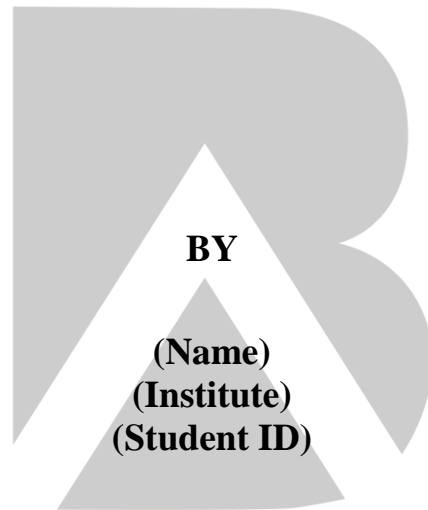


MANAGEMENT THESIS

ON

**“ONLINE ADVERTISING THEIR BUDGETING AND
COSTING AT RELIANCE COMMUNICATIONS IN PUNE”.**



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Reliance communication Ltd

Seven loves chowk

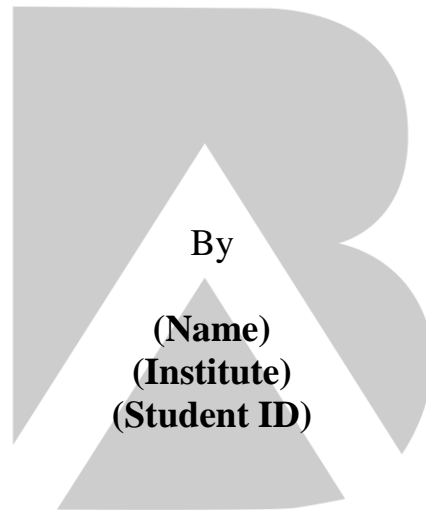
Vardhman building

Pune 20

MANAGEMENT THESIS

ON

**“ONLINE ADVERTISING THEIR BUDGETING AND
COSTING AT RELIANCE COMMUNICATIONS IN PUNE”.**



By
(Name)
(Institute)
(Student ID)

BIZASTRA
A report submitted in partial fulfillment of the requirement
for MBA
(Institute Name)
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(Faculty Guide)

(Company Guide)

CERTIFICATE

This is to certify that the Management Thesis titled **“ONLINE ADVERTISING THEIR BUDGETING AND COSTING AT RELIANCE COMMUNICATIONS IN PUNE”**.

Submitted by _____. Enrollment No. _____ during Semester-III of the PG Program
(Class of 20) embodies original work done by him.



Signature of the Faculty Supervisor

Name:

Designation:

Center:

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(iii)

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My sincere thanks to Mr. _____ Company guide for this assistance. Last but not least I would like to convey my special thanks to all faculty members of my College and all my friends for giving the opportunity to work on “FINAL PROJECT ON MANAGEMENT THESIS”.

“I also thank all persons those whose valuable guidance makes it so simple and support me during the project development directly or indirectly”.

I would also like to thank everyone who contributed for the completion of this project.

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Place:

Date:

Name:

SUMMARY

The project titled “Online advertising their budgeting and costing at Reliance communication in Pune”

Unfortunately online advertising is not followed by Reliance communication They only follow Traditional way of advertising like Visual media, print media.

The main objective of the project is to study online advertising and various forms of advertising and growth of internet in India and importance of online advertising in booming Telecom industry

This project discusses the importance of online advertising

How it has becoming one of the most popular applications in online advertisement, particularly in the form of rich media advertising and e mail advertising through internet

However, in the study of online advertising little is known regarding the effectiveness of online advertising and the factors contributing to its success.

