxing artists/performers for their extra income elsewhere, rent on production equipments, selling of exclusive news material to some other units, entertainment show, etc.

SOURCES OF EXPENDITURE FOR TELEVISION:

The various sources of expenditure for television are programme production, programme transmission, payment of salaries to staff, purchase of equipments, maintenance of equipments, use of satellite facilities-downlinking and uplinking, subscription to agencies and so on.

2.6 SOME FACTS ABOUT AIR & DD

	IMPORTANT MILESTONES SINCE INDEPENDENCE
August 15, 1947	There were Six Radio stations at Delhi, Bombay, Calcutta, Madras, Tiruchirapalli and Lucknow.



July 20, 1952	First National Programme of Music broadcast from AIR
July 29, 1953	National Programme of Talks (English) from AIR.
1954	First Radio SangeetSammelan held.
October 3, 1957	VividhBharati Services started.
November1,1959	First TV station in Delhi started (as part of AIR).
July 21, 1969	Yuvavani services started at Delhi.
August 15, 1969	1000 KW Superpower MW Transmitter at Calcutta(Mogra).
January 8, 1971	1000 KW Superpower MW Transmitter at Rajkot
1974	Akashvani Annual Awards instituted.
July 23, 1977	First ever FM service was started from Madras.
September14,1984	Two High Power250 KWSW transmitters at Aligarh.
October30, 1984	First Local Radio Station at Nagarcoil started.
1985	All AIR stations get 5 channel satellite receiver terminals.
May 18, 1988	Introduction of National Channel.
April 8, 1989	Commissioning of Integrated North East Service.
March 2, 1990	The 100th station of AIR commissioned at Warangal (AP)
March 10, 1990	Two 500 KW shortwave transmitters at Bangalore.
October 2, 1992	Commissioning of FM Chanel at Jalandhar.
April 1, 1993	The 150th station of AIR at Berhampur (Orissa).
August 15, 1993	Introduction of Times slots on FM Channel to private-parties
September1,1993	Time slots on FM Chanel to private parties at Chennai.
January 24, 1994	FM Channel at Panaji.
July 25, 1994	Time slots on FM channel to private parties at Calcutta.
September10, 1994	Multi-track recording studios commissioned at Mumbai.
September 28, 1994	28, Four 500 KW Superpower Shortwave transmitters at Bangalore inaugurated



October 31, 1994	The 175th station of AIR commissioned at Nasik.
November 13, 1994	Time slots on FM channel to private parties at Panaji.
August 5, 1995	Multi-track recording studios commissioned at Chennai.
February 1, 1996	Foundation stone for New Broadcasting House at Delhi.
May 2, 1996	Launching of AIR on-line Information Services on Internet.
January 13, 1997	Started Audio on demand on Internet Service.
April 1, 1997	Digital Audio Broadcasting (DAB) introduced at Delhi
January 26, 1998	'Radio on Demand' service on 2nd FM Channel.
February 25, 1998	AIR 'News on Telephone' and AIR 'live on Internet'
August 15, 1999	Radio station commissioned at Kokrajhar in Bodo Land.
August 15, 1999	Second FM Channels at Delhi and Calcutta with Yuvavani.
July 17, 2000	Regional Staff Training Institute at Bhubaneswar (Orissa)
Sept 1, 2001	AIR launched Infotainment channel known as FM-II.
Nov 12, 2001	Museum of Radio and Doordarshan was inaugurated.
Feb 27, 2002	AIR launched its first ever-digital satellite home service.
July, 2002	Celebrated 75 years of Broadcasting
April, 2003	Marketing Division of PrasarBharati Inaugurated.
Jan 26, 2004	BhashaBharati Channel of AIR launched at Delhi and Classical Music Channel launched at Bangalore.
Apr 01, 2004	Launch of KisanVani Programme from 12 Stations of AIR.
Dec 16, 2004	DTH Service of PrasarBharati, with 12 AIR Channels

When India attained Independence in 1947, AIR had a network of six stations and a complement of 18 transmitters. The coverage was 2.5% of the area and just 11% of the population. Rapid expansion of the network took place post-Independence.

AIR today has a network of 223 broadcasting centres with 143 medium frequency (MW), 54 high frequency (SW) and 161 FM transmitters. The coverage is 91.42% of the area, serving 99.13% of the people in the largest democracy of the world. AIR covers 24 Languages and 146 dialects in home services. In External services, it covers 27 languages; 17 national and 10 foreign languages.



Narrow Casting: The National level programme is centrally produced and telecast from Delhi at 6.30 A.M. through Satellite and on terrestrial transmitters of DDI National.

The Regional level programme is produced and telecast from 18 Regional Kendras at about 6.30 P.M. and the terrestrial transmitters within the coverage zone of the Kendras relay the programme from the respective regional Kendras.

The Regional programme has repeat telecast in satellite mode on the next morning at 6.30 A.M.

The local level or narrowcast programme is produced and telecast locally from 36 narrowcast clusters (180 transmitters) at about 6.30 P.M.

2.7 CHECK YOUR PROGRESS

Note: 1) Use the space below for your answers.

2) Compare your answers with those given at the end of this lesson.

A. CHOOSE THE RIGHT OPTION.

1. Specification of activities is simply related to:

- a) Specification of Group
- b) Specification of Public
- c) Specification of Individual
- d) None of the above.

2. Standardization of activities can be achieved through job description:

- a) Job Descriptions.
- b) Job Profile
- c) Job Placement
- d) None of the above.

3. A large number of staff in Doordarshan are directly associated with pre-production, production and:

- (e) Distribution
- (f) Post-Production
- (g) Consumption
- (h) None of the above.

B. FILL IN THE BLANKS

1. The various aspects ofare specification of activities, standardization of activities, coordination, centralization and decentralization of decision-making, and the size of the work unit.
2. Specification of activities is simply related to theof individual and group work tasks throughout the organization and the aggregation of these tasks into work units.
3. The size of the community that a station serves usually reflects theof its staff.



2.8 SUMMARY

- Specification of activities is simply related to the specification of individual and group work tasks throughout the organization and the aggregation of these tasks into work units.
- Standardization of activities can be achieved through job description, operating instructions, rules and regulations, formal programmes, plans and control systems. Coordination is related to interlinking and integration of activities in organization. Then there has to be both centralization and decentralization of decision-making.
- Radio stations come in all sizes and generally are classified as being either small, medium or large market outlets. The size of the community that a station serves usually reflects the size of its staff. That is to say, the station in a town of five thousand residents may have as few as six full-time employees.
- A large number of staff in Doordarshan are directly associated with pre-production, production and post-production. These staff members are: Programme Producer, Programme Executive, Video Engineer, Vision Control Operation, Lighting Engineer, Cameraman, Vision Mixer, Studio Engineers, Make up Supervisors, Script Designer, Programme Assistant, Production Assistant, Audio Control Manager, Mic Boom Operator, Script Writer.

2.9 KEYWORDS

Aspects of Organizational Structure: The various aspects of organizational structure are specification of activities, standardization of activities, coordination, centralization and decentralization of decision-making, and the size of the work unit.

Staff Members in Doordarshan: The staff members of Doordarshan are: Programme Producer, Programme Executive, Video Engineer, Vision Control Operation, Lighting Engineer, Cameraman, Vision Mixer, Studio Engineers, Make up Supervisors, Script Designer, Programme Assistant, Production Assistant, Audio Control Manager, Mic Boom Operator, Script Writer.

2.10 SELF-ASSESSMENT TEST

1. What do you mean by organizational structure and services? Discuss briefly the organizational structure of a TV channel.
2. Discuss the organizational structure and services of All India Radio.
3. Discuss the organizational structure and services of Doordarshan

2.11 ANSWERS TO CHECK YOUR PROGRESS

A. CHOOSE THE RIGHT OPTION.

1. c) Specification of Individual
2. a) Job Descriptions



3. b) Post-Production

B. FILL IN THE BLANKS

1. Organizational Structure
2. Specification
3. Size

2.11 REFERENCES/SUGGESTED READINGS

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SUBJECT: MASS MEDIA: STRUCTURE AND MANAGEMENT	
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CINEMA IN INDIA	

STRUCTURE

3.0 Learning Objectives

3.1 Introduction

3.2 The Beginning of Indian Cinema

3.2.1 New Era & New Themes in Indian Cinema

3.2.2 The Talkies Era

3.2.3 The Studio System

3.2.4 Popular Films

3.2.5 Art Film Movement in India

3.2.6 Film Censorship in India

3.2.7 Structure of Indian Film Industry

3.2.8 Economics & Industry Status

3.2.9 Indian Cinema by Language

3.3 Check Your Progress

3.4 Summary

3.5 Keywords

3.6 Self-Assessment Test

3.7 Answers to Check Your Progress

3.8 References/Suggested Readings

3.0 LEARNING OBJECTIVES

After reading this unit, you will be able to:

- Study about the Beginning of Indian Cinema.
- Know about the New Era & New Themes in Indian Cinema.
- Study about the Talkies Era.
- Study about the Studio System.
- Know about the Popular Films.
- Know about the Art Film Movement in India.
- Study about the Film Censorship in India.
- Know about the Structure of Indian Film Industry.
- Study about the Economics & Industry Status.

3.1 INTRODUCTION



Cinema began with the great French inventors best known as the Lumière brothers. They invented a revolutionary camera and projector, the Cinématographe. Auguste Marie Louis Nicolas and Louis Jean Lumière invented a camera that could record, develop, and project film, but they regarded their creation as a little more than a curious novelty. The word 'Cinema' originated from the name of this revolutionary invention, Cinématographe.

In the year 1896, the very first Cinematographic Exhibition or 'Film Show India' took place at the Watson's Hotel in Bombay. People came in hundreds to watch 'the marvel of the century, the wonder of the world', made by the Lumière brothers from Paris.

What they saw in the exhibition that day, wasn't a full-length feature film, but short clippings of random things like, 'arrival of a train', a 'sea bath', and 'soldiers on wheels'. These were normal, everyday activities. But everyone was beyond excited as they were watching "Living photographic pictures in life-sized reproductions."

This exhibition in Bombay took place six months after the first ever film show in Paris in 1895. This 1896 film show marked the entry of Cinema or 'Motion Pictures' in India. In the beginning of the 20th century, there were little technological advances in the field of Cinema. At that time, only short films were made on rather simple topics. Back then, most of the films that Indian viewers watched were imported from the west. Gradually, these films were made in India too. These filmmakers used Static Cameras to make silent and short, documentary type films. These films had zero editing or post production and were famously called 'Shoot and Show' films. In this lesson, we'll study about the various aspects of Indian cinema.

3.2 THE BEGINNING OF THE INDIAN CINEMA

The very first Indian to make what was then called an 'actuality film' was Harischandra Sakharam Bhatwadekar (Save Dada). He made "The Wrestler" which was shot during a wrestling match in Mumbai. The next big film project was by Hiralal Sen of Calcutta. He recorded some scenes from few plays and showed them in theatres. And in 1912, Chithale and Dada Torne made a big impact by making 'Bhakta Pundalik'. 'Bhakta Pundalik' was actually a play, and the film was a recording of the complete play.

THE FIRST BIG STEP

By this time, a new filmmaker had entered the scene. He blessed us all with his wonderful skills of filmmaking. He is one of the most important figures in the history of Indian Cinema. His name was Dhundiraj Govind Phalke, best known as Dada Saheb Phalke. He was an immensely talented painter, architect, photographer, theatre personality and musician. And all these talents helped him become a great filmmaker. In the beginning of his filmmaking career, he made a lot of short films. After a lot of experimenting, he created what is now called 'Time Lapse Cinematography'. Using this very technique, he photographed a pea plant once every day for a whole month, and recorded the 'growing of a pea-plant'.



