CHAPTER 1

INTRODUCTION TO MEDIA & ADVERTISING
1.1 BACKGROUND TO THE STUDY:

India is one of the fastest growing nations in Asia, as well as in the world. India, a land of more than one billion people and enormous opportunities has a unique personality. The personality of this country is depicted through its art, culture, industries, etc. and here dialects, culture, even cuisine changes every 8-10 miles as one goes by.

The triple mantra of liberalization, globalization and privatization in Indian economy has opened the doors of a number of multi national companies in the Indian market. The new entry of multinational companies coupled with the struggle of traditional Indian corporate to survive in the market resulted in increased volume of advertisement and now the Medias are flooded with advertisements. In context to increasing advertising clutter, media fragmentation and emergence of new media, the biggest problem among marketer is to the selection of appropriate media.

In light to this, the research work is carried out to study the media Impact in Advertising with special focus to Newspaper Media in Gujarat. The broad concern of this study was to determine media using habits of people of Gujarat and to study role of newspaper in advertising in Gujarat.

For successful completion of any project the most important requirement is to create a meaningful background with solid theoretical piling. In this chapter a humble effort has been made to explain marketing communication theory and its different tools. Basic theory of advertising, its objectives, different Medias and factors affecting
advertising effectiveness are discussed in this chapter. The whole theoretical framework is required to understand the research project “Media Impact in Advertising: A study of Newspaper Media in Gujarat”.

1.2 MARKETING COMMUNICATION

One of the basic concepts of marketing is the marketing mix, which is said to be the set of controllable variables and their levels which marketer uses to influence the target market (Kotler, 1997). The tools used in order to reach and control the target market, are collectively known as the elements of the marketing mix, or the four Ps, including product, price, place, and promotion. (Zeithamal, Bitner, 1996)

Promotion, also referred to as marketing communication, is the way of communicating the information of product, price, and place to the consumers (Wells, Burnett & Moriarty, 2000). Czinkota & Ronkainen (2001) further address marketing communication to be the establishing of commonness between two parties in a communication process. According to Kotler (2003) it is essential to emphasize the importance of effective communication because of the geographical and psychological distances that separate companies from intermediaries and customers. Figure 1.1 below shows the communication process with its fundamental elements.
As clear from the figure 1.1 all the nine elements of the communication process together have the possibility to create effective communication between marketers and their intermediaries and customers. Among these sender and receiver are the active parties in a communication; encoding, decoding, response, and feedback are the communication functions; message and media are the communication tools; and noise is everything that interferes with the intended communication. In order to get messages through, marketers must encode their messages in a way that takes into account how the target audience usually decodes messages. They must also use an efficient media through which to transmit the message and reach the target audience. By the use of the chosen media, marketers should develop appropriate feedback channels to monitor response to the message. Communication can take place through traditional media such as newspapers, magazines, radio, television, and billboards, but also through media such as computers, fax machines, cellular phones, pagers, and wireless
appliances. (Kotler, 2003) In order to form a total marketing communication program to reach selected target markets, several tools are available with marketer. These tools are related communication techniques, also referred to as the promotional mix (Wells, *et al.*, 2000) and include sponsorship, public relations, sales promotion, direct marketing, personal selling, and advertising (Czinkota & Ronkainen, 2001).

### 1.3  INTRODUCTION/PURPOSE/OBJECTIVE OF ADVERTISING

#### 1.3.1  Introduction and Purpose of Advertising

The term ‘Advertising is derived from the Latin word ‘advert’ means ‘to turn, the attention. Advertising aims to turn the attention of onlooker towards a product, service or idea. Advertising is known as the activity of attracting public attention to a product or business as by paid announcement in the print, broadcast or electronic media. Today, advertisements are everywhere. On television, on the internet, radio, billboards and even on the empty coffee mug of our desk. Advertising has successfully transcended from one of the most interruptive commercial medium of modern times to something that everyone wants a piece of.

