Advertising industry in India – An overview

Communication today is considered as a space age business from the mist of time. Technological advancements and enhancements in visual and print media both indoor and outdoor (Advertising) have grown out of social, economical and commercial developments since man has started his life as a social being.

1. Importance of the problem: The present age of “Information Technology” is the result of this growth process. Today visual and print media developments are based on electronics. So advertising and communication today in 2011 is an inescapable, vital and changing part of our lives. This may be turn as creative revolution based on technology.

One question still dodges the professionals’ mind; despite this advancement will there be “Advertising” that has communion with the people? In the new bold world of multimedia, multi channel, multi-option communication?

The growth in this field cannot be predicted as the change is enormously rapid. What is termed as by ‘breaking news’ is that every new technology has brought with it predications of the demise of one medium or another. Somehow these predictions have never materialized. The biggest example is of print media whose existence was supposedly threatened by news channels, is still going strong.

Advertising has always been dynamically related to man, it has been creative in nature-life stands for change. Today creative people are coming up with a whole new culture of what advertising communication can be. They too have visions of how the personal computer is going to change the world of visual and print media.

Creative people in advertising are trying not to work on paper with pencil, ink and color, but they are working on gallium arsenide chips and software. Does it mean that the traditional material has lost its appeal? But the innovativeness of people in
advertising never ceases to amaze the world. The question is how much creativity is owed to the artists and how much is owed to the software and hardware? Media morphing has come to stay and has gained relevance. New Medias are being invented, yet old media never completely went away.

Now the pertinent question is: do creative people think of an idea and then look for technologies to support the same or do they depend on technology and its hardware, software and play with the permutations and combinations. Have creative people stopped being creative? Have they lost the original thinking pattern or have they stopped utilizing natural thinking process? Are they more interested in utilizing what is readily available? Should credit be given to the developer of the software or the hardware or to them for creatively utilizing the same? Has technology finally taken over the creative process? These are some very serious questions. Advertising is not an entertainment or an art form, but a medium of information. It is a multi-dimensional form of mass communication, an important component of today’s economic system, a means of financing the media, an art form, a social institution, a powerful marketing tool, an instrument of business management, an industry an opportunity of employment and profession. Above all, advertising today is a big business.

1.1 In India it is an emerging industry

It was believed that there were three active participants in advertising— the Advertiser, the Advertising agency and the media. But today in the world of modern advertising, many services have been added like Creative, Digital Studio, Photography, Animation, Film/Video, Printing, and Production. These have given birth to freelancers such as creative directors, photographers, ad film makers, copywriters, digital artists, visualisers, etc.

Historical Background:

The word “Advertising” is derived from the Latin word “Advertere”, which means to turn the mind to or towards. Here it can be observed that there are very few elements of communication that are as persuasive as advertising. The single most or rather the
most important contribution of advertising to modern society lies in its ability to pre-
sell products or services to potential users.

The origin of advertising does not lie in the modern industrial age but has its roots in
the remote past. Perhaps the earliest form of advertising was in a very simple form -
the trader shouting out the fact that he existed, and naming what he had to sell in the
local marketplace. Advertising can be traced back to Biblical, Babylonian, Greek,
Roman period or in India to the Ajanta Ellora caves. One of the earliest recorded
advertisements was the offer of a reward for the recapture of an Egyptian slave. Down
through the ages the most simple and effective form of advertising has been the
"Sign" and still is. (Shankar Amota, Essentials of Advertising, Sheth Publications, 1993)

Today sign boards use the most advanced technology to creatively communicate to
the masses. Here the Techno Creativity (Use of Technology in Creativity) includes
3D graphics to short high definition videos. The sign can be understood by people of
any culture or language, irrespective of their education.

The coming of industrial revolution led to the emergence of mass production and
mass consumption which became the order of the day and advertising matured as an
important mass communication technique

1.2 The invention of movable printing type in 1438, by Johann Gutenberg gave
solid foundation for information, education and advertising. And Techno-Creativity
was born. Now Artists, communicators had the advantage to give wings to their ideas
and communicate to masses

Louis Daguerre (1787-1851) who invented the world’s first widely used
photographic process which was known as Daguerreotype. This invention was
demonstrated to the public with the help of French academy of sciences on 19th
August 1839
Photography was born. Photography is the most integral part of advertising.