After this, he left his job, sold his wife's ornaments, took a loan and started working on a feature film. This feature film was his dream project. After a lot of sacrifices and months of hard work, Dada Saheb Phalke finally made India's first full-length feature film, *Raja Harishchandra*. The film released on April 21st, 1913 at Coronation Theatre, Bombay.

Raja Harishchandra was a four reel long silent film with title cards both in Hindi and English. For the film's music, a group of musicians travelled with the film crew from theatre to theatre. This humble film marked the beginning of the Indian film industry. 'Raja Harishchandra' also played a huge role in setting the trend for episodic treatment, action-oriented frames, lavishly designed sets and eroticism (the film features an erotic 'Bathtub Scene'). Decades after the release of this historic film, Indian filmmakers, till this day use the principles and formula devised by Dada Saheb Phalke.

EARLY DAYS

In India, for a very long time, people have lived on the staple dose from the two great epics: the Ramayana and the Mahabharata, along with the various Puranas. So, after the invention of Cinématographe, when people found out they can portray stories with moving pictures, they started following Dada Saheb Phalke and made mythological feature films based on stories from the Hindu epics.

Dada Saheb Phalke made a great contribution to Indian cinema by making over a hundred short and feature length films (mostly based on Indian mythology). Films like *Savitri*, *Lanka Dahan*, *Krishna Janma*, and *Bhasmasur Mohini* are amongst his best works.

In the very beginning of Indian Cinema, Films were made only in Bombay. *KeechakaVadam* (1916) was the first south Indian film. This film was made by, R. Nataraja Mudaliar and was shot in Madras. In the 1920s, Kolhapur in Western Maharashtra became a major film production center. A talented filmmaker named Baburao K. Mistry started making films in Kolhapur. His first film, *Sairandhri* was released in 1920.

In 1921, Whittaker made *Valli Thiru-Manam*. This film was also shot in Madras and was a huge success. Anantha Naryanan, another pioneer who had returned from Hollywood after his training, started the 'General Pictures Corporation' in 1929 and made multiple films.

Gradually, more and more people started making films in different parts of India, and the films were no more made exclusively in Bombay.

3.2.1 NEW ERA & NEW THEMES IN INDIAN CINEMA

For the first whole decade of Indian Cinema, mostly mythological films were made. Around the 1920s, there was a shift from mythological to 'historical films. Baburao Mistry was one of the first filmmakers to make these historical movies. His films were mostly based on Maratha history. These films had a contemporary relevance to the people of India as they were fighting for their liberation from the Britishers at that time.



Social concern and a sense of vigilance for the oppressed led many filmmakers to make 'social films.' These films tried to erase certain blind beliefs and superstitions. Satires were another popular film genre at the time. Dhiren Ganguly, a filmmaker from Calcutta made satirical films like, 'Barrister's Wife' and 'England Returned'. Other films like 'Gun Sundari' (Why Husbands Go Astray) and 'Typist Girl' dealt with the prevailing social situation of that time. Another very famous social film of that time was, 'Savkari Pash' (The Indian Shylock, 1925). Actor V. Shantaram made his debut in this very film.

CO- PRODUCTIONS

The first Indian Filmmaker to venture into Co-Productions was Himanshu Rai. He collaborated with a German Filmmaker, Peter Ostenmeyr and made 'Light of Asia' in 1925. The majority of the artists were Indian but all the technicians were German. Shiraz (1926), A Throw of Dice (1929) and Karma (1934) are some of the other great works of Himanshu Rai. Most of his works were Co- Productions.

GOVERNMENT INTERVENTION

With the growing popularity of Cinema, profit hungry filmmakers started to make films with a lot of nudity, violence and crime. Many of these films were imported from other countries. To top this all off, the conditions of Cinema Halls were pathetic. Due to these reasons, the British Government passed the Cinematograph Act in 1918. According to this act, the licensing of Cinema Halls was necessary. With the implement of this act, film censorship was also introduced.

Accepting the proposal of a Bengal bureaucrat, the British Government implemented the 'Entertainment Tax' in 1922. In 1928, the Indian Cinematograph Committee was set up under the chairmanship of Dewan Bahadur T. Rangachariar. This Committee studied the Indian film industry and recommended wide-ranging changes and possible improvements. Sadly, the British government never accepted these suggestions.

3.2.2 THE TALKIES ERA

In India, from 1896 to 1931 around a thousand silent, both short and feature films were made. The Era of the Talkies started in 1931 with the release of 'Alam Ara', the first Indian Talkies Film. Nevertheless, this wasn't the first time Indians had seen a talkies film. The world's first talkies film, The Melody of Love (1929), was imported to India around two years before 'Alam Ara'.

Alam Ara, the first Indian Talkies Film, was directed and produced by Ardeshi Irani. In this film the characters talked, but that wasn't it. They also sang and danced. There were 12 songs in this film. This overwhelming love for songs is still very prevalent in Indian Films. Even today, almost all commercial films feature roughly half a dozen songs. In today's time, it's very hard to imagine a film without voice and songs. One of the most recent silent Indian films was Pushpak.

Other Innovations

The film Noorjehan (1923), was one of the earliest attempts of making a film with an English Version. This film was directed by Ezra Mir. Himanshu Rai's co-production films followed up after this film.



Another first in the Indian Film History was when a part of the film *Bilwamangal* (1932) was in color. This part of the film was sent abroad for color processing, because at that time, this technology had not come to India. Prabhat Theatre's *Sairandhri* (1933) was also partly shot in color and was sent to be processed in Germany.

The very first fully colored Indian film was *Kisan Kanya* (1937) by Ardeshir Irani. Following it in 1938 was the film, *Mother India*. Regular color came much later in the 1950's with Mehboob Khan's *Aan*, Sohrab Modi's *Jhansi Ki Rani*, Ambalal Patel's *Pamposh* and V. Shantaram's *Jhanak Jhanak Payal Baaje*.

3.2.3 THE STUDIO SYSTEM

In the beginning, film making in India was a very individual project. Back then, almost all of the filmmakers both directed and produced the films. Some of them were also involved in the other aspects too. One of the greatest examples of this would be Dada Saheb Phalke. He was a director, producer, set and costume designer, cinematographer and writer.

As time passed, filmmaking became more complex and professional with too many specializations. And due to this it became a little difficult for one man to do everything perfectly. To pay attention to detail in all aspects of filmmaking, film companies were started. Dada Saheb Phalke set up the first film company in India. He set up the **Hindustan Cinema Film Company** in 1918. After Phalke's Company, many such companies came up. Some of the biggest names include Baburai Mistry's *Maharashtra Film Company* and A. Narayanan's *General Pictures Corporation* (1929), down south in Madras.

'Studio system' was the next big step in this direction. In Bombay, V. Shantaram and three others set up the 'Prabhat Film Company'. This company had built its own studio especially for Film Shooting. Along with that they had their own regular writers, directors, technical staff, and equipment. They also had actors and actresses on the payroll who worked exclusively in the films made by the studio.

In 1935, Himanshu Rai set up 'Bombay Talkies'. Other studios that followed Bombay Talkies were 'Imperial Film Company' of Bombay under the chairmanship of Ardeshir Irani and 'Wadia Movietone' by the brother's duo, producer J.B.H. Wadia and director Homi Wadia. Wadia Movietone is best known for its action and thriller films. One of their most famous films is *Hunterwali*.

Dhiren Ganguly and B.N. Sircar formed New Theatre Company in Calcutta. Some of their best films include *Chandidas* (1932), *Devdas* (1936), and *Mukti*. New Theatre's *Devdas* starring K. L. Saigal is memorable as it introduced us to one of the best Indian Cameraman, Bimal Roy. 'Do Bigha Zameen' was one of Roy's best works.

Raj Kapoor's RK Studio, Dev Anand's Navketan Films are some of the other studios that came up afterwards and made a lot of successful films. While all this was happening in Bombay, studios were also set up in the south. Madras based studios like AVM, Gemini, etc. are still active and making commercially successful films in multiple languages.

The Star System



The 1940's witnessed the emergence of 'stars'. Actors, actresses became immensely popular amongst the audience. Even writers, directors and other technicians also started becoming popular by the day. And naturally, they were reluctant to work for studios for monthly salaries. Instead, they wanted to work for the highest bidders. Whoever was able to pay the highest got the best of actors, actresses, directors and writers. And this is how the 'Star System' emerged. Ashok Kumar was one such star, who started off as a technician for the Bombay Talkies and soon acted in many of their films. He eventually left the Bombay Talkies to work for others. Another great example of the 'Star System' is V. Shantaram. He left Prabhat Studios and started producing and directing his own films. He also acted in most of his films.

The 1940s marked the start of commercialization of the Indian film industry. Suddenly there was a lot of Black Money involved with these films. Almost all the films were based on the same formula- depending on tried and tested practices of romance, action, songs, dances and happy-endings. Fantasy was the main basis of these films while reality took a backseat.

3.2.4 POPULAR FILMS

The face of Indian Cinema has always been the popular, commercially successful films. These films were made with a single motive, to be a Box Office and commercial success. V. Shantaram made the immensely successful 1995 film, Jhanak Jhanak Payal Baaje. This film starred actors Gopi Krishna and Sandhya. It ran for a good 104 weeks in Bombay. Mehboob Khan's 'Mother India' (1957) was another huge hit.

Raj Kapoor, one of India's most iconic actors, entered the Hindi film scene with 'Aag', and followed with 'Awara', 'Barsat', 'Shri 420', 'Sangam', 'Mera Naam Joker' and continued with 'Bobby', 'Satyam Shivam Sundaram', 'Prem Rog' and his last film 'Ram Teri Ganga Maili'.

Another iconic actor, director, and producer of this time was Guru Dutt. At first, he made thrillers and comedies but later on turned to films like 'Kagaz ke Phool', 'Pyaasa', and 'Sahib Bibi aur Ghulam', which explored the complexity of human relations.

Dev Anand also acted, directed and produced many films under his own banner Navketan Films.

Many stars emerged in the 50's and 60's. Ashok Kumar was already famous by then. Raj Kapoor, Guru Dutt, Dev Anand, Dilip Kumar, Rajendra Kumar, Sunil Dutt among male actors became matinee idols. Among female stars were Meena Kumari, Nargis, Nutan, Vijayanti Mala, Waheda Rehman. Among character artists. Balraj Sahni gained a lot of critical acclaim and acceptance through his back to back sterling performances in a wide variety of roles.

Sanjeev Kumar took over Balraj Sahni's place in the 1970's. Some of the biggest names in Bollywood who ruled the seventies and eighties were Rajesh Khanna (the term superstar was coined for him), Shashi Kapoor, Jeetendra, Shashi Kapoor and the greatest of all, Amitabh Bachhan.

Indian cinema has always been well appreciated by certain international audiences. From Raj Kapoor and Dev Anand of the yesteryears to Shahrukh Khan, Salman Khan and Amir Khan, Indian cine-stars



have been hugely popular in different overseas markets like Russia, UK, USA, Canada, The Emirates and even China. The overseas market in Bollywood box office collections is sizeable.

India is the global leader as the largest film industry in the world. This is in terms of the number of films produced by any single country. India produces about 2500 films a year. Of course, India lags behind the market leader US in terms of Box-office revenues.

The Indian film industry is led by the Hindi film industry, also known as Bollywood. The Hindi film industry contributes almost fifty percent of the revenue.