It performs one of the most important functions in society that is to inform; it gives people the power of choice; the power of knowledge that helps them make important decisions everyday.
There are various schools of thought, different opinions and diverse points of view but all of these collide into something that we all agree upon. That it is probably one of the most powerful influencers of human behavior since religion.

Marketing Gurus have defined Advertising as:

“Any paid form of nonpersonal presentation and promotion of ideas, goods, or services through mass media such as newspaper, magazine, television or radio by an identified sponsor.”( Kotlar, Armstrong, Sounder and wong)

Advertising, in its non-commercial guise, is a powerful educational tool capable of reaching and motivating large audiences. "Advertising justifies its existence when used in the public interest - it is much too powerful a tool to use solely for commercial purposes.” – (Howard Gossage by David Ogilvy)

Advertising is any form of non-personal presentation of ideas, goods, or services by the use of mass communication through advertising media such as print, broadcast, cinema, outdoor, or electronic media (Czinkota & Ronkainen, 2001). Advertising is often most visible element of a company’s overall marketing communications programme (Wells, et al., 2000). Additionally, Wells et al. (2000) describe advertising to be a form of mass communication that both informs and transforms a product by creating an image for that product that goes beyond straightforward facts. Brassington and Pettitt (2000) simplify the explanation by mentioning that advertising is a paid form of non-personal communication through a mass medium.
Advertising has become an essential element of the corporate world and hence the companies allot a considerable amount of revenues as their advertising budget. Advertising spending has increased dramatically in recent years. In India the amount spent on advertising was as low as 75 crore which reaches 1509 crore in 1990 and in 2003 it jumped as high as 15, 000 crore. The global accounting firm PricewaterhouseCoopers's report, in 2006 projected worldwide advertisement spending to exceed half-a-trillion dollars by 2010.

1.3.2 Objectives of Advertising

In general advertising has two objectives namely, Behavioral or action objectives and Sales objectives. From the behavioral point of view, it influences the buyer behavior of consumers. It is an accepted fact that all behavior starts with motivation. Ad motivates people by arousing their dormant needs that activates behavior.

Advertising is primarily used as a tool by companies with the objective to

- Inform people about new products and services.
- Brand building
- To remind customers about their brand at the right time and place
- To reinforce customer confidence in purchase
- To build Corporate Identity
- To help their sales force become more effective
- To give their brand and company a “Personality” that makes it unique.

Government and autonomous bodies use advertising to:

- Inform people about their policies
• Promote birth control
• Educate the masses on health care
• Prevent panic during natural disasters
• Dispel harmful rumours
• Attract foreign investment

1.4 ROLE OF MEDIA IN ADVERTISING

In advertising the term media refers to communication vehicles such as newspapers, magazines, radio, television, billboards, direct mail, and the Internet. Advertisers use media to convey commercial messages to their target audiences, and the media depend to different degrees on advertising revenues to cover the cost of their operations. While the media are valued for their informational and entertainment functions, they also provide an important business function as a vehicle for advertising.

The media are usually classified into either mass or niche media. Newspapers, magazines, television and radio are considered mass media because they deliver messages to a widespread, anonymous audience. The wide coverage of the mass media makes them ideal vehicles for advertisers who need to reach a large audience. Advertising media such as cable television and direct mail are often viewed as “niche” media because they reach a narrowly defined audience with unique demographic characteristics or special interests.
1.4.1 Television Media Advertising

With rapid growth of information technology and electronic media, television has topped the list among the media of advertising. TV has the most effective impact as it appeals to both eye and the ear. Products can be shown, their uses can be demonstrated and their utilities can be told over television. Just like radio, advertisements are shown in TV during short breaks and there are also sponsored programmes by advertisers. Television, like print, also has a vast audience it caters to, consisting of the social classes mentioned before. The language is another important factor here. It is argued by many that television is the most powerful source of advertising (Grant and O'Connor; 2005, Jasperson and Yun, 2007) and is also the most likely form of media to be remembered and discussed by the public (Ford-Hutchinson and Rothwell, 2002,). This is confirmed by a number of studies that show a good response to television advertising, and corresponding commercial spending; a report in the Economist found that “Television remains the most-powerful advertising medium, with a 38% global share of spending on major media in 2004.” (The Economist, 2005). Television accounts for the majority of world advertising expenditure, and is undoubtedly powerful enough to generate a return-on-investment on that expenditure, but the notion of it being the most powerful kind of advertising is only true when certain demographics and contexts are considered.