The research investigates the significance of a number of factors associated with Online advertising effectiveness through a study of Indian Internet growth and the demographic segment in India the youth who are more inclined to adopt technology faster

The results of the study suggest that a stronger focus on online advertising is necessary to improve the effectiveness of advertising campaigns. As online advertising is cost effective and through creative use of internet it is helpful in brand building

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ABBREVIATIONS

1. SMSShort message service
2. HTMLHyper text markup language
3. MMS..... Multi media messing
4. DMA.....Direct Marketing Association
5. CAN-SPAM Act..... (Controlling the Assault of Non-Solicited Pornography and Marketing Act)
6. CPU.....Central processing unit
7. VSNL.....Videsh sanchar nigham limited
8. GSM.....global system for mobile communication
9. CDMA.....Core division multiple access
10. DMA.....Direct marketing association

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Introduction

Internet

Overview

Today we live in the age of the internet, global spinning technology that has taken hold remarkably quickly. Currently internet has altered the way the business is managed. Internet has grown more rapidly than anyone could have foreseen even five years ago, opening up new landscapes of communication, collaboration and coordination among customers, businesses and trading partners. Today, internet related technologies and application have developed enough to change the way in which businesses engage, source, sell goods and services. Similarly radical changes have become evident with consumer, service provider, marketer and advertiser and all those connected to global information infrastructure, we can now easily spot and exchange with people in every corner of the earth, expanding the internet in terms of user numbers, transaction volumes and business penetration.

These developments in the internet world and web based technologies are providing enterprises with the capability to reach global markets, and identify both prospects and customers, irrespective of geographical limits, for their products and services. Currently, the trend is to further exploit the potential of the internet and enhance the effectiveness of e business by analyzing online customer behavior in real time. When used frequently, the internet offers extended online advertising and promotion opportunities that add value giving then a imputative edge. His convergence and application of e-business intelligence tools data warehouse of real time customer data across geography, while opening opportunities for customer analytics, which when leveraged, optimized e business promotion. Utility, this leads the way to real time one to one marketing even with unknown customers.

Online advertising

Online Advertising is promoting products and services using the World Wide Web. Advertising online is a simple and cost effective way to advertise and is fast taking its share of the market from more traditional forms of print and broadcast advertising.

Using 'keywords' users or customers are able to refine their search for a particular product or service. Advertisers bid on these keywords and search engines match them to businesses that are listed under these words or categories. This provides a positive search experience for users who can otherwise become frustrated searching through thousands of listings before finding what they want. Businesses benefit because people who want to purchase their products or services are directed to their site, increasing their return on their investment i.e. sales.

Businesses can also use the internet to keep in touch with customers through newsletters, chat groups and promotions.

Advertising Online can be positive and legitimate, or an invasion of personal privacy. Legitimate online advertising includes search engine advertising, desktop advertising, online advertising directories, advertising networks and opt-in e-mail advertising. Illegitimate advertising is dominated by spamming.

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Different Forms of Advertising

a) Rich Media advertising

The display advertising portion of online advertising is increasingly dominated by rich media, generally using Adobe Flash. Rich media advertising techniques make overt use of color, imagery, page layout, and other elements in order to attract the reader's attention. Some users might consider these ads intrusive or obnoxious, because they can distract from the desired content of a webpage. Some examples of common rich media formats and the terms of art used within the industry to describe them:

- **Banner ad:** An advertising graphic image or animation displayed on a website, in an application (such as Eudora), or in an HTML email. Banner ads come in numerous standard sizes defined by the IAB, but originally (in the mid to late 1990s) were only rectangular GIF images 468 pixels wide by 60 pixels high. Media types and sizes have since become much more varied.
- **Interstitial ad:** The display of a page of ads before the requested content.
- **Floating ad:** An ad which moves across the user's screen or floats above the content.
- **Expanding ad:** An ad which changes size and which may alter the contents of the webpage.
- **Polite ad:** A method by which a large ad will be downloaded in smaller pieces to minimize the disruption of the content being viewed
- **Wallpaper ad:** An ad which changes the background of the page being viewed.
- **Trick banner:** A banner ad that looks like a dialog box with buttons. It simulates an error message or an alert.
- **Pop-up:** A new window which opens in front of the current one, displaying an advertisement, or entire webpage.
- **Pop-under:** Similar to a Pop-Up except that the window is loaded or sent behind the current window so that the user does not see it until they close one or more active windows.
- **Video ad:** similar to a banner ad, except that instead of a static or animated image, actual moving video clips are displayed.