Other interesting trends in the Indian film industry include:

- International/foreign films gaining share in the Indian industry,
- Entry of international studios through acquisitions and collaborations,
- Rise of regional cinema,
- Growth in multiplexes and emergence of alternative streams of revenue

Since the 1990s, the three most successful Bollywood stars have been: Aamir Khan, Shah Rukh Khan, and Salman Khan. They have to their credit the top ten highest-grossing Bollywood films. The three Khans have almost ruled the roost since the late 1980s.

During the 1990s and early 2000s Shah Rukh Khan was the most successful at the box office. Since the late 2000s, Aamir Khan has been the most successful. According to Forbes magazine, Aamir Khan is one of the world's biggest movie stars. Aamir Khan enjoys immense popularity both in India and China.

One land mark film of this time was Haider (2014, Vishal Bhardwaj). It is the third instalment of the Indian Shakespearean Trilogy after Maqbool (2003) and Omkara (2006). Haider won the People's Choice Award at the 9th Rome Film Festival making it the first Indian film to achieve this honour.

The 2010s also saw the rise of actresses like Vidya Balan, Priyanka Chopra, Katrina Kaif, Kangana Ranaut, Deepika Padukone, Sonam Kapoor, Anushka Sharma, Sonakshi Sinha, Jacqueline Fernandez, Shraddha Kapoor and Alia Bhatt. Vidya Balan and Kangana Ranaut achieved wide recognition for their successful female-centric films: The Dirty Picture (2011), Kahaani (2012), Queen and Tanu Weds Manu Returns (2015).

Thematic Changes

Around this time, there were many thematic changes. Films of this era shared tried and tested formula of 'conflict and collaboration'. However, the 50's and 60's were the decades of romance. The 70's saw the overwhelming emergence of action and violence. Led by Amitabh Bachchan, Dharmendra, Vinod Khanna among others, the Indian hero changed his personality from a soft romantic to an action-hero. For the films of the 1970s, (Sholay, Qurbani, Amar Akbar Anthony, Muquddar Ka Sikander etc.) the formula seemed to be a mix of song-dance-violence.

The 80's witnessed the emergence of Star- sons on the big screen. Sanjay Dutt, Sunny Deol, Kumar Gaurav became big stars. The Romance Genre was also slowly coming back. Kamal Hasan's 'Ek Duje Ke Liye', Kumar Gaurav's Love Story, Salman Khan's 'Maine Pyar Kiya' became big hits. Action films,



however, continued to be a common theme in most movies. Multi-starers were also popular during this time.

In the 90's some very turbulent times were seen. Due to factors like, the video boom, cable and satellite TV, video piracy, etc., lesser and lesser people went to theatres. To counter this, Filmmakers made Big Budget films. They used bigger sets, better (foreign and other exotic) locations and technical finesse to try and lure people back to the Cinema Halls. The formula of musical melodramas with a bit of comedy, rich-poor divide, initially thwarted love. A little bit of suspense, plenty of songs and dance numbers, a lot of action and a happy ending was formulated back then in the 90's and is still pretty prevalent till this day.

However, the early 2000s, there were a lot of changes compared to the 90s. The plot of the films emphasized heavily on violence and sex. Sexually explicit gyrations became extremely popular and common. Interestingly, there was no clear distinction between the hero and the villain (as seen in films like *Khalnayak*, *Baazigar*, *Darr*, *Anjaam*). The comedic genre almost vanished for a while. Comedy was briefly replaced by slapstick.

Another big change in the nineties was the emergence of directors from 'filmy' backgrounds. Suraj Barjatya has made a few really big films like '*Maine Pyar Kiya*', '*Hum Apke Hain Kaun*' and '*Hum Saath Saath Hain*'. Aditya Chopra made '*Dilwale Dulhania Le Jayenge*', Karan Johar made *Kuch Kuch Hota Hai* and both of these films were massive hits. Other than being second-generation directors, their films have one thing in common; all these films were clean family entertainers.

In the 1990's, there was an emergence of mainstream realistic films. Ram Gopal Verma's '*Satya*' was the trendsetter in this particular genre. Mahesh Manjrekar's '*Vastav*' and E. Niwas's '*Shool*' followed up after '*Satya*'. All these films were as close to reality as possible and did not follow the standard filmy-formula.

And also, the nineties gave us, perhaps the second biggest super star after Amitabh Bachhan, Shahrukh Khan. From soft romantic roles to no-good-fool characters, from an obsessed lover to maniac killer, Shahrukh Khan has played all kinds of roles and is still going strong.

The 1990's also saw the emergence of the immensely talented actor, Manoj Bajpai. After years and years of theatre, then a few small roles in films here and there, Bajpai became a huge star with his portrayal of Bhiku Mhatre in '*Satya*'. He has shown his immense talents in '*Kaun*' (a suspense thriller) and *Shool* (portraying the anguish of an upright police officer) to his latest Amazon Prime Series, *Family Man*, where he plays an undercover police officer.

3.2.5 ART FILM MOVEMENT IN INDIA

Mainstream commercial Indian films have always been a bit fantasy-oriented. Realism is rarely portrayed in these films. Fed up with these formula films, many visionary filmmakers have been making a different kind of cinema. This is famously called the new wave cinema. Others know them as art films or parallel cinema. This movement of making realistic films was given a big boost by Satyajit Ray. Also, the establishment of the Film Finance Corporation in 1960 was a huge blessing for these



filmmakers. FFC financed serious filmmakers. The next development was FFC being renamed as the National Film Development Corporation. The NFDC has been promoting good cinema for a long time now.

New Wave Cinema

The pioneers of the new-wave cinema were Ritwik Ghatak (Meghe Dhake Tara) and Mrinal Sen. Sen made Bhuvan Shome, Baishey Sharvan, Akash Kusum, Interview, Padatik, Ek Din Pratidin, Parashuram, Mrigaya (Mithun Chakraborty won the best actor award for this film), Ek Adhuri Kahani and Ek din Achanak.

Other new-wave filmmakers include Basu Chatterji, M. S. Sathyu, Kumar Sahni, Mani Kaul, Gautam Ghosh.

The new wave films are drastically different from the main stream films people were accustomed to. They differ in their approach, themes, treatment and almost in all respects. Such films are made for a select audience (classes as opposed to masses). And these films win national and international awards and worldwide critical acclaim.

The Middle Cinema

While commercial films catered to the masses and art films catered to the classes, in the 1970's a new kind of cinema was introduced that served to both the masses and the classes. The person who led this movement was Shyam Benegal. Starting with Ankur (1974), he has made many meaningful and yet successful films like 'Nishant', 'Manthan', 'Bhumika', 'Kalyug', 'Junoon' and 'Kondura'. Then came Govind Nihlani with 'Akrosh', 'Ardh Satya' etc. Other such filmmakers are: Saeed Mirza (Albert Pinto Ko Gussa Kyon Aata Hai, Mohan Joshi Hazir Ho), Ketan Mehta (Holi, Bhavni Bhavai, Mirch Masala, Maya Memsahab).

These filmmakers started the trend of making socially conscious and political films, which were entertaining at the same time. These films win awards and are commercially successful too. Sadly, these kinds of film are pretty rare these days in Indian Cinema.

'Ray' of Hope

By this time Indian Cinema had gone through several phases. Thematically, the earliest films were mythological. Then came the historical films followed by social films and satirical films. These genres were followed by fantasy-films and romantic films. By the 1940's, almost all the films were made with the sole purpose of commercial success. However, a few socially relevant and realistic films like Garam Hawa (M.S. Sathyu), Do Bigha Zamin (Bimal Roy), Dr. Kotnis Ki Amar Kahani (V. Shantaram), Aurat and Mother India (Mehboob Khan) were also made during this time.

A big change in the approach towards filmmaking came during the middle of the 1950's. It came with a filmmaker from Calcutta, named Satyajit Ray. Back then, he was an advertising executive but he always had a deep interest in literature and films. Like Dada Saheb Phalke, Satyajit Ray was also a very generously talented individual. He was a writer, designer, musician and also a wonderful director.



Starting with the Apu trilogy – Pather Pancheli (1954), Aparajita (1957) and Apur Sansar (1959), he went on to make many more classics. These include Jalsaghar (1958), Devi (1966) Teen Kanya (1961), Charulata (1964), Nayak (1966), Gopy Gyne Bagha Byne (1968), Aranyer Din Ratri (1970), Pratidwandi (1970) Seema Boddha (1971), Sonar Kella (1974), Ashani Sanket (1974), Ghare Baire (1985), Ganashatru (1989). Despite of being a Bengali, Ray also made one Hindi film –Shatranj Ke Khiladi (1977). He also made many documentaries including one on Rabrindra Nath Tagore. Satyjit Ray's films were out of the ordinary. These films weren't crass commercialization projects. They were honest pieces of art. His twenty-five films (and five documentaries) had artistic expression, thematic thrust, cinematic exploration, and communication mixed with sensible entertainment.

Regional Films in India

India is an immensely culturally diverse country with hundreds of languages and dialects. Hindi is by far the most commonly spoken language here, and understandably a majority of Hindi films are made in India. However, Hindi films amount to about one fifth of the total number of films made in India. The rest of the films are made in other regional languages. Being region specific, these films have limited audiences and thus do not do as well commercially compared to Hindi films. While this is true for most of the regional language films, the South Indian Film Industry is doing pretty well for itself. Telugu films lead the regional language films in terms of numbers followed by Tamil, Malayalam and Kannada films. In fact, the four South Indian language films account for almost 60 percent of all Indian language films including Hindi films made every year. Among other languages, a sizable number of films are made in Bengali and Marathi. Other languages in which films are made regularly are Oriya, Assamese, Bhojpuri, Rajasthani, Punjabi, Gujarati, Haryanvi, Manipuri, Bodo and Nepali. A few English films are also made every year in India.

3.2.6 FILM CENSORSHIP IN INDIA

Government control over films is fairly extensive in India. It is perhaps the most heated topic of debate in the world of India Cinema. This was enforced under the Cinematograph Act and executed by the Central Board of Film Certification. CBFC has its headquarters in Mumbai and branch offices in Chennai and Kolkata. This Board has a large number of honorary members. Over the years, a very rigid censorship system has been built by the members of this board.

There is a very strong argument against censorship that, there is no such control over other kinds of media like the press, books, drama etc. Also, no other media is brought under an exclusive Act (The Cinematograph Act governs film censorship and other related aspects). Many filmmakers argue that censorship doesn't allow them to stay true to the script and keeps them from making engaging and authentic films

In the pre-Independence era, censorship was mainly political. Depiction of political leaders (direct or indirect), call for freedom, and any depiction of the freedom struggle were not tolerated and thus were censored by the British Government. In fact, the name 'Mahatma' was changed to 'Dharmatma' in a film depicting a saint who preached about the equality of the untouchables.



Back in the early days, censorship differed from province to province. There were no standard practices. In most places, the Police Commissioner's office granted permission for screening of films. Later representatives of Police became part of the Censor Board when it was set up in 1952.

All these years the reaction from the film industry to censorship has been contradictory. Generally, no one speaks about censorship. It has been accepted as some kind of a necessary evil. Problems arise only when objections are raised about any film.