Ads were first printed in 1478, when William Caxton, one of the first English printers, mailed printed handbills or notices to advertise his religious book “Salisburi Pye”. One of the first recorded advertisements for commodity was for coffee in 1657.

The most exciting business of Advertising is the creation of Advertising campaign. Advertisers have over years, used the services of Advertising agencies in the planning and execution of advertising campaigns. Advertising is basically related to human needs and has dynamic motivational aspect.

- Advertising is creative communication. A person working in an advertising agency uses his creative personality to develop innovative ideas. He is inspired by the various facets of the environment and technology. Developments in politics, in economy or the social values provide him inspiration to create fresh, unusual communication with the help of existing technology.

- It involves a good understanding of human nature. Agency people tend to keep in touch with behavioral scientists to acquire a better understanding of the consumer psychology. This makes them sensitive to human needs and aspirations. It is a constantly dynamic business; agency people have to understand different business, different marketing situations and available technologies, so that the work may not be repetitive and boring. It is a volatile business – An agency is as good as its last campaign, there is no room for complacency. For creative people advertising agencies provide challenges and opportunities. It offers fast growth opportunities. Young innovative people have greater opportunities to grow fast within the agency itself or change jobs.
or even set up their own agencies. In India the past many years have witnessed a tremendous increase in the demand for creative people who are computer and technology savvy in the field of advertising. Both are vital parts of social growth. Now let us turn to technology in relation to advertising.

1.3 Highlights:

**Seventeenth Century:** In the Seventeenth Century for the first time innovation in terms of technology was used in advertising. Wooden bill boards in the form of wooden signs reaching from one building to another across the narrow streets were the most popular form of outdoor advertising, and these unfortunately contributed readily to the spread of fire of London

**Eighteenth Century:** There was a rapid development during 18th century in the USA. The first American news paper to carry advertisements was Boston News Letter in 1704. During this period Dr Johnson commented on advertising saying “The soul of an Advertisement is a promise, large promise.” In fact he was ahead of his time when he said it.

**Nineteenth Century:** The 19th century saw some ingenious advertising as communication improved and urban centers grew so that goods could be sold nationally by firms like Cadbury, Lever Brothers and Lipton. Here existing technology again played an important role. Many a time’s famous paintings were often used in press Ads and on posters, example being that of Bubbles painting by Millais for pears soap.

There was a tremendous technological improvement in printing press technology and of printing type in different font sizes and different designs or faces. This was also the first instance of revolution taking place in the print advertisement and the layout/appearance changed completely. This made it possible for the space brokers to offer creative services and they turned themselves into Advertising agents/agencies.
During the Napoleonic wars money was raised partly by lotteries and this saw the growth of government advertising. The creative agencies emerged when space selling became more competitive and services like writing copy, and designing layouts had to be provided (out of commission received) to get business.

**Advertising Agents:** Historically the first advertising agents really began to appear at the beginning of 19th century. Well known Writers and poets such as Charles Lamb were the first copywriters, engaged to puff up products. James White with the help of his school friend Charles Lamb set up the first London agency in 1800. White was considered a creative agency since Lamb was employed as a freelance copy writer on Government Lottery.

**Advertisements:** Advertising as a form of communication was used in helping to sell products and services. Typically it communicates a message including the name of the product or service and how that product or service could potentially benefit the consumer. However, advertising does typical attempt to persuade potential customers to purchase or to consume more of a particular brand of product or service.

Modern advertising developed with the rise of mass production in the late 19th and early 20th centuries. Many advertisements are designed to generate increased consumption of those products and services through the creation and reinvention of the "Brand Image". For these purposes, advertisements sometimes tried to embed their persuasive message with factual information. There are many varied media used to deliver these messages, including traditional media such as television, radio, cinema, magazines, newspapers, video games, the carrier bags, billboards, mail or post and Internet marketing. Today, new media such as digital signage is growing as a major new mass media.