- Map ad: text or graphics linked from, and appearing in or over, a location on an electronic map such as on Google Maps.
- Mobile ad: an SMS text or multi-media message sent to a cell phone.

In addition, ads containing streaming video or streaming audio are becoming very popular with advertisers.

b) Email advertising

Email marketing is a form of direct marketing which uses electronic mail as a means of communicating commercial or fundraising messages to an audience. In its broadest sense, every email sent to a potential or current customer could be considered email marketing.

However, the term is usually used to refer to:

- Sending emails with the purpose of enhancing the relationship of a merchant with its current or old customers and to encourage customer loyalty and repeat business.
- Sending emails with the purpose of acquiring new customers or convincing old customers to buy something immediately.
- Adding advertisements in emails sent by other companies to their customers.
- Emails that are being sent on the Internet

Advantages of e-mail

- The advantage of a mailing list is clearly the ability to distribute information to a wide range of specific, potential customers at a relatively low cost
- Compared to other media investments such as direct mail or printed newsletters, it is less expensive.
- An exact Return on investment can be tracked ("track to basket") and has proven to be high when done properly. Email marketing is often reported as second only to search marketing as the most effective online marketing tactic.
- It is instant, as opposed to a mailed advertisement; an email arrives in a few seconds or minutes.
- It lets the advertiser "push" the message to its audience, as opposed to a website that waits for customers to come in.

- It is easy to track. An advertiser can track users via web bugs, bounce messages, un-subscribes, read-receipts, click-through, etc. These can be used to measure open rates, positive or negative responses, correlate sales with marketing.
- Advertisers can generate repeat business affordably and automatically
- Advertisers can reach substantial numbers of email subscribers who have opted in (consented) to receive email communications on subjects of interest to them
- Over half of Internet users check or send email on a typical day.
- Specific types of interaction with messages can trigger other messages to be automatically delivered.
- Specific types of interaction with messages can trigger other events such as updating the profile of the recipient to indicate a specific interest category.
- Green - email marketing is paper-free

Disadvantages of e-mail

It is frequently difficult for observers to distinguish between legitimate and spam email marketing. First off, spammers attempt to represent themselves as legitimate operators, obfuscating the issue. Second, direct-marketing political groups such as the U.S. Direct Marketing Association (DMA) have pressured legislatures to legalize activities which many Internet operators consider to be spamming, such as the sending of "opt-out" unsolicited commercial email. Third, the sheer volume of spam email has led some users to mistake legitimate commercial email (for instance, a mailing list to which the user subscribed) for spam — especially when the two have a similar appearance, as when messages include HTML and flashy graphics.

Due to the volume of spam email on the Internet, spam filters are essential to most users. Some marketers report that legitimate commercial emails frequently get caught by filters, and hidden; however, it is somewhat less common for email users to complain that spam filters block legitimate mail.

Companies considering an email marketing program must make sure that their program does not violate spam laws such as the United States' CAN-SPAM Act (Controlling the Assault of Non-Solicited Pornography and Marketing Act), the European Privacy &

Electronic Communications Regulations 2003 or their Internet provider's acceptable use policy. Even if a company follows the law, if Internet mail administrators find that it is sending spam it is likely to be listed in blacklists such as SPEWS

d) Contextual advertising

Many advertising networks display graphical or text-only ads that correspond to the keywords of an Internet search or to the content of the page on which the ad is shown. These ads are believed to have a greater chance of attracting a user, because they tend to share a similar context as the user's search query. For example, a search query for "flowers" might return an advertisement for a florist's website.

Another newer technique is embedding keyword hyperlinks in an article which are sponsored by an advertiser. When a user follows the link, they are sent to a sponsor's website

e) Pop-up ad

Pop-up ads or popup are a form of online advertising on the World Wide Web intended to increase web traffic or capture email addresses. It works when certain web sites open a new web browser window to display advertisements. The pop-up window containing an advertisement is usually generated by JavaScript, but can be generated by other means as well.