Also, censorship has often been arbitrary and discriminatory. For example, in the silent era and the early talkies era, kissing was frequently shown in films. And in the present censorship code there is no mention of kissing. However, the Censor Board has created an unwritten law about kissing and anything around this subject. The Censor Board is very strict about violence and sex. Many films ended up being banned, and very frequently scenes from films have been cut due to display of violence and sex. However, filmmakers use sex in the so-called sex-education films (which were earlier banned but are now being made regularly). Censorship of political issues is comparatively not a big problem as only on rare occasions political films are made. *Kissa Kursi Ka*, a film made on emergency created a lot of unrest amongst the people. Even the Sanjeev Kumar and Suchitra Sen starrer *Aandhi* was objected as this film's lead actress looked like Indira Gandhi.

Some other popular films that raised objections in the Censor Board are *Bandit Queen* and *Elizabeth* (both directed by Shekhar Kapoor). In the case of *Bandit Queen*, this film depicted the story of Phoolan Devi, the raw violence and street language was objected. Also, the gang rape scene was strictly resisted. *Elizabeth*, a Hollywood film that won many international awards including an Oscar, was subjected to few cuts before being released here. Deepa Mehta's *'Fire'* was cleared by the Censor Board at first, but referred back to the Board after disapproval in certain parts of the film. Mahesh Bhatt's *Zakham* was also objected by the Censor Board.

In conclusion, whether directors and producers like it or not, film censorship is here to stay. However, it would be better if the practices of the Censor Board could be more consistent, logical and genuine.

3.2.7 STRUCTURE OF INDIAN FILM INDUSTRY

Film making in India is unlike any other business. The Indian film is not built on a standard structure, there are no rigid rules. It includes individual projects, partnerships and companies. This industry has people from various fields. The lure of big money and glamour draws all kinds of people into this business. People from various fields such as Engineers, Industrialists, Shoemakers, Newspaper owners, Chartered accountants, and Doctors have entered the film industry and are doing well.

In the very beginning, filmmaking was an individual venture. At that time, it was passion that drew people into the world of film making. A single individual looked after almost every single aspect of filmmaking. This trend continued for a few decades.

Then, after Filmmaking became a glamorous field, new aspects such as partnerships, film production companies and studios entered the scene. We have already discussed this topic in detail. And unlike Hollywood, the studio system in India broke up in the 1940's with the rise of the star system.



In India we have three major film production centres - Bombay (Bollywood), Madras (Mollywood) and Calcutta (Tollywood). The majority of Hindi Films are made in Bombay. However, Bollywood also caters to Marathi, Gujarati, Konkani and other language films. Even Punjabi, Haryanvi, Rajasthani, Kashmiri, Bhojpuri films depend quite heavily on Bombay.

Mollywood or the Madras (now Chennai) film industry caters to the four south Indian language films. Because of the competence and popularity of Mollywood, filmmakers shoot many Hindi films there. Lately, Hyderabad has come up as a major film production center. It has about half a dozen big studios with all kinds of facilities. In fact, a recently build studio (owned by media-magnate Ramoji Rao) has a five-star hotel, about 60 different gardens, dozens of shooting floors, many different landscapes in addition to sophisticated post production facilities like editing, dubbing, recording, mixing and special effects - all available within one complex.

Calcutta caters to Bengali, Oriya and Assamese films. Lately studios and other facilities have been developed in both Orissa and Assam.

3.2.8 ECONOMICS AND INDUSTRY STATUS

As we know, there is no standardized structure of the Indian film industry. Similarly, the economic aspect is also not very standardized. We've seen that people from very diverse fields enter the filmmaking business and invest their money. There is also a lot of black money flowing into filmmaking. And there is negligible financing by the government and financial institution (other than financing the so-called good cinema).

Before diving in deeper, let us look into the economics of filmmaking. It all begins when a producer and director get together and decide to make a film. The producer looks after the management side while the director looks after the creative side of the project. Together they decide the cast (artists) and crew (technicians) of the film. Now the producer arranges money from financiers who would be interested to invest in the movie. Often these financiers ask for exorbitant interest rates. The financed amount depends on the track record of the director, producer and of course the key cast (hero, heroine, villain, vamp, comedian etc.) and crew (music director, play back singers etc.). The Shoot begins when they strike a deal with the financiers. On the basis of the 'rushes' (parts of the recorded film), the producer tries to sell the film to distributors.

For distribution purpose, India has been divided into five territories. Then there are foreign territories like the Gulf, UK, US, Canada etc. Different territories have different price tags. The producer also sells the music rights and the video rights to audio and video companies. The money received from the territories and sale of music and video rights, covers the investments, interests and provides profits. Often the distributors or the producer finance the film. The distributors rent copies of the films to cinema halls for exhibition.

So, while the cast, crew, director, producer usually make money on the films they make, it is the distributors and exhibitors who face the real risk. They make big money if the film is a hit. Otherwise they suffer huge losses if the audience does not like the film.



Film making in India is a big business. It includes transactions of thousands of crores of rupees every year. Also, lakhs of people make their living being involved with filmmaking. Considering all these facts, it is a pity that there is almost no financial help from the Government. Although it is called an industry because of its size and the amount of business it does, it was not given the industry status until recently. Former Information and Broadcasting Minister Mrs. Sushma Swaraj announced industry status for the film industry. However, the formalities have not been worked out yet. So, filmmakers are yet to avail bank loans and other facilities. It is surprising as the Government spends crores of rupees through NFDC and other such bodies for the making and production of new wave cinema; the commercial film world has been ignored for so long.

However, some recent developments show a lot of hope. Subhash Ghai's 'Taal' became the first Indian film to be insured. Also, many Hollywood studios are entering the Hindi film industry. All these things promise a healthy future for Indian cinema. And governmental help or not, cinema - the marvel of the 19th century & the biggest entertainer of the 20th century - would continue to enthrall viewers in the new millennium.

3.2.9 INDIAN CINEMA BY LANGUAGE

Films are made in a total of twenty-one states in India. Alphabetically, these states include Assam, Bengal, Bihar, Gujarat, Haryana, Jammu, Kashmir, Jharkhand, Karnataka, Goa, Kerala, Maharashtra, Manipur, Odisha, Chhattisgarh, Punjab, Rajasthan, Tamil Nadu and Andhra Pradesh and Telangana, Tripura and Mizoram.

Breakdown by languages

Hindi language films dominate the Indian film market in terms of productions of films and box-office returns followed by the south Indian films. Here is a list of the different languages in which feature films were made in India in 2019- Hindi (495), Kannada (336), Telugu, (281), Tamil, (254), Malayalam (219), Bengali (193), Marathi (164), Bhojpuri (101), Gujarati (80), Punjabi (63), Odia (42), Assamese (16), Konkani (13), and English (11).

In addition, films were also made in the following languages too. Rajasthani, Chhattisgarhi, Tulu, Khasi, Garhwali, Maithili, Awadhi, Lambadi, Haryanvi, Mishing, Nepali, and Pnar.

PROMINENT GOVERNMENT-SPONSORED FILM AWARDS

Bengal Film Journalists' Awards	1937	Government of West Bengal
National Film Awards	1954	Directorate of Film Festivals, Govt of India
Maharashtra State Film Awards	1963	Government of Maharashtra
Nandi Awards	1964	Govts of Andhra Pradesh and Telangana
Punjab Rattan Awards	1940	Government of Punjab
Tamil Nadu State Film Awards	1967	Government of Tamil Nadu
Karnataka State Film Awards	1967	Government of Karnataka



Orissa State Film Awards	1968	Government of Odisha
Kerala State Film Awards	1969	Government of Kerala
Arab Indo Bollywood Awards	2016	ICF Studios

PROMINENT NON-GOVERNMENTAL AWARDS

Filmfare Awards	1954	Bennett, Coleman and Co. Ltd.
Filmfare Awards South	1954	Bennett, Coleman and Co. Ltd.
IIFA Awards	2000	Wizcraft International Entertainment Pvt Ltd
Zee Cine Awards Telugu	2019	Zee Entertainment Enterprises
Zee Cine Awards	1998	Zee Entertainment Enterprises
Asianet Film Awards	1998	Asianet
Screen Awards	1994	Screen Weekly
Stardust Awards	2003	Stardust

FILM EDUCATION

Government-run and private institutes provide formal education in various aspects of filmmaking. Some of the prominent ones include:

- State Institute of Film and Television
- AJK Mass Communication Research Centre, Jamia Millia Islamia, New Delhi
- Annapurna International School of Film and Media, Hyderabad
- Asian Academy of Film and Television
- Biju Pattnaik Film and Television Institute of Odisha
- BOFTA - Blue Ocean Film and Television Academy, Kodambakkam, Chennai, Tamil Nadu
- Centre for advanced media studies, Patiala
- Mass Communication and New Media Central University of Jammu.
- Department of Culture and Media studies, Central University of Rajasthan
- Film and Television Institute of India (FTII), Pune
- Film-Theater Studies, SOH, Tamil Nadu Open University, Saidapet, Chennai
- Government Film and Television Institute, Bangalore
- K. R. Narayanan National Institute of Visual Science and Arts (KRNNIVSA), Kottayam, Kerala
- L. V. Prasad Film and TV Academy, Chennai



- MGR Film and Television institute, Chennai
- Matrikas Film School
- National Institute of Design, Ahmedabad
- Palme Deor Media College, Tambaram west, Chennai and Arulananda Nagar, Thanjavur
- Regional Government Film and Television Institute (RGFTI), Guwahati
- Satyajit Ray Film and Television Institute, Calcutta
- School of Media and Cultural Studies, Tata Institute of Social Sciences, Mumbai
- Srishti School of Art, Design and Technology, Bangalore, Karnataka
- Whistling Woods International
- National school of Drama Delhi

3.3 CHECK YOUR PROGRESS

A. CHOOSE THE RIGHT OPTION.

Note: 1) Use the space below for your answers.

2) Compare your answers with those given at the end of this lesson.

A. CHOOSE THE RIGHT OPTION.

1. Who among the following invented the cinematograph?
 - a) Lumiere Brothers
 - b) Mani Sethna
 - c) Dada Saheb Phalke
 - d) Dharendra Nath Ganguly
2. Who among the following made the first fully indigenous silent feature film in India?
 - a) Lumiere Brothers
 - b) Mani Sethna
 - c) Dada Saheb Phalke
 - d) Dharendra Nath Ganguly
3. Which was the first India's talkie film?
 - a) Alam Ara
 - b) Pundlik
 - c) Raja Harishchandra



- d) Nal Damayanti
4. Which of the following was the first made indigenous, coloured film of India?
- a) Alama Ara
 - b) Pather Panchali
 - c) Kisan Kanya
 - d) Devdas
5. Which is the first indigenous feature film in India?
- a) Pundalik
 - b) Alam Ara
 - c) Sant Tukaram
 - d) Raja Harishchandra
6. Which is the first narrative feature film in India?
- a) Pundalik
 - b) Raja Harishchandra
 - c) Alam Ara
 - d) Sant Tukaram

3.4 SUMMARY

- Dada Saheb Phalke was a painter, architect, photographer, theatre personality and musician. All these talents helped Phalke in filmmaking. In the beginning he made many short films. Months of dedication and hard work by Phalke resulted in India's first full-length feature film- Raja Harishchandra. It was released on April 21, 1913 at the Coronation Theatre, Bombay. 'Raja Harishchandra' was a four-reel long silent film with title cards both in Hindi and English. A group of musicians traveled with the film to theatre halls to provide musical accompaniment.
- In the beginning films were made exclusively in Bombay only. The first film in southern India- Keechaka Vadam (1916) was made by R. Nataraja Mudaliar in Madras.
- Another film – Valli Thiru-Manam (1921) was made in Madras by Whittaker. It was a big success. Kolhapur in Western Maharashtra became a major film production center in the 1920's. Baburao K. Mistry started making films in Kolhapur. His first film Sairandhri was released in 1920. Slowly, more people started film making in different parts of India.
- V. Shantaram and three others set up the first film studio in India: 'Prabhat Film Company'. This company had its own studio where shooting could be done. It had its own regular writers,



directors, technical staff, equipment and also actors and actresses on the payroll who worked exclusively in the films made by the studio.