Advertising is often placed by an advertising agency on behalf of a company or other organization. Organizations that frequently spend large sums of money on advertising that sells what is hot, strictly speaking, a product or service include political parties, interest groups, religious organizations, and military recruiters. Non-profit organizations are not typical advertising clients, and may rely on free modes of
persuasion, such as public service announcements. Money spent on advertising has increased dramatically in recent years. In 2007, spending on advertising has been estimated at over $150 billion in the United States and $385 billion worldwide, and the latter it exceeded $450 billion by 2010. While advertising can be seen as necessary for economic growth, it is not without social costs. Unsolicited Commercial Email and other forms of spam have become so prevalent as to have become a major nuisance to users of these services, as well as being a financial burden on internet service providers. [http://www.hwsworld.com/wp/?p=20090210](http://www.hwsworld.com/wp/?p=20090210)

**Historical Background:**

Egyptians used papyrus to make sales messages and wall posters. Commercial messages and political campaign displays have been found in the ruins of Pompeii and ancient Arabia. Lost and found advertising on papyrus was common in Ancient Greece and Ancient Rome. Wall or rock painting for commercial advertising is another manifestation of an ancient advertising form, which is present to this day in many parts of Asia, Africa, and South America. The tradition of wall painting can be traced back to Indian rock art paintings that date back to 4000 BCE. History tells us that Out-of-Home advertising and Billboards are the oldest forms of advertising. As the towns and cities of the Middle Ages began to grow, and the general populace was unable to read, signs that today would say cobbler, miller, tailor or blacksmith would use an image associated with their trade such as a boot, a suit, a hat, a clock, a diamond, a horse shoe, a candle or even a bag of flour. Fruits and vegetables were sold in the city square from the backs of carts and wagons and their proprietors used street callers (town criers) to announce their whereabouts for the convenience of the customers.

As the economy expanded during the 19th century, advertising grew alongside. In the United States, the success of this advertising format eventually led to the growth of mail-order advertising. In June 1836, French newspaper La Presse was the first to include paid advertising in its pages, allowing it to lower its price, extend its readership and increase its profitability. The formula was soon copied by all titles. At first, agencies were brokers for advertisement space in newspapers. N. W. Ayer & Son was the first full-service agency to assume responsibility for advertising content.
N.W Ayer opened in 1869, and was located in Philadelphia. 

Even during those times advertisers were extremely competitive, ingenious and sometimes even outrageous. Queen Victoria was not amused when Mr. Lipton sent her a free sample cheese. It has been noted that Joseph Beecham who was the cheekiest son of a shepherd and the father of the famous orchestral conductor, concocted a pill made of aloes and ginger packed in hard soap and invented the slogan ‘Worth a Guinea A Box’. Children learned about his pills through puzzle books, textbooks and story books. There was no dearth of creativity even at that time and the available technology was used to enhance the creative talent.

Twentieth Century: The inter-war years. Even between the two world wars there were a few large Advertising agencies. Advertising flourished with gift coupon cigarettes, the first popular motor cars such as the Austin 7, Ford 8 and the Morris Minor, the growth of radio sets and accessories such as batteries, popular foods and drinks such as breakfast cereals, soft drinks and beer. Some famous products were launched of which Ovaltine, Horlicks, Gillette, Levi’s Jeans, Coca cola, Pepsi Cola and Stork Margarine still exist today.

Advertising became a powerful tool; this was demonstrated by the fact that it stimulated latent demand which justified economics of scale. 1920’s gave birth to the audio technological marvel- the Radio. The same year saw the commercialization of the same in many parts of the world. Along with Radio, Cinema screen was a very popular advertising medium and remained so for a very long time till audiences were stolen by television. The audience popularity for television is a worldwide phenomenon. Here emerging technology was solely responsible for reach and variety of media. The birth of market research in the 1930’s heralded growth of modern service agency, but the use of market research was possible only after the removal of wartime controls in 1950’s. This ended the news print rationing, and market research agencies emerged. But because of war, UK remained six years behind the Americans.

Post 1945 till 1980: Most important feature of the post 1945 Advertising was research- measurement of readership and audiences. The audited net sale of a journal rather than how many copies were printed was measured. Majority of the journals
were prepared to submit the figures to ABC (Audit Bureau of Circulations), although the Daily Telegraph resisted for many years. In the technologically boosted industrialized world, advertising has followed the growth of urban populations, shopping facilities, transport, education and media, and has become an essential means by which a large or small manufacturer or service provider can reach local, national or even international market.