A variation on the pop-up window is the pop-under advertisement, which opens a new browser window hidden under the active window. Pop-under do not interrupt the user immediately and are not seen until the covering window is closed, making it more difficult to determine which web site opened them

Advantages **of** online advertising

there are many advantages and disadvantages associated with advertising online.

a) World Wide Web opens up new communication possibilities for personalized messages to be delivered to targeted individuals. By positioning an advertisement on a website which relates to the target markets specific interests, interest and further speculation should occur. Advertising online enables target marketing, message tailoring,

information access, sales potential, creativity, exposure and speed.

b) Online advertising has the capability to reach a global audience at a fast rate. This enables extensive exposure and is an important characteristic of online advertising, and a major component of why online advertising is so successful.

c) Marketers undertaking new possibilities to perform traditional marketing strategies in electronic environments push higher chances to create synergy.

Disadvantages of on line advertising

Even though there are many advantages for companies who advertise online, there are also some disadvantages involved. Disadvantages of advertising online include: measurement problems, audience characteristics, clutter, potential for deception, costs, limited production quality, poor reach and lack of intrusiveness.



OBJECTIVES

- To find the importance of the online advertising in reliance communication.
- To analyze growth of internet in India and its importance of online advertising
- To gain understanding and knowledge of online advertising
- To identify the factor that has potential to influence online advertising



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Limitation

- The scope of research is limited as online advertising market in India is very short compared to other media like TV, radio...etc
- Online advertising is not followed by Reliance communication
- Identifying the factors that influence online advertising, it is difficult to capture relative importance of each factor and constituent variable on advertising success.
- Over all the research is based on no of internet connection growth in India and market share of reliance communication



Methodology

Secondary data sources were used to gain a comprehensive and in-depth understanding of the E-Commerce market in India. Inputs related to the internet users in India, and segment-wise users of Internet in India etc. have been taken from I Cube 2006, a syndicated research product of the e technology group at IMRB International.

However the following sources were also considered for information gathering:

- websites mainly Google search
- Articles and reports available on the web
- Online advertising Magazines
- Various other sources mentioned in the references

The logo for BIZASTRA features a large, stylized letter 'B' in the background. The 'B' is composed of several overlapping, rounded shapes in shades of gray. In the center of the 'B' is a white triangle pointing upwards. Below the 'B' is the word 'BIZASTRA' in a bold, sans-serif font. Underneath 'BIZASTRA' is the tagline 'Let's Business' in a smaller, sans-serif font.

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Review of Literature

Janal (1995, online marketing) mentioned that the Internet offers the best multimedia tools for presenting information, through the World Wide Web, a hypermedia environment. It is as further explained that it is a place where marketers can present their information with pictures, animation, sound and text. Indeed the power of Internet has impact on the multitude of advertising formats. This can be seen from the numerous web tools such as banners, rich media, intertials, and interactive broadband commercials as seen on the websites nowadays. These are the multiple forms of online advertising tools used by advertisers over the time aiming towards developing exciting, interactive, eye catching advertisements that can draw consumers' attention, at the same time increasing their brand or sales online.

Strauss and Frost (1999, Advertisers) states that the Net's big strength is direct response advertising where direct response leverages the Internet's unique opportunity for two way communication with consumers. Placing advertising in this environment will grants advertises unique opportunity for in the element of interactivity. The interactive capabilities of 'cyber ads' offer key advantages for vendors to establish and maintain dialogues with customers.