Advantages:

a) It is most effective as it has an audio-visual impact.
b) With catchy slogans, song and dance sequences, famous personalities exhibiting products, TV advertising has a lasting impact. For example, who can forget Aamir Khan saying Thanda Matlab Coca-Cola or Sachin Tendulkar in Pepsi advertisement.

c) With varieties of channels and programmes advertisers have a lot of choice to select the channel and time to advertise.

d) With regional channels coming up any person even illiterates can watch the advertisements and understood it by seeing and hearing.

Limitations:

a) TV advertisements are usually expensive to prepare as well as to telecast.

b) With almost every manufacturer trying to communicate their message through TV advertising the impact among the viewers is also reducing. Now-a-days people are switching on channels whenever there is a commercial break.

Television advertising may be powerful when appealing to certain demographics, but for certain markets, especially niches, television advertising will not be the most powerful. Consumers nowadays spend a large amount of time watching television, and programming is frequently, and intrusively, interrupted by advertising synchronised across channels to ensure that every viewer gets their message (Ford-Hutchinson and Rothwell, 2002; Moore and Lutz, 2000). The advantages of TV are that it quickly makes contact and has a strong activating effect due to the emotional impact of this electronic medium.
since people use it for relaxation so commercial breaks are considered intrusive and annoying by many viewers.

1.4.2 Print Media Advertising

Print media is a very commonly used medium of advertising by businessman. It includes advertising through newspaper, magazines, journals, etc. and is also called press advertising.

Print advertising has proven to be quite effective for several reasons. For one, print advertising is not annoying. The opposite is true: it is a contact medium that is consciously allowed. Recipients are addressed while they are in a calm state of mind for reading. This enhances the impact of advertising. And finally, print advertising conveys exclusivity, seriousness and information in connection with leading brands and products.

Advertising revenue forms a substantial portion in revenue generation for a print media, and thus forming advertising an integral part of any publication. Each publication has its readership influenced by its image, which is formed by the editorial content, news and the entertainment offered by a publication. The better this image; the greater is the acceptance of the advertising message by a reader. Brand Recall is a direct function of the impact made by the advertisements. With changing times press media spending has been growing significantly and corporate ranging from those in consumer durables to financial services and even TV companies have relied on the power of the press to build their brands.
The majority of advertising spending in most countries is in the print media (De Mooij, 1994). The print media allow almost unlimited message length and processing time (Abernethy & Franke, 1996). Compared to TV-commercials that deliver sound-, motion-, and text messages simultaneously, print media deliver messages one topic at a time and one thought at a time. People tend to trust print media more than broadcast and absorb it more carefully because of its structured nature. (Wells, et al., 2000).

The print media is still one of the best ways to remain in touch with consumers. A long shelf life of a magazine facilitates the advertiser to communicate with the readers' leisurely. The adage ‘a picture speaks a thousand words’, holds true here since consumers can see how the product looks like. A reader tends to linger on at a good visual. If important, the reader can also cut the advertisement for future reference. In TV and Radio various spots can be missed as they are for few seconds.

A good copy emotionally allows the reader to invest in a product.

Print media includes following two main sections.