- Himanshu Rai set up 'Bombay Talkies' in 1935. Other studios that followed were 'Imperial Film Company' of Bombay under the stewardship of Ardeshir Irani, 'Wadia Movietone' by the brothers: producer J.B.H. Wadia and director Homi Wadia. In Calcutta, Dhiren Ganguly and B.N. Sircar formed New Theatre Company (Chandidas, 1932; Devdas, 1936; Mukti). The other major studios were Raj Kapoor's RK Studio, Dev Anand's Navketan Films. Madras based studios like AVM, Gemini, etc. are still active and making films in both south Indian languages and Hindi.
- The forties marked the commercialization of the Indian film industry. Black money started flowing thru the film industry. Also, most of the films became formula based - depending on tried and tested practices of romance, action, songs, dances and happy-endings. Reality went out of films and fantasy became the main basis for Indian films.

3.5 KEYWORDS

Studio System: Phalke set up the first film production company in India. He set up the Hindustan Cinema Film Company in 1918. The next step in this direction was the 'studio system'.

The Star System: The 1940's saw the emergence of 'stars'. Actors, actresses became immensely popular. So did writers, directors and other technicians. They did not want to work for studios for monthly salaries. They wanted to work for the highest bidders. Whoever paid the highest 'fee' got the best of actors, actresses, directors and others. Thus, emerged the "star system". Ashok Kumar who started as a technician with Bombay Talkies and Devika Rani were among the first stars of Indian cinema.

3.6 SELF-ASSESSMENT TEST

1. Write a detailed note on the history of Indian cinema.
2. Discuss the growth of Indian cinema over the last nine decades.
3. Write a detailed note on popular cinema in India.
4. Write a detailed note on art cinema in India.

3.7 ANSWERS TO CHECK YOUR PROGRESS

A. CHOOSE THE RIGHT OPTION.

1. a) Lumiere Brothers
2. c) Dada Saheb Phalke
3. a) Alam Ara
4. c) Kisan Kanya



5. d) Raja Harishchandra

6. a) Pundalik

3.8 REFERENCES/SUGGESTED READINGS

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SUBJECT: MASS MEDIA: STRUCTURE AND MANAGEMENT	
COURSE CODE: MSM-521	AUTHOR: DR. MIHIR RANJAN PATRA
LESSON NO.: 04	VETTER: PROF. MANOJ DAYAL
ADVERTISING AGENCIES & PUBLIC RELATIONS ORGANIZATIONS	

STRUCTURE

- 4.0 Learning Objectives
- 4.1 Introduction
- 4.2 Advertising Agencies
- 4.3 PR Organizations
- 4.4 Check Your Progress
- 4.5 Summary
- 4.6 Keywords
- 4.7 Self-Assessment Test
- 4.8 Answers to Check Your Progress
- 4.9 References/Suggested Readings

4.0 LEARNING OBJECTIVES

After reading this unit, you will be able to:

- Know about the Structure and Functions of Advertising Agencies.
- Know about the Structure and Functions of PR Organizations.

4.1 INTRODUCTION

Advertising is here, there and everywhere. It reaches almost everywhere on earth. It is intrusive. It intrudes in to the privacy of our bedroom. Sometimes it is entertaining and sometimes it is annoying. Advertisements, whatever people say about them, try to inform, educate or to persuade. Advertisements let us know about the various options available in the market. And advertisements help us take informed-buying-decisions. Now the question is how advertising is created? More importantly here, who creates advertisements? The answer is advertisements are created by advertising agencies.

Public Relations also plays a very important role in the world of business and elsewhere. There are many different types of organizations working in the field of public relations.

In today's world of cutthroat competition, success for organizations and institutions has become difficult to achieve. As the number and variety of organizations and institutions - business houses governments, non-profit organizations, educational institutions etc.- is growing at an alarming rate, the key to success is winning over more and more of customers or clients.



Organizations trying to woo more customers or clients use 'persuasion'. And the two major means of persuading are advertising and public relations. Both the means of persuasion use 'information' to create a favorable 'image' while trying to 'influence' more and more clients and customers.

From insignificant and obscure beginnings both advertising and Public Relations have grown into professions and now are full-fledged industries. While advertising has become one of the largest industries of the world, Public Relations however, has somewhat lagged behind in the developing countries.

Majority of the advertising business is handled by specialized organizations called advertising agencies that plan, prepare or produce and place advertisements. Public Relations is also mostly handled by specialized organizations that plan and implement PR campaigns. Advertising agencies and Public Relations organizations, while being outside agencies, have become a major component of business and many other areas. And like the organizations and institutions they serve, ad agencies and PR organizations also have grown in size, stature and complexity.

Most advertisers assign this job of informing the target audience and creating images to advertising agencies. Now the question arises how agencies do their job. The answer is that they plan; they prepare and place ads in the media.

But even an advertiser can do all these things. The management can do planning of ad campaigns. For preparing ads, creative personnel can be hired. And the advertiser for placing the ads can buy media space or time. So why do advertisers hire ad agencies? We shall discuss these reasons in this lesson. Also, we shall discuss more about ad agencies.

In addition, we shall also focus on the structure and functions of PR organizations.

3.2 ADVERTISING AGENCIES

Advertising agencies are basically intermediaries. Primarily they help advertisers plan and produce advertisements and place them in appropriate media. We can define an advertising agency as:

"An independent organization with creative and managerial expert who specializes in the development and preparation of advertising plans, advertisements, and other promotional tools and arranges for the selection and purchase of advertising space and time in the various advertising media to reach the target audience with the relevant message".

REASONS BEHIND HIRING AD AGENCIES

Advertising is a highly complex business. It requires multifaceted expertise and experience. It involves objectivity. It involves huge investments and many other things. So, let us discuss the reasons why advertisers hire ad agencies.

1. **Expertise and Experience:** An advertising agency brings together people with the required expertise and experience of the various sub-disciplines of advertising. So, we have copywriters, visualizers, researchers, photographers, directors, planners and people who get into business and



deal with clients working in ad agencies. All these people have both expertise and varied experience in their respective sub fields.

An agency turns all these people into a team and gives them a highly conducive work atmosphere. The agency makes the best use of their talents and experience to deliver rapidly, efficiently and in greater depth than a company or an organization could do on its own. An advertising agency acquires experience by working with a variety of clients and in a variety of market situations. The varied background of its employees provides a much broader perspective.

2. **Objectivity and Professionalism:** Advertising agencies are highly professional. Objectivity is a major virtue of ad agencies. They operate in a strange way. While they take up advertising for others, agencies hardly advertise themselves. What gets them business is their reputation. And reputation is built up by their professionalism and objectivity.

If an organization hires some people to do its advertising, they cannot be objective all the time. They have to work under a lot of constraints. However, ad agencies being outside intermediaries can be objective. They offer independent and detached viewpoints and suggestions based on objective analysis.

3. **Cost Effectiveness:** If an organization wants to hire people to do its advertising, it cannot provide them work all through the year. Also, most experts in the field of advertising like directors, musicians, photographers charge huge amounts and are often not affordable. Moreover, hiring, organizing and managing all talents required to produce advertising campaigns is not an easy job.

And the fact that 98 percent of advertisers the world over hire ad agencies is proof enough about the cost effectiveness of the agencies. Also, the kind of consistent, powerful and compelling advertising that can be created by using the expertise, experience, objectivity and professionalism of ad agencies cannot be measured economically.

TYPES OF AD AGENCIES

Agencies, like advertisers, come in all sizes and styles. There is little standardization in form, size, and range of services of ad agencies. Size-wise, agencies range from one man shows to huge multinational agencies employing hundreds and thousands of people. In terms of the services provided, ad agencies range from creative boutiques dealing with copy writing and designing, and media planning and media buying agencies to big agencies that provide a wide range of services.

Top international ad agencies like Young & Rubicam, Ted Bates Worldwide, Ogilvy & Mather, J. Walter Thompson, McCann-Ericson, BBDO, Leo Burnett, Saatchi & Saatchi, Foot Cone & Belding not only provide wide range of services, but are also equipped to handle huge multinational accounts such as Pepsi, Coca Cola, Uni Lever, Philips, Sony, etc. Like the companies they serve, ad agencies have branches all over the world.



Some advertising agencies specialize in particular types of advertising like financial, or recruitment ads etc. Some agencies confine their services to a single medium - like print, TV, out door, etc.

While there is no standardization in terms of size and range of services offered, agencies also differ in organizational structure, attitude, and orientation. Some agencies are market-oriented and are focused on sale figures. Such agencies do not bother much about creativity. Some other agencies are creativity-focused and come up with entertaining and award-winning advertisements. Most agencies, however, try to combine both market-orientation and creativity.

Now before discussing further about advertising agencies, let us see what options are available before the advertisers. In fact, there are two broad options before an advertiser:

- An in-house agency, and
- Specialized service organizations.

An in-house agency is a full-fledged advertising agency that is owned by one advertiser and which looks after all the advertising requirements of the owner. In some cases, the in-house agency also takes up outside jobs. One example of this is 'Mudra'. It is the in-house agency of the Reliance Group.

The second option available to advertisers is the specialized services organizations. These are called "creative boutiques". There are many such organizations that offer specialized services like copy-writing, designing, media planning, etc. While these organizations provide excellent out-put, it often becomes difficult to strike a balance among the output of such varying organizations.

There is a third option available to advertisers - specialized agencies. Such agencies specialize in specific areas like health care advertising, financial advertising, recruitment advertising, etc. There are agencies, which specialize in media planning and media buying only.

Here in this lesson, we shall discuss in greater detail about full-service agencies. Such agencies usually provide all the basic services related to advertising, i.e., research services, account services, creative services and media services. Many full-service agencies also provide a lot of additional services related to advertising, marketing and publicity.

ORIGIN AND DEVELOPMENT OF ADVERTISING AGENCIES

It was in the USA where the concept of advertising agency originated and developed. In the beginning there were advertising agents. But it took more than a century before the first advertising agency was set up. Volney B. Palmer was the first such space-salesman to start an advertising agency in Philadelphia in 1841. Soon other such agencies opened.

The first big change came in the 1850's when George P. Rowell introduced the concept of space-whole-selling. This involved buying large blocks of space for cash at very low rates and retailing smaller units (usually squares of one column width) at a much higher rate.



The functions of advertising agencies changed from acting as salesmen and selling advertising space to creating advertisements by combining planning, copy, art work, producing final print-ready plates of ads and placing the ads in newspapers and magazines from whom they received a commission.

From those early days advertising agencies have passed through many changes. Now advertising agencies, the world over, are in the reengineering phase. Takeovers, mergers, strategic tie-ups are occurring every day. This way we now have transnational advertising agencies that have branches in all major countries of the world.