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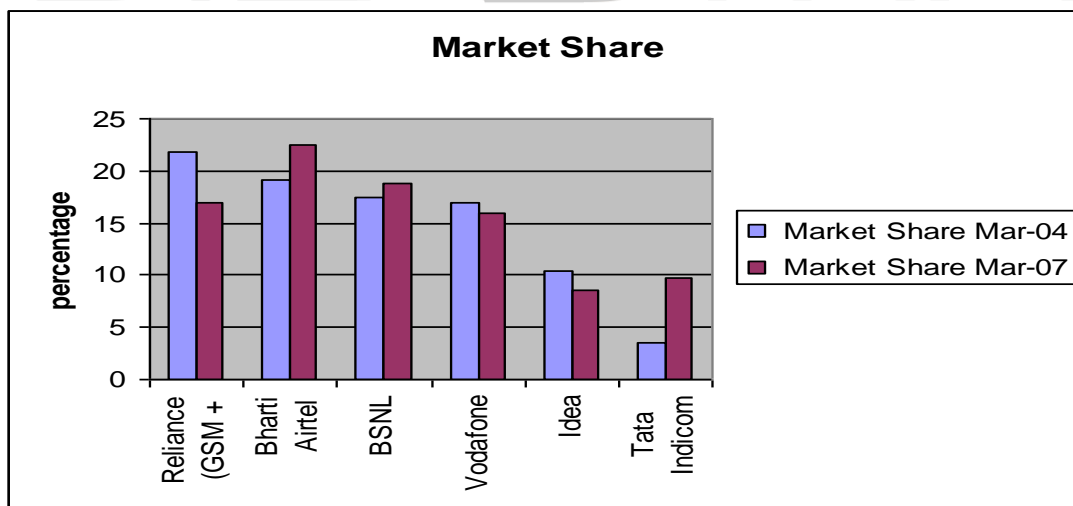
ANALYSIS

Market share of telecom operators

Table no 1

Operator	Market Share	
	Mar 2004	Mar 2007
Reliance (GSM + CDMA)	21.81	16.96
Bharti Airtel	19.06	22.49
BSNL	17.44	18.77
Vodafone	17.03	16.01
Idea	10.45	8.49
Tata Indicom	3.53	9.70
MTNL	1.41	1.78

Graph no. 1



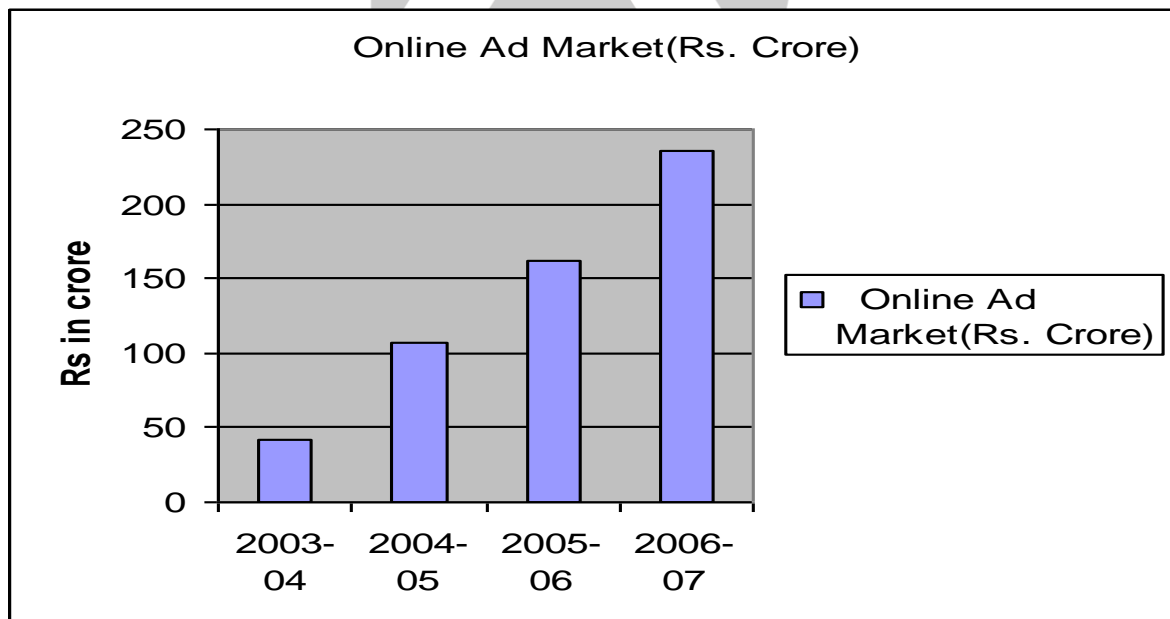
From the above table & graph the market share of reliance communication in the year 2007 has down to 16.96 percentages from 21.81 percentages in 2004. Compared to others giant players like Bharti Airtel and CDMA rival Tata Indicom have gained their market share.