(i) **Newspapers**

Newspapers are said to be a part of routine life of a common literate man. In our country newspapers are published in English, Hindi and in other regional languages. These are the sources of news, opinions and current events. In addition, Newspapers are also a very common medium of **advertising**. The advertiser communicates his message through newspaper which reaches to crores of people. The readers of daily newspapers mainly want to learn about current events and form opinions about
social, political and economic issues. Detailed information and background are the trumps that daily newspapers can play. On the basis of their credibility and seriousness, they offer a way for their readers to get their bearings in today's world. This is a general impression these days that young target groups are particularly drawn to the Internet, and newspapers are primarily read by “golden agers”. But by a number of surveys it is found that newspaper is the medium preferred by individuals with higher incomes. This includes the group of so-called “post-materialists”: well-educated, successful in their careers and with money to spend, these individuals use print media to an above-average extent. The reason for this has to do with their strong desire for self-realization, rewarding leisure activities and sound background information. Another group with an affinity for print media is that of the “modern performers”. These are the cream of the crop of the young urban professionals interesting to the advertising

When it comes to selectively publishing and commenting on information, traditional media are unbeatable. Their competence has a special appeal. Trust and responsibility, truth and clarity call for a credible source – and a centralistic, authoritarian form of organization.
Advantages:

Advantages of Newspaper **Advertising** are as below:

a) Newspapers normally have wide circulation and a single advertisement in the newspaper can quickly reach to a large number of people.

b) The cost of **advertising** is relatively low because of wide publication.

c) Generally newspapers are published daily. Thus, the same advertisement can be repeated frequently and remind reader everyday.

d) The matter of advertisement can be given to newspapers at a very short notice. Even last minute changes in the content are also possible. This makes **advertising** quite flexible.

e) Newspapers are published from different regions and in different languages. Hence, they provide greater choice to advertisers to approach the desired market, region and readers through local or regional language.

Limitations:

Newspaper **advertising** also suffers from some limitations as mentioned below:

a) Newspapers are read soon after they are received and then are kept generally in some corner of the houses. After 24 hours we get a fresh newspaper and this makes the life of the newspaper short.
b) People read newspapers mainly for news and pay casual attention to advertisement.

c) Illiterate persons can not read and thus, newspapers advertising do not benefit them.

(ii) **Periodicals**

Periodicals are publications which come out regularly but not on a daily basis. These may be published on a weekly, fortnightly, monthly, bimonthly, quarterly or even yearly basis. For example we come across a number of magazines and journals like Onlooker, India Today, Frontline, Yojana, Swagat, Femina, etc. published regularly in English, Grihasobha, Nandan and Champak in Hindi. Similarly there are also periodicals in Hindi and other regional languages. All these periodicals have a large number of readers and thus, advertisements published in them reach a number of people.

**Advantages:**

a) Periodicals have a much longer life than newspapers. These are preserved for a long period to be referred in future or read at leisure or read again, whenever required.

b) Periodicals have a selected readership and so advertisers can know about their target customers and accordingly selective advertisements are given. For
example, in a periodical like Femina, which is a magazine for women, advertisements related to products to be used only by males are rarely published. However, manufacturers of products and services to be used by females prefer to give advertisement in this magazine.

**Limitations:**

a) **Advertising** in periodicals are costlier.

b) The numbers of people to whom the advertisements reach are small in comparison to newspapers.

c) The advertisement materials are given much in advance; hence last minute change is not possible. This reduces flexibility.

### 1.4.3 Radio Advertising

Radio advertising is also one of the In radio there are short breaks during transmission of any programme which is filled by advertisements of products and services. There are also popular programme sponsored by advertisers.

**Advantages:**

a) It is more effective as people hear it on a regular basis.

b) It is also useful to illiterates, who can not read and write.
c) There are places where newspapers reading may not possible, but you can hear radio. For example, you can hear radio while traveling on road or working at home; but you can not read newspaper. Similarly, while driving you can hear a radio but cannot read a newspaper.

Limitations:

a) A regular listener may remember what he has heard. But, occasional listeners tend to forget what they have heard in Radio.

b) The message that any advertisement wants to communicate may not be proper as there is no chance to hear it again immediately. There may be some other disturbances that distort communication.

c) In comparison to Television, Radio is less effective as it lacks visual impact.