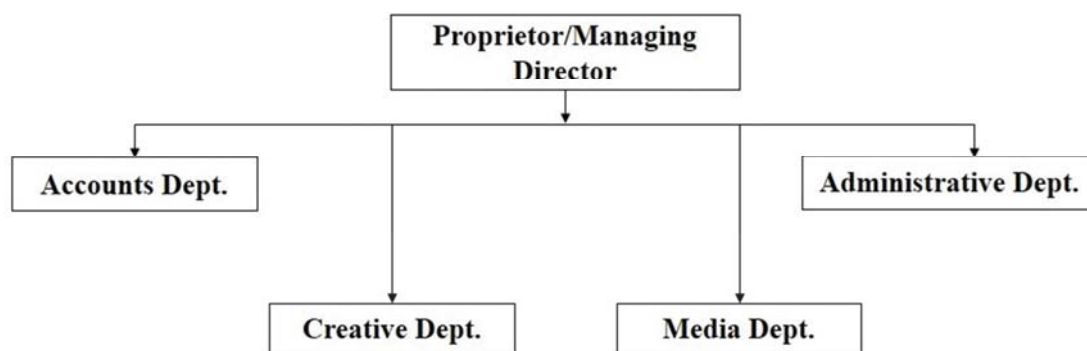
Another big change in the present day is that agencies are providing integrated services. Most major ad agencies try to coordinate a client's entire marketing communication (promotion) and more.

In addition to advertising, they are handling public relations, direct marketing, brand designing, brand nomenclature, packaging, exhibitions, road shows and other sales promotion activities including training sales forces, etc.

ORGANIZATIONAL STRUCTURE OF AD AGENCIES

Advertising agencies vary in size and the type of services they provide. As we have discussed earlier, there are full-service agencies, which provide the basic services of account management, research, creative development and media services. Then there are specialized services that deal with specific services. Some agencies specialize in certain specific areas of advertising like financial advertising, television advertising, outdoor advertising, etc.

Recently, many agencies have come up which specialize in Internet advertising only. The size of agencies ranges from one-person creative boutiques to large transnational agencies that employ hundreds of people. Accordingly, there is no standard organizational structure for ad agencies. The structure of an agency usually depends upon the type of services it offers and the number of people it employs. A small or medium sized agency offering the basic services will have a basic organizational structure like:

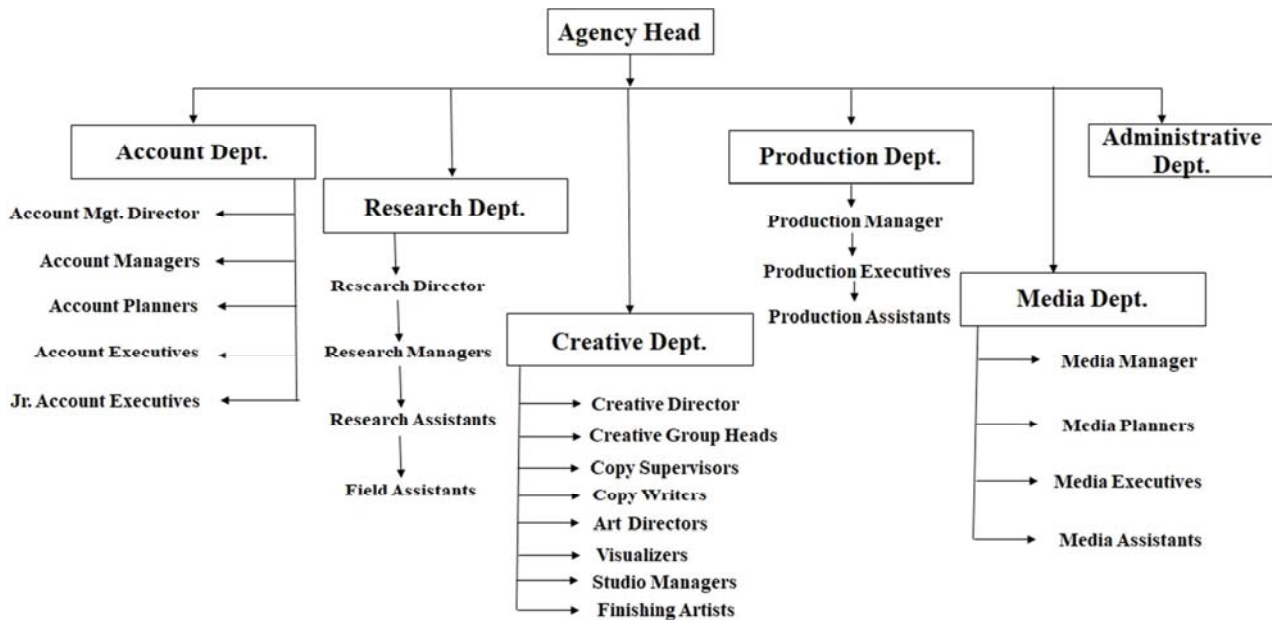


(Basic structure of a medium size full-service ad agency)

Depending on the type and number of services provided, some additional departments like Research Dept., Production Dept. etc. can be added to the above structure. And for agencies that offer additional



services like Public Relations and Exhibitions, separate departments for their additional services are created in the agency. A typical full-service agency with large number of staff will have the following organizational structure.



(Organizational Structure of a Typical Ad Agency)

THE FULL-SERVICE ADVERTISING AGENCY

In simple words, a full service-advertising agency offers all the services required to execute the client's advertising campaign. These services include account planning, research, and creation of ads, production, placement and evaluation of ads.

If we go by this definition, then we shall find very few full-service agencies, as most agencies do not offer all the services themselves.

For example, very few agencies provide complete research services. Similarly, very few agencies have facilities to produce radio and TV ads. However, most full-service agencies get all these things done for the clients - whether through their own expertise and facilities, or they get it done by outside specialists.

Today, in fact, advertising agencies provide many extra services in addition to these basic services. Now before discussing further let us discuss what are the services of an ad agency, what are its functions and what are the basic departments of an ad agency

ACCOUNT MANAGEMENT

Account, in advertising language, means a piece of the client's business. So, in very simple words, account management is managing or looking after the client's advertising business.



The Account Management department first gets the business or account by convincing the client that their agency can deliver the goods. Usually agencies get the accounts through two ways - pitching and empanelling. We shall discuss these in detail later.

It is said that people working in the Account Management Department (Account Managers, Account Executives, Client Service Personnel), or account handlers as they are generally known as, are the client's representative at the ad agency and the agency's representative to the client.

As the link between the client and the agency, the role of an account manager is to define what kind of advertising the client needs and then coordinate all the resources of the agency to deliver it to the client's satisfaction. An account manager needs to know all aspects of the advertising process from start to finish in addition to a thorough understanding of the client's business. This way the account manager can coordinate everything properly. So, what it takes to be an account manager is:

- Jack-of-all-trades and master of some,
- Punctuality or delivering before the deadline,
- An eye for details,
- Quality consciousness,
- Ability to coordinate,
- Strong understanding of the advertising process,
- Strong communication skills,
- Team spirit and leadership,
- A sense of urgency,
- Excellent organizational skills,
- Ability to handle many things at one time, and
- Ability to remain calm under pressure.

RESEARCH FUNCTION

The basic raw material for creating good advertising campaigns is information. Ad agencies require information about the product (brand) and its competitors, the company and its competitors, the market place, the consumers (their latent needs, wants and their buying behavior), the media (the circulation, readership, listener ship, viewer ship, rates, options and prestige, etc.).

Client provides some of this information. But for rest of the information, agencies conduct research. However, only a few agencies across the globe provide this research service on their own. They usually depend on readymade material prepared by specialist research organizations (IMRB, ORG-MARG, Nielson's, etc.) or ask these organizations to conduct the required research.

CREATIVE DEVELOPMENT



Developing great selling ideas and advertising that is liked and acted upon is perhaps the very objective that every agency aims for. The people who do it are the creative people. These people take all the information collected by the account manager and the strategy developed by the account planner. And they turn these information and strategy into perceptions. Next, they turn the perceptions into words and pictures.

As words and pictures are like the heart and soul of advertising, usually copy writers (people who write copy or the written text of the ads) and artists (who visualize and conceptualize the visual part and also decide the layout) work together. Copywriters and artists working in pairs complement each other.

MEDIA FUNCTION

'Media' services in advertising language means selection, booking, purchase of media space or time, and placement of advertisements according to the prepared schedule. This involves media planning and media buying. And both these have emerged as highly specialized areas.

In fact, media planning and media buying have become independent areas and many specialized organizations have come up which deal with media planning and media buying respectively.

Some full-service ad agencies do not have a media department at all. They depend on media planning organizations to create the media plan or to select the media, the vehicles, and the options and of course to prepare the schedule. Then accordingly they ask media buying organizations to book advertising space and time in the relevant media. Some agencies do the media planning on their own and leave the job of media buying to specialized organizations.

PRODUCTION

Although this is a very important aspect of advertising many agencies do not have production departments. A production department requires many experts in the field of production (photographer, finishing artists, illustrators, computer experts, jingle writers, music directors, musicians, directors, etc.). Also, highly expensive equipment is required.

Having all these technical experts and the equipment demands heavy investment. Advertising agencies leave this part of advertising operation to organizations that specialize in such fields. However, most of the agencies have functional art studios and sufficient computer facilities.

ADDITIONAL SERVICES PROVIDED BY AGENCIES

Advertising agencies offer the following additional services. This list, however, does not include all the additional services.

- Public Relations,
- Media relation,
- Election campaign management,
- Direct marketing,



- Exhibitions,
- Road shows and Event management,
- Marketing research,
- Brand nomenclature,
- Brand designing,
- Packaging,
- Training of sales force,
- Sales promotion, and
- Internet and on-line advertising.

AGENCY COMPENSATION

As in case of the size and the organizational structure, the ways the agencies are compensated also vary. In fact, there are three ways of agency compensation:

- Flat Fee System,
- Retainership System, and
- Media Commissions.

FLAT FEE SYSTEM

Under this system, the agency estimates the total cost of handling the client's advertising for a year (this is done for long duration campaigns, otherwise, calculations are made for one campaign) and collects it in monthly installments. In this case the agency, does not get any commission from the media. In fact, the client pays the media cost minus the usual agency commission.

The fee is calculated by the total hours of work put in for the client's advertising, multiplied by the standard hourly fee (agreed upon earlier by the client) and then a further 25 percent is added for overheads and profit. Earlier this system was not very popular. But these days many agencies are adopting it.

RETAINER SYSTEM

This system is mostly used for limited or short duration work done by the agency. This is similar to what happens in the general consultancy business. This system is adopted mostly when the primary function of the agency is to advice. Other instances include where there is no media commission like in case of organizing exhibitions, sales force training, demonstrations, and road shows, designing promotional literature or items.

Here the fee is usually decided well in advance. This method is also used by agencies that are not accredited and thus are not eligible for commissions.



COMMISSION SYSTEM

This is the most commonly used method. In fact, the earliest ad agencies also worked in a commission business. But there was no standardization and the commission percentages varied according to availability of space and demand for it. Francis Ayer who fixed the commission at 15 per cent standardized this system. What happens in this system is that a client employs an agency. The agency plans, prepares and places ads in media. The media bills are sent to the agencies, which are then forwarded to the client. The client pays the full amount to the agency. But the agency pays the media only 85 per cent of the billed amount keeping 15 per cent for itself.

Variations of this system also exist. For example, in case of outdoor advertising, where there are no recurring media costs and it is a one-time expenditure, the commission is fixed at 16.5 per cent. In the New Zealand, agencies charge 20 per cent instead of the regular 15 per cent. In USA and many other countries, the regular 15 per cent comes down to 12.5 or even 10 per cent depending on the total amount of the media costs.

While this system is the most widely used, it has got some disadvantages. These include over-payment and under-payment to agencies. Over-payment occurs in the high volume (quantity wise) advertising world of consumer nondurables, which involve large number of advertising exposures or repeated media inserts. Underpayment occurs in the low volume advertising of industrial goods.