Online Ad Revenues

Table no .2

Advertising market	2003-04	2004-05	2005-06	2006-07
Online Ad Market (Rs. Crore)	42	107	162	236

Graph no .2



In the above graph we can see that the overall budget of online marketing in India is growing y-o-y by more than 50%. In current year the budget for online ad market is Rs 236 crore

Categories	2004-05	2005-06
Financial Services*	27%	24%
Tech	13%	11%
Travel	14%	12%
Automobile	9%	11%
Consumer Durables	8%	9%
FMCG	7%	9%
Online Services (Matrimonial, Job Placement ,Personal)	12%	11%
Entertainment	4%	7%
Telecom(Nokia, Airtel and TataIndicom)	2%	6%

Percentage share of Online Ad Revenue in India

Table no-3

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From the above table the ad revenue generated from financial services, Technology, Travel and Online services which include Matrimonial and personal, the advertising revenue generated from this category has dropped marginally but the telecom sector has increased 3 times as this is the booming sector, this category which includes market leader Airtel and CDMA competitor Tata Indicom which are the prominent players following online advertising, along with Nokia and Motorola.

Although accounting for a relative small portion of internet advertising revenues, the formats usually followed for online advertising are Rich media which include pay per click, pop-ups and Keyword search became the most popular format of internet advertising

Google is currently monopolizing the online advertising industry. Internet Advertising or Online Advertising is commonly associated with Google's Ad words and its derivatives, since it revolutionized web publishing by turning personal websites, blogs and forums into potentially lucrative ventures - by setting a new standard for affordable, targeted and effective advertising.

Paid Search is where the advertiser pays to appear within the major search engines under targeted search terms.

The payment model is Cost per Click (CPC); you only pay when a consumer identifies your listing and clicks through to your site.

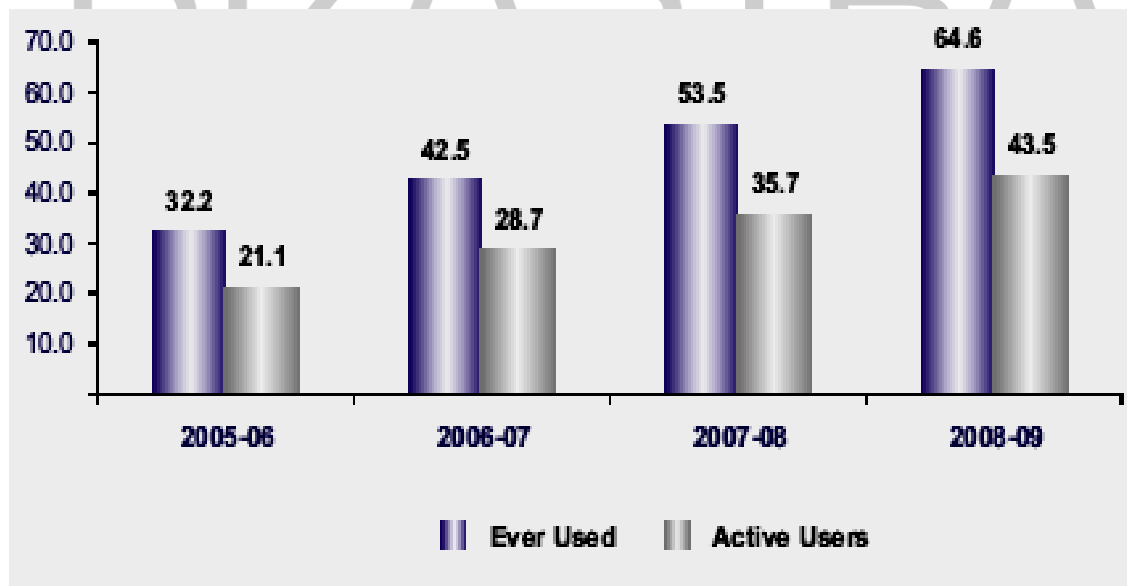
- Average cost per click paid by advertiser in India Rs. 16.20 (\$0.36)
- Highest cost per click paid by advertiser in India Rs. 266 (\$5.92)
- Average search campaign click-through rate 0.62%