Post 1980 till date: Technology boosted many modern forms of communication such as the postal services, the telephone, television, computers, e-mail, internet, the mobile services and satellites.

Steve Jobs of Apple Computers was in many ways responsible for the technology revolution along with Bill Gates of Microsoft. But for creative people using Computers Steve Jobs was a hero Advertising industry slowly and steadily started using computers For old timers it was a time to adopt or perish Some joined the race some dropped out Indeed advertising has come a long way since the coffee house scandal sheets of the 17th century.

The Evolution of Indian Advertising: The foundation of professional advertising business in India was laid by two multinational companies J. Walter Thompson Associates, D.J Keymer, and JWT has become the present HTA, Hindustan Thompson Associates D J Keymer closed down, but due to its closure Clarion (Calcutta) and (Mumbai) flourished The oldest Indian agencies were B Dattaram, National and Sista's in Mumbai and Tom and Bay in Pune. In the initial stages these ad agencies were merely space buyers. Indian Advertising over the years has seen many a changes, from style to form and content. Initially the agencies were space buyers. Pre-Independence the ads were mostly of ladies goods, gents clothing, traveling, eating places and entertainment for Britishers in India And majority of the consumer durables and non durables were a luxury in those days. Due to this Maharajas and the princely families were the prized customers.

These ads were mostly of hotels, automobiles, tea, gramophones, cotton goods, tailoring shops, and their target audiences were the Britishers in India, the princely
families and the rich strata of the society. Here it must be noted that only after independence and abolition of the princely order that the new born middle class received the attention of the advertisers. (Shankar Anuta, Essentials of Advertising, Sheth Publications, 1993) Technology in graphic design helped the advertiser to create better layouts to entice the middle class. Hence readymade garments, items for indoor amusement, convenience goods, and new fashion products were able to create their own place in the market.

1.4 The main trends in Indian modern advertising:

- Growing international brands have made it necessary for advertisers to think global strategies and adapt global technologies.

- Advertising agencies have become more professional. They have adopted and mastered latest technologies to provide variety of services such as specialized design solutions, public relations, direct marketing, and advertising research.

- Size of the agencies has grown larger with several international mergers and acquisitions and with inter-connectivity it becomes much easier, thanks to internet and other available technologies. But it was a brutal year for ad market. For example, the stock market value of the world’s biggest Advertising business WPP group which owns J.Walter Thompson and Ogilvy & Mather was $657.9 million in 2009, 16% less than previous year. (Bloomberg com May 25, 2010)

- Media Advertising costs company’s world wide $500 billion in 2010 along with other selling techniques

- The agency business has become more competitive as the number of agencies fighting for the same business has increased. This has led to rate cutting and 15% of commission on media is no longer strictly followed. In the USA the Federal Trade Commission (F.T.C) has taken objection to this system of charging the same rate of commission. They feel that the services of all
advertising agencies for their entire advertising campaigns are uniform. Never the less they contend that agencies must be free to charge their own rates

- Market research techniques have become more sophisticated especially in the area of media research. Technology advancements in computers and other support systems like telecommunication have made this possible.

- All through the nineties and the 21st century, Ad. Agencies innovated and discovered new media to reach out to the consumers.

- Creativity has become the favorite word of advertising agencies and they began charging fabulous fees for their creative and production efforts. These efforts were more or less dependent on the latest hardware and software on their computer and other technological marvels, like the camera, the state of art printing facilities etc.

- In India like the rest of the world advertising business has grown by leaps and bounds, thanks to liberalization policies and the consumer boom.

- In the 1980’s movie theatres were the most important medium in India followed by press, outdoor media, commercial radio and finally television. But this has changed with the introduction of color and sponsorship programs on television and satellite transmission. At present Television and internet are the most powerful mediums.

- Today in the area of outdoor advertising - digitally printed billboards and 3d videos are used and it is hoped that they do not cause accidents due to their impressive qualities.

- The year 1985 was the turning point for financial advertising in India. The number of financial advertising agencies has increased, and the share of financial advertising in the total advertising expenditure is approximately 20-25%.
• Political advertising in India has emerged as a powerful communication force since 1984.