Here the number of exposures is less, as is the cost of media. Also, there is a tendency by agencies to plan more expenses in media costs, which leads to more profit for the agencies.

To overcome these problems, many newer methods have been devised. One such method involves prior negotiation of payment on the basis of risks involved. Clients adopt an incentive-based payment system that links performance (in terms of success of the ad campaign) to pay or compensation.

AGENCY RECOGNITION

Advertising is a highly profitable business. So, the field of advertising attracts a lot of people. Accordingly, agencies have mushroomed in large numbers. This is a worldwide phenomenon. This large number of agencies creates a lot of chaos - particularly when the legitimacy of most small of agencies is in doubt.

The media, which do not get paid in time, faces the biggest problem and in some cases they do not even get paid. For this purpose, media - particularly media associations - have adopted a method of 'recognition'. This system is known as the 'accreditation' system in many countries including India. In addition to media trade associations, individual media vehicles like newspapers and TV channels also 'accredit' or 'recognize' few agencies.

In India, Doordarshan has its own list of accredited agencies and receives TV commercials only through them. For recognition to be granted, agencies need to fulfill certain criteria to ensure that the standards of service provided by the agencies are consistently high. Some of these criteria include:



- The agency must have people with sufficient expertise and experience to perform the necessary advertising activities efficiently.
- The agency must have sufficient financial resources to be able to meet its obligations to media owners in paying bills.
- The agency must be free from control - financial or otherwise- of advertisers and media owners.

SELECTION OF THE AGENCY

One of the most important decisions that an advertiser takes is selecting the agency to handle its account. There is no standard procedure for this, but usually the following criteria is used:

1. **Growth:** How the agency has been growing in terms of accounts and billing over a period of time? This reveals the growth rate of the agency.
2. **Expertise & manpower:** One gets to know about these two things by asking the following questions. Does the agency have manpower with the expertise to run the campaigns? Does the agency have the experience to handle the account? Has it worked with accounts of similar type, size, and nature? Has it shown versatility in handling all product categories?
3. **Agency philosophy:** Is the agency philosophy traditional or progressive? Does it employ situational sensitivity and practical selectivity in handling different accounts?
4. **Camping planning:** Does the agency have the ability to gather relevant information, analyze, and interpret all facts and conditions, and can it come up with sound ideas?
5. **Media:** Does the agency have ability to conduct efficient media research and prepare effective media plans? Can it buy the required media time and space?
6. **Creativity:** Can the agency come up with good ideas applying imagination to solve your advertising problems?
7. **Production:** Does the agency have sufficient production facilities? Does it have enough contacts for getting production done from outside agencies?

In addition, some advertisers also look for qualities to handle product publicity, merchandising, marketing, public relations, etc.

EMPANELLING OF AGENCIES

The most common way of selecting an agency is through pitching. Agencies find out about companies that plan to launch ad campaigns and try to get the contracts by making presentations about the agency's capabilities. In other cases, the client asks a few agencies to make presentations for a campaign. The agency that makes the best presentation gets the account.

Another way of choosing agencies is through empanelling. Mostly larger companies with a wide range of brands opt for this method. They invite some agencies to make presentations and then put the



best agencies on a panel. Mostly different agencies on the panel are given different accounts or different parts of an account like print account, TV account, outdoor account, etc.

CHANGING TRENDS IN THE AGENCY WORLD

While advertising agencies have seen a lot of changes in the recent times, two major developments are very significant. These are mega mergers and consolidation.

Mega mergers: While mergers have been an integral part of the ad agency world since a long time, it took a different turn in 1990s. Three international agencies: Batten, Barton, Durstine, and Osborne (BBDO), Doyle Dane Bernbach (DDB), and Needham-Harper Worldwide - join together to form Omnicom, which became a really big ad agency conglomerate. Soon after Saatchi & Saatchi of London acquired Ted Bates Agency along with William Wisty Agency and many other agencies. It became bigger than Omnicom.

Since then many mega mergers have taken place. In 1989, the biggest mega corporation of ad agencies was created. It is called the WWP and is based in London. It has under its belt the Ogilvy & Mather agency and the J. Walter Thompson agency - two of the biggest agencies along with a host of other agencies. WPP also owns direct marketing agencies, sales promotion agencies, Public Relations firms, market research organizations, companies dealing with directory (Yellow Pages) advertising, etc.

With the ability and infrastructure in all aspects of advertising, these mega corporations are able to offer what is called 'integrated marketing communication' (IMC) that brings together all the variables of the marketing mix and integrates their programmes and activities.

Also, these mega corporations have increased their geographic reach and scope considerably and are able to serve global (multinational) clients more easily and efficiently.

Consolidation: This is one of the cruelest practices in the field of advertising. It involves appointment of one single agency for all the advertising of a client. And this client is usually a large, multinational company with many brands. One example of this is that Square D. Company, a worldwide manufacturer of electrical controls dismissed thirty agencies and appointed Young and Rubicam agency to look after all its accounts. Supporters of consolidation claim that it achieves one 'look' for the company's varied advertisements and campaigns, gets better rates of media and reduces the complexity of managing the entire marketing efforts.

Other changes taking place in the ad agency world include - sinking creative standards, cutting of commission, diversion of money from advertising to other promotional activities, special deals for retailers (for push selling), etc.

4.3 PR ORGANIZATIONS

In a world of increasing complexities, chaos and cutthroat competition, it becomes imperative for organizations, companies, and institutions to stay ahead in the race for success. One good way of doing this is to perform well and better than the competitors. Performing well is not enough. So, organizations



and companies try to maintain good and mutually beneficial relationships with all their publics through the practice of public relations. PR has been defined by many in different ways.

Public Relations help an organization and its publics adapt mutually to each other. Public Relations is an organization's efforts to win the cooperation of its publics. Public Relations include the deliberate, planned and sustained efforts to win the good will of the publics through mutually beneficial, two-way communication.

FUNCTIONS OF PUBLIC RELATIONS

John Marston, a professor of communication, has identified four functions of PR. These include Research, Action, Communication and Evaluation (RACE). 'Research' involves finding out what the various publics want from the organization. This basically involves finding out the attitudes of the publics on a particular issue. 'Action' means planning and finalizing programmes to address this particular issue. 'Communication' involves reaching the publics with messages designed to gain understanding, acceptance and goodwill. Finally, 'evaluation' means finding out the effects of the communication efforts on the publics.

Public Relations Professor Sheila Clough Crifasi has extended the R-A-C-E formula into the R-O-S-I-E formula. While the 'R' and 'E' in this formula stand for research and evaluation respectively, the other functions included here are objectives, strategies, and implementation. PR practitioners set clear objectives (as in case of advertising) on the basis of the attitudinal research conducted. Strategies are devised to achieve these objectives, which are duly implemented.

On the basis of the R-A-C-E and R-O-S-I-E formula, Denny Griswold has given the following definition, which encompasses the functions of PR.

Public Relations is the management function which evaluates (researches) public attitudes, identifies the policies and procedures of an individual or organization, and plans and executes (implements) a program of action to earn public understanding and acceptance.

PR plays the role of a 'harmonizer' of long-term relationships among individuals and organizations. Professor Melvin Sharpe has identified that good Public Relations works by way of:

- Honest communication for credibility,
- Openness and consistency of actions for confidence, or Fairness of action for reciprocity and goodwill,
- Continuous two-way communication to prevent alienation and to build long term relationship, and
- Periodical research and evaluation to determine the actions or adjustments needed for social harmony (between the organization and its publics).



Here, the goal of Public Relations is to harmonize internal and external relationships. This way the specific functions of Public Relations fall under two broad categories of building internal relationships and external relationships. Internal relations includes employee relations. External relations includes client or customer relations, shareholder relations, financier or investor relationship, trade relations, government relations, media relations, industry relations, community relations, etc.

In another sense, the functions of PR fall under three categories: man management, issue management and crisis management.

PR DEPARTMENTS AND PR CONSULTANCIES

While PR has grown in leaps and bounds in the West, particularly in the USA, it still has to do a lot of catching up in a country like India. PR is still practiced in a rudimentary form in many organizations in India. However, most major organizations- government or private- have got PR departments.

In fact, the Government of India has the biggest PR set up, although it is not practiced in the name of PR. The Central Government, under the Ministry of Information and Broadcasting, has got two of the biggest government mouthpieces in Doordarshan and All India Radio. Then there are a host of other organizations. The Press Information Bureau (PIB) works as a clearinghouse for government information to various media. The Directorate of Advertising and Visual Publicity (DAVP) is the clearinghouse for all government advertising except for the Railways Ministry. It also looks after visual publicity of the government's plan, policies and programmes.

The Directorate of Field Publicity (DFP) is armed with mobile vans and publicizes government activities in the remote areas. The Photo Division has the largest network of photographers and largest collection of still photos. The Research and Reference Division (RRD) procures information on all aspects and provides them to various ministries and departments. The other divisions of the Ministry of Information and Broadcasting include the Song and Drama Division, the Publication Division, the Registrar of Newspapers of India (RNI), and the Indian Institute of Mass Communication (IIMC).

Similarly, the state governments also have ministries, departments or directorates of Information and Public relations, which look after the Public Relations of the states.

Most organizations in the country have PR departments and these are developed to a great extent. However, the concept of PR consultancies has not caught up in India in a big way. There are only a few dozens of PR consultancies while there are thousands and thousands of ad agencies. However, many advertising agencies provide PR services.

ORGANIZATIONAL STRUCTURE OF PR DEPARTMENTS AND PR CONSULTANCIES

Every organization today has a PR department. We have already discussed about the government. Public sector organizations also have PR departments, as do private organizations- be it business houses, educational institutes, voluntary organizations or religious institutions. Public Relations departments in India do not have much direct authority. But they assist, advise, and stimulate other departments to carry out PR activities towards increasing the public acceptance of the organization as a whole.



Often other departments forget about their PR responsibility being busy with their own work. While other departments concentrate on the performance part, the Public Relations department looks after getting the recognition for their performance.

Public Relations departments employ specialists who do a better and effective job by identifying and anticipating attitudes and trends, formulating plans and programmes, implementing them and finally coordinating all Public Relations activities of an organization. Public Relations is usually placed at the top management level in an organization. A Director or President or Vice-President looks after the PR activities.

The Director of Public Relations is there to advise and participate with management in major policy decisions. A PR Director should be in a position to represent the public viewpoint on corporate policies and problems. A PR Director usually has the same position as those of heads of other departments. This way he is able to understand the problems of other departments and gain their cooperation in carrying out PR programmes.

A Public Relations department is organized on the basis of the functions to be carried out, on the basis of the staff, or on the basis of the 'media of communication', 'publics', 'geographic areas' etc. When organized on the basis of media of communication, a PR department has different divisions for print media, radio, TV, films, exhibitions, advertising, etc.

For example, in India the government PR departments are organized this way. We have already discussed that the Ministry of Information and Broadcasting has several wings like the Press Information Bureau, All India Radio, Doordarshan, Films Division, Directorate of Field Publicity, Directorate of Advertising and Visual Publicity, etc. Most of the state government PR departments or directorates are also organized this way.

The second type divides the PR department on the basis of publics. PR departments of many organizations - particularly private sector organizations - have such divisions as Employee Relations, Shareholder Relations, Investors Relations, Media Relations, Government Relations, Community Relations, etc.

Some very big organizations which have branches in many parts (of the country or the globe) have PR divisions in various geographic locations as part of the PR department.

Sometimes organizations have a mixed organizational pattern. Some manufacturing organizations have PR divisions for the different products or brands they manufacture.