The Big Picture

- Searches by Indians every month Over 1 billion
- Total annualized spend by all advertisers targeting Indian users Rs. 236 crores (US\$52m)
- Total annualized spend by Indian advertisers targeting Indian users Rs. 72 crores (US\$16m)

Internet Base Forecast for 2007-08

Graph no .3



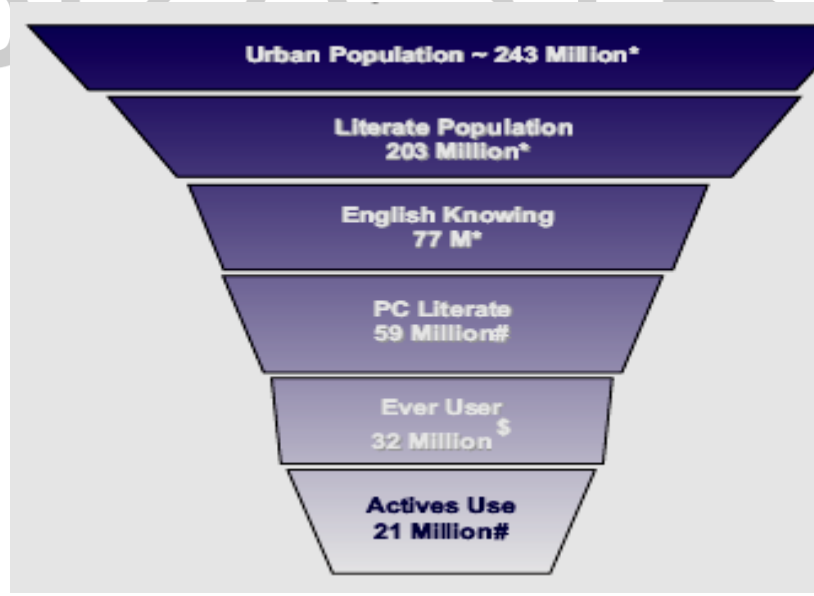
Internet user base in India will grow beyond 50 million users by March 2008; currently in July 2006 the 42.5 million have accessed the internet in India

Growth in the number of user will come in as pc penetration into Indian household's increases and as more existing pc owner opt for internet ownership



Internet accessibility

Fig no .1



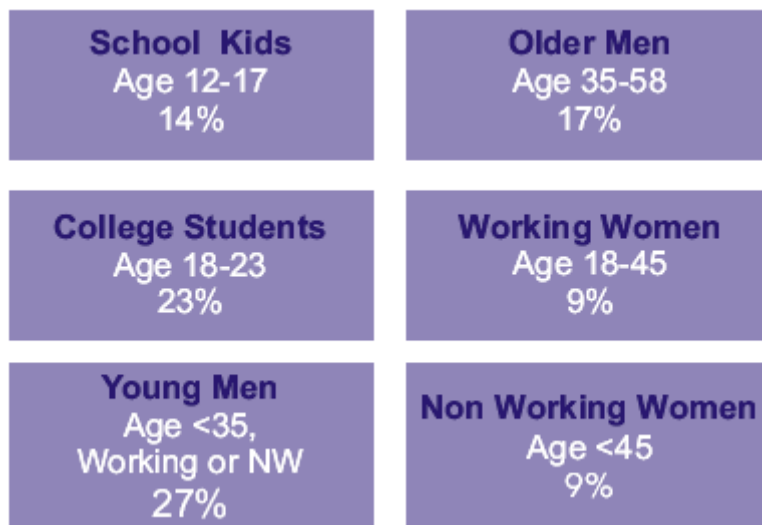
Every 10th individual in urban Indian has accessed the internet

Internet in urban India can be viewed as a funnel. At the top most level is the universe of urban population at 243 million it offers tremendous room for growth for internet in India and also the pc literate base is 59 million where as English knowing population is grown to 77 million in urban