1.4.4 Internet Advertising:

The Internet has emerged as a medium for marketing and advertising since 1994. The Internet is different from conventional advertising media in several respects. Like

- It can serve as not only a communications channel but also a transaction and distribution channel. Consumers can get information and make purchases and payments all through the Internet. No other medium can accomplish these marketing functions instantly, without resorting to other means.
- The Internet is by nature interactive. Users can initiate a shopping process by visiting a Web site and then clicking on hyper-linked text for more information.
It is a two-way communication, with the Internet serving as a provider of customized content that meets an individual's needs.

- It has the capacity for multimedia content. It can carry not only text and graphics but also audio and video content. The multimedia nature of the Internet is suitable for high-impact advertising.

- It is a convergent medium for all other media, that is, a hybrid of television, radio, newspapers, magazines, billboards, direct mail, and so forth (Miller 1996).

- Compared with traditional media, however, the Internet is believed to be a more goal-, task-, interactivity-, and/or information-oriented medium (Chen and Wells 1999; Eighmey 1997; Korgaonkar and Wolin 1999; Li, Edwards, and Lee 2002).

A variety of advertising forms exist on the Internet, such as buttons, banner ads, pop-up ads, paid text links, sponsorships, target sites, superstitials, e-mail ads, and so forth (Zeff and Aronson 1999). Noting the growing popularity of the Internet as a promotional medium, Putrevu and Lord (2003) stress the need to examine the effects of Internet marketing communications. They list three Internet brand communication sources: advertisements, Web sites, and viral messaging (banners and pop-up ads fall under the advertisement category). Since the first appearance of commercial banner ads on HotWired.com in 1994, banners have become the most prevalent advertising format on the Internet (Briggs and Hollis 1997). Banner ads increase brand recognition and intention to purchase, even when the user does not click on the banner to access the brand's Web site (Briggs and Hollis 1997; Manchanda et al.)
2006). But according to a study, on the Internet, people have become expert, skeptical processors of advertisements. The moment they classify a communication message as an advertisement, without any conscious effort, they either extract from it what is useful or abandon it (Gallagher, Foster, and Parsons 2001).

It is believed that the Advertising avoidance on the Internet is more vigorous as compared to traditional media in several ways. This may be due to following reasons

- Many people still believe that the Internet is a tool or task-performing medium rather than an entertainment medium.
- People avoid Internet ads more vigorously, especially when they have limited time to perform specific task as internet users are concerned with the speed of data access and retrieval (downloading time).
- Internet users may have negative attitudes toward Internet ads when they, perceive that Internet ads slow down the speed of data access.
- In addition, the Internet involves more two-way interactivity or voluntary action from consumers (e.g., clicking banners, hyperlinks, etc.), and thus, Internet ad avoidance might encompass intentional refraining from any further action (e.g., ignoring ads by intentionally not clicking any hyperlink). This is illustrated by low click-through rates (typically less than 1%) and banner blindness.

Advantages:

a) Information from all over the world is made available at the doorsteps.
b) Users can see the advertisement at their own time and as per their requirement.

Limitations:

a) It is not accessible without a computer.

b) It is not very suitable for general public.

c) It is not suitable for illiterate and those having no knowledge about the operation of Internet.

1.4.5 Advertising through mobile: SMS communication/Mobile Advertising

A significant addition to the increasing list of communication carriers, is that of SMS (short Messaging Service) i.e. advertising by mobile. SMS has become the fastest, easiest and the most convenient way to communicate today. The most recent application of SMS has been to reach out to the consumer offering him products and services just as any of the other mass media would.