The organizational structure of PR departments differs on the basis of the size of the parent organization, the management philosophy, and the policies and also the areas of operation. The size and structure of the PR department depends on the degree of importance given to PR by the organization.

For example, in the Western countries, where PR is given a lot of importance and practiced relentlessly and vigorously, the PR departments are elaborately organized. But in India, except in some very large organizations and institutions, PR is not given much importance and thus the PR departments



are quite small in size. The organizational structures of big and medium-sized PR organizations are given at the end of this lesson.

FUNCTIONS OF PR PERSONNEL

Earlier we discussed the general functions of a PR department; now let us focus on the specific functions of the PR personnel. These include public speaking or addressing the various publics, writing and editing publicity material, newsletters, house journals, speeches (for others), reports, articles, etc. PR personnel also handle employee relations, media relations, shareholder relations, government relations, community relations, etc. They also answer and deal with complaints, act upon suggestions and of course, they plan and organize special events ranging from annual day functions, anniversaries, Foundation day celebration, the various pujas, etc.

PR CONSULTANCIES

The concept of Public Relations consultancies originated in the 1930's in the USA and other major Western countries. The earlier press agents who arranged for more coverage for organizations in the press switched over to form PR consultancies. In the beginning, these consultancies helped big corporations regain public confidence lost in the economic depression of the 1930s and also to counter-act public criticism of business.

Most of these early practitioners of PR counseling ran one-man operations. The big names of the early days (1930s and 1940s) include Ivy Lee, Edward L. Barnays, Pendelton Dudley, Steve Hannagan, Albert Lasker, and John Price Jones. All these PR counselors expanded their business following World War II. They recruited more people, developed teams of experts and formed big firms.

Now, in the USA, one third of all business houses and industries rely on PR consultancies for their PR. About half of the major corporations retain PR consultancies on a continuous basis in addition to their own in-house PR departments. And the services of Public Relations consultants (individuals and groups) have expanded manifolds. The Public Relations Society of America (PRSA) has listed the following services.

- Establishing and defining of short-term and long-term PR goals.
- Counseling and guiding the management on actions and policies that affect Public Relations goals.
- Support the marketing communications programmes including product publicity by way of news releases, features, case studies, audio-visual aids, and media coverage.
- Stockholder and Financial Relations - including interim, quarterly and annual reports, assistance in conducting the annual meeting, liaison with financial organization.
- Employee Relations - including company publications - newsletters, house journals etc.-and information programmes for the employees.



- Community Relations - Liaison with local media for increased and improved coverage, staging special events such as pujas, open houses, tours, etc.
- Government relations - Helping build relations with local, state or central governments by liaising with concerned government departments.
- Evaluation - Measuring effectiveness of PR programmes.

As we have discussed, the functions of the in-house PR departments and outside PR consultancies are the same. However, often the outside PR consultancies only plan the programme while the operational part is left to the in-house PR department.

ADVANTAGES OF PR CONSULTANCIES

As in case of advertising agencies, PR consultancies offer wide-ranging expertise and experience, objectivity, professionalism and other things. The services of an outside PR consultant are often much less expensive for smaller organizations, which cannot afford to have a full-fledged PR department. The outside point of view of PR consultants brings the 'public perspective' to an organization's public relations.

The services of an outside consultant are flexible and can be adapted to the various needs of an organization. Most importantly, outside PR consultancies have better resources and contacts.

LIMITATION OF AN OUTSIDE PR CONSULTANCY

An outside consultancy is not familiar with the internal operations and problems of an organization like the personnel of the internal PR department. Many outside consultancies specialize in specific aspects of PR and thus are not suitable for managing complete PR programmes. Some consultancies have fewer staff and thus cannot execute comprehensive PR programmes.

SELECTION OF PR CONSULTANCIES

As PR consultancies vary in size and structure, they also vary in terms of the quality and quantity of services offered, experience, background, etc. Thus, before selecting an outside PR consultancy a few characteristics should be checked. These include:

- Competence and Reputation- Years in business, size, personnel, and billing; range of services (specialties);
- Reach (local, regional, national, international); growth pattern; financial stability; types of accounts; experience of similar accounts; samples of work; etc.
- Clients - Existing client list, past clients, average number of clients during last three years, retainership clients, project clients, old clients and number of years of association, average length of relationship with clients, clients lost in the previous year, etc.
- Staff - List and qualifications of staff (full time, freelance, consultants); staff to be assigned for your assignment - qualifications and service with firms; percentage of their time to be devoted to your assignment; secretarial and back-up staff available; staff turnover in last two years, etc.



- Results and measurement - Does the firm understand your objectives and needs; how the progress will be reported; how results will be measured; what will be the cost of billing, how expenses will be billed; approval process; etc.

After gathering the above information, you would have a fairly good idea as to how good the firm is to get your business and whether you would feel comfortable with them.

Once you have finalized your decision, you may collect some additional information about the firm from its previous clients, its previous employees, its credit worthiness and the reputation enjoyed by the firm among professional bodies and among media people.

This kind of checking may not ensure the selection of best consultants by itself, but will definitely reduce the chances of picking up a bad consultant.

REMUNERATION TO PR CONSULTANCIES:

The type of assignment handled by a consultancy usually determines the payment would be. Normally any of the following four methods may be adopted for fixation and payment of fee of the consulting agencies:

By the Day: Consultants charge on per-day basis, which varies from company to company. It may vary between Rs. 2,000 to even Rs. 15,000 a day.

By Project: This mode of payment is normally agreed upon when the involvement of consultant is for a specific and well-identified project. He quotes a fee for the whole project irrespective of number of days he is going to take to complete the project.

By the Hour: This method is adopted when the assignment is very short or and very complicated requiring the specialized skills of highly experienced consultants. The consultant makes a rough estimate of the amount of time he is going to charge to complete the project and the degree of complexity involved, based on which he quotes his hourly rate. In our country, the rate varies from Rs. 200 to Rs. 2,000 per hour whereas in America and the other European countries it varies from \$ 50 to \$ 100.

Retainership: In this system, a token amount is paid to the consultant every month irrespective of the fact whether his services were availed or not. This is done in order to have his services on preferential terms as and when company needs his services.

Normally the small telephone advices or consultations are not charged separately by consultants but for undertaking any assignment, he charges over and above the monthly retainership fee.

The system is more suitable for small companies which do not have sufficient work to establish their own Public Relations department or who cannot afford the burden of a full-fledged PR consultancy and yet need the services of a senior PR professional from time to time to guide them.



The concept of retainer fee was introduced with a view to reimburse the consultant partly towards maintenance of his fixed cost and to ensure availability of his services on a priority basis in preference to other clients as and when needed by the organization. The idea is to benefit both: the engaging company as well as the consultant by avoiding unnecessary cost for the company when it does not require the consultant with liability of payment of his fee and by providing freedom of other assignments to the consultant.

4.4 CHECK YOUR PROGRESS

Note: 1) Use the space below for your answers.

2) Compare your answers with those given at the end of this lesson.

A. FILL IN THE BLANKS

1.help advertisers plan and produce advertisements and place them in appropriate media.
2. An in-house agency is a advertising agency.
3. When organizations offer specialized services like copy-writing, designing, media planning, etc. are called
4. in advertising language, mean a piece of the client's business.
5. Account handlers as they are generally known as, are the at the ad agency and the to the client.
6. services in advertising language means selection, booking, purchase of media space or time, and placement of advertisements according to the prepared schedule.
7. Three ways of agency compensation are, and
8. help an organization and its publics adapt mutually to each other.
9. According to the John Marston, four functions of PR are,, and
10. works as a clearing house for government information to various media.

4.5 SUMMARY

- Successful advertising adds perceived value to brands by giving the product a personality, communicating in a manner or tone liked and understood by the potential customers, and setting the brand apart from its competitors. Advertisers assign this job of informing the target audience and creating images to advertising agencies.
- Advertising agencies plan; prepare; and place ads in the media.
- An advertising agency brings together the expertise and experience of the various sub-disciplines of advertising including copywriters, visualizers, researchers, photographers, directors, planners, etc.



- The basic functions of ad agencies: Account Management, Creative Development and Production, Media Planning and Buying, and Research Services.
- The business or clients are termed as 'accounts' in advertising language. Agencies make pitches or presentations to potential clients to get business. Major advertisers have panels of agencies and they assign advertising jobs to them.
- The creative function involves processing the information collected from the client and through research and designing communication material in the form of advertisements (printed, radio or television) and other publicity material. This includes planning creative strategies, copy or script writing, visualization, designing, layout, shooting of films, editing, giving music, etc.
- The media service is an important function of any ad agency as reaching the target audience in an effective manner is of prime importance.
- In India, organizations like IMRB, MARG, ORG, MODE etc. conduct research and provide information to ad agencies. Agencies also depend on the Registrar of Newspapers of India (RNI) for circulation figures. The Indian Readership Survey (IRS) and the National Readership Survey (NRS), conducted periodically to update findings, provide valuable information about readership.
- Ad agencies providing the four above-mentioned services are called full-service agencies. In addition, many agencies also offer a variety of allied services. These include: Merchandising, Public Relations, Organizing exhibitions and fairs, Preparing all kinds of publicity material, Organizing special events (Events management), and Direct marketing.

4.6 KEYWORDS

Advertising Agencies: An advertising agency brings together the expertise and experience of the various sub-disciplines of advertising. So we have copywriters, visualizers, researchers, photographers, directors, planners and people who get business and deal with clients.

Functions of Ad Agencies: Ad agencies basically do three things. These are: Planning the ad campaign, Preparing or producing ads and Placing the ads in different media.

Account Management: Account Management involves more than just getting business. It involves acting as a liaison or link between the client and the agency, collecting information and directions from the client and passing those on to the agency, getting approvals for strategy, creative works, media plans etc.

Creative Development and Productions: This function involves processing the information collected from the client and through research and designing communication material in the form of advertisements (printed, radio or television) and other publicity material. This includes planning creative strategies, copy or script writing, visualization, designing, layout, shooting of films, editing, giving music, etc.

Media Planning and Media Buying: This is an important function of any ad agency as reaching the target audience in an effective manner is of prime importance. On the basis of the media habits (access



and exposures) of the target audience, agency people prepare a media plan. This includes which media to be used, which part of the media to be used, when to place the ads and for how long to place the ads etc.

Research Services: Information forms the backbone of all advertising. To prepare ads, one requires information about the product, its competitors, the market situation and trends; information about the audience (their likes & dislikes and media habits etc.) also needs to be collected. Also needed is information regarding the reach and effectiveness of various media?

Other Functions of Ad Agencies: Ad agencies providing the four above-mentioned services are called full-service agencies. In addition, many agencies also offer a variety of allied services. These include: Merchandising, Public Relations, Organizing exhibitions and fairs, Preparing all kinds of publicity material, Organizing special events (Events management), and Direct marketing, etc.

4.7 SELF-ASSESSMENT TEST

1. Discuss the various functions or services of an advertising agency.
2. Discuss an advertising agency is organized.
3. Discuss why advertisers hire advertising agencies.
4. Discuss the structure of a PR consultancy.
5. Discuss why organizations hire PR agencies.
6. Discuss the various functions of a PR consultancy.

4.8 ANSWERS TO CHECK YOUR PROGRESS

A. FILL IN THE BLANKS

1. Advertising agencies
2. Full-fledged
3. Creative boutiques
4. Accounts
5. Client's Representative, Agency's Representative
6. Media
7. Flat Fee System, Retainership System, and Media Commissions.
8. Public Relations
9. Research, Action, Communication and Evaluation
10. Press Information Bureau (PIB)

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