Youth Internet User is the biggest Segment

Fig no .2

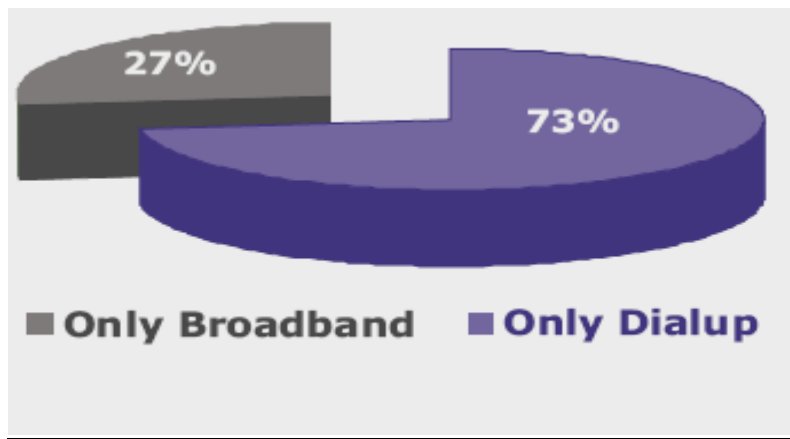


The key element in the Internet equation in India is the demographic segment
Users between the ages of 18-35 are the biggest segment in India accounting for 50% of
all users of the internet.
Indian youth are more inclined to adopt technology faster.



Types of connections

Fig no .3



India house holds are adopting broadband services which are cheaper and more widely available. Through dial up connections continue to dominate the market due to sheer historical build up

The recent 40% fall on prices of bandwidth will also augur well for growth thus provide more opportunities for advertisers as they can penetrate more masses.



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Conclusion

- While most advertisers are still focusing on the traditional advertising media, the target audience is rapidly moving to a more dynamic and interactive medium - the Internet. About 93% of the 42.5 million online Indians today belong to the age group of 18-45 years, which has the maximum buying power - your prime target audience.
- From the finding it is clear that internet subscriber is increasingly rapidly, thus many service players including telecom company are influenced by the internet growth
- A strategic planned approach to online marketing will produce cost benefits and better returns than traditional way of advertising

- Investing in existing customers, as well as prospecting for new ones, is crucial for overall success of advertising as creative use of internet it is helpful in brand building
- Measuring performance and adjusting campaigns will produce stronger returns
- Online advertising not only creates awareness about the products but improves customer relationship



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Recommendations

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Knowing from the finding the Indian telecom sector is booming it is difficult to sustain in this stiff competition to survive for a long term we have to be innovative in marketing and explore new advertising Medias.

So I suggest reliance communication to follow online advertising as it not expensive than other marketing medias.

From the finding the internet user base are mainly youth which compromise almost 50% this segment is major for telecom sector boom so it is necessary to Reliance to tap the internet market.

Creative design and targeting is especially important. Technologies serving advertisers are now able to identify customers, even differentiating first-time users from loyal customers. As technology evolves, advertisers will have access to more tools for building individual relationships with every customer and prospect.

Advertisers need to consider the growth of internet in India as the youth internet user base is growing considerably, online advertising efforts can be used to bring customers back to their sites.



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Glossary

CDMA: - Short for Code-Division Multiple Access, a digital cellular technology that uses spread-spectrum techniques. CDMA does not assign a specific frequency to each user. Instead, every channel uses the full available spectrum. Individual conversations are encoded with a pseudo-random digital sequence. CDMA consistently provides better capacity for voice and data communications than other commercial mobile technologies, allowing more subscribers to connect at any given time, and it is the common platform on which 3G technologies are built.

HTML: - Short for Hypertext markup Language, the authoring language used to create documents on the World Wide Web. HTML defines the structure and layout of a Web document by using a variety of tags and attributes.

GSM: - Global System for mobile communications is the most popular standard for mobile phones in the world. Its promoter, the GSM Association, estimates that 82% of the global mobile market uses the standard. GSM is used by over 2 billion people across more than 212 countries and territories. Its ubiquity makes international roaming very common between mobile phone operators, enabling subscribers to use their phones in many parts of the world.

SMS :- The Short Message Service is often called text messaging, is a means of sending short messages to and from mobile phones.



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