• Period of scientific development / technological development, this period also saw the application of scientific methods to the problems of advertising. A.C. Nielsen, Dr. Gallup and Daniel Starch were the pioneer researchers; they tried to find out what kind of advertising was most effective in strategy, media and copy.

• Data was collected in a more systematic manner than before and the facts were observed, recorded and classified.

• Two new research tools- motivation research, which emphasized man’s subconscious motives and operational research which emphasized mathematical approaches to advertising, were used by advertising and marketing specialists. Although advertising had long been considered a tool of marketing, new emphasis was placed on co-coordinating advertising with other tools of marketing program.

• Advertising is poised to ride high on internet. The Internet market is projected to see a lot of advertising in the next coming years – almost twice as much as today and a major chunk of this growth is going to be from Asia Pacific region. World over the internet industry is poised for growth and in Asia region from 2000 to 2011 the growth has been 789.6%.

Today advertising has come to stay as a vital force in our total economic and social life. Its power is great but those who use it must also realize that their responsibility is even greater.

1.5 Techno Creativity and its importance today.

* Is advertising more creative today because of technology than it was.
Advertising is related to creativity right from the beginning, its connectivity should not be exaggerated with technology, as David Ogilvy in his book “Ogilvy on
Advertising”, puts it this has been exaggerated by pundits in search of trendy labels. For example, the concept of brand images, which he popularized in 1953, was not really new; Claude Hopkins had described it 20 years before.

* Can Creativity in Advertising be measured because of technology?

It is difficult to measure creativity in advertising only because some new technology has been used. New Technology makes things easier and not necessarily better or more creative. Many a times you have to use both to justify the creative concept. The most important aspect of creativity in advertising is its ability to reach out to the masses; the new technology has to be in tandem with the creative concept and should be a part of the overall message, rather than stand out. As David Ogilvy puts it “If it doesn’t sell it isn’t creative” irrespective of the technology used.

* Emerging trends in Advertising?

Advertising is becoming more realistic, more efforts have been put to reach out to people through various media. Surprisingly older media have not faded. They are as potent as they were earlier. The production time has decreased and excess to the best production facilities has made Ads look glossier.

* Computers have played a major role in enhancing creativity.

(Has Creative Director’s dependence on them increased?)

The dependence has definitely increased and in many cases ads look similar as the creative directors’ end up using the same software permutation and combinations. Truly talented people now have to compete with techies for jobs that used to be looked upon as skilled. But now anybody with a mouse can make art and get paid. The industry requires thinkers and professional communicators.

The above discussion about creativity, technology advertising and their interrelation give a very meaningful area for research as these three are the dynamic contributing parts of human social economic growth. The study in this area is very meaningful as it would help our economic social life to grow and develop. The research in this area is still in its infancy which often confused with market research and overall impact of advertising. The title of the study is: “Techno Creativity in Advertising”.

The main objective of the study is to understand Creativity and its correlation with Technology. It also includes the thought process of the agents in this area as it can only be understood. Agencies, Creative Directors etc. Understanding Techno Creativity and its impact on advertising is an important purpose of this study and also the psychological issues related to them. The research in this area is in its infancy and becomes multidisciplinary as it has to deal with psychology, philosophy, technology and the process of man’s social growth.
The sample of the study consisted of Design Institutes, Advertising Agencies in Ahmedabad and Mumbai, Media House in London, in Ahmedabad, Media/Publishing house in Ohio, Designer/Photographer in Spain, professional Advertising Photographers in Ahmedabad/Mumbai/Delhi/France, Advertising Film makers in Ahmedabad and Mumbai. Sample size 650 and the tools 1) Questioner 2) Interview 3) telephone and internet conferences were administered on them. The data collection was carried out in phases and the data analysis was made by SPSS, Chi-Square and Yates.

1.6 Summary of Chapter: The introduction deals with the importance of the problem as today advertising has come to stay as a vital force in our total economic and social life, its power to influence is immense and so those who use it must realize their responsibility and greater sense. The chapter also discusses advertising industry in India and the main trends, invention of moveable type and photography the pillars of techno creativity. The chapter also discusses sensitive issues like- Is advertising more creative today because of technology, can creativity in advertising be measured because of technology, the major role Computers play in enhancing creativity. And has Creative Director’s dependence on computers increased? The terms creative advertising and relevant technology are explained in the reference of the thesis.