Mobile marketing is brand new phenomenon and it holds strong promises to become the best targeted advertising medium as it provides consumers personalized information, based on their location, time of day and interest (Scharl et. Al.2005). In today’s era a lot of emerging media services are seen, infect the sea of communication channels hit the consumer constantly but the actual message usually gets lost. Unlike the mass media, mobile advertising enables micro targeting, which ensures that there is no spillover of the communication? The use of this medium also
allows the consumer to react to the communication on the spot, which helps measure the effectiveness of the campaign. Then there is always the option to explore the possibility of this medium being used to propagate word of mouth. Every single target that the communication is being sent to others and thus it carries the potential to be the originator of a new chain of targets. Reflecting this idea are 2 case studies; one BBC Worldwide, which successfully boosted circulation of 'Top of the Pops' magazine through an ongoing text service and the other of East West Records, which successfully promoted a UK dance act Oxide & Neutrino with a wireless marketing campaign.

Advantages:

1. Mobile advertising is personalized in nature as the ownership of a mobile phone is individual in nature and for many; it has an emotional connotation, which is an important factor while considering using SMS as a communication channel.

2. The possibility of an SMS not being read is quite negligible. Even a message that does not interest the consumer will at the most go unanswered but hardly unnoticed.

3. Mobile advertising allows Permission Marketing.

4. Mobile advertising is interactive, generates impulsive responses and direct as far as approaching the right target is concerned.

Disadvantages:

1. Mobile advertising is in infant stage.

2. Only 164 characters are allowed in a sms, which limits delivery of
complete information at one hit.

3. As far as rural consumers are concerned, language to communicate is biggest challenge.

4. Mostly Commercial advertisements on mobile are considered annoying and intrusive.

1.5 EMERGING MEDIA AND ITS IMPACT IN ADVERTISING

1.5.1 Advertising through social networking sites

Emergence of Internet has changed the way media is created and consumed. Traditionally media was created by media companies who created the content and were the content owners. The content owners use to ‘broadcast’ this media to the consumers of such content. With internet this equation has undergone a fundamental change, now anyone can create content and share it with others using platforms like Blogging, Social Networks, YouTube etc. There is a term that describes this phenomenon- USG or User Generated Content!

In today’s era the consumers of media themselves have become media creators and the best part is that once such content is created it is getting distributed on the internet through any of the previously mentioned platforms and other users/consumers engage with this content by commenting, Re-Tweeting etc. The communication on the internet between content and consumers is becoming a 2-way dialogue instead of the earlier 1-way broadcast.
Gaining popularity of social networking has brought in another dimension to this rapidly changing landscape. People are getting more connected & communicative with their networks. Technology allows them to voice their opinions at literally the speed of thought. It is imperative for brands to very carefully manage their ‘image’ in this new digital space. Online reputation management becomes an integral part of a well planned Social Media Marketing exercise. This entire fast changing multi dimensional communication system is broadly referred to as SOCIAL MEDIA. It opens new areas and throws new challenges in front of the advertisers; they can either leverage this or get left behind.

1.5.2 Impact of Social Networking Sites as Medium of Advertising

There are more than 200 million people using social networks such as Facebook, MySpace and Bebo but it’s becoming increasingly apparent that social networks as an advertising platform are not useful. According to eMarketer, ad spending in the U.S. on social networks will be $1.17-billion this year, and only grow to $1.64-billion by 2013. In India also social media needs to go a long way in order to become an effective advertising vehicle.

The reason for social networks failed as advertising vehicles is probably due to the way people are using social networks. Mostly multi-tasking, multi-dimensional, fast-moving demographic uses the social networking sites like orkoot, Facebook, MySpace, etc. as an entertainment/communications tool and this audience pays little or no attention to advertising even if it’s innovative or viral.
Perhaps social network users are online so much and exposed to so much advertising that when they use social networking, the last thing they want to do is engage with advertising. All they really want to do is use the service and communicate with friends. Just 4% of people have ever clicked on a banner ad on a social network, according to research by affiliate network LinkShare. (by charlotte Maceleny, www.nma.co.uk)

There are a number of factors affecting advertising effectiveness. One important factor among these besides Media there are a number of other factors as well that affect advertising effectiveness and next section of this chapter deals with this only.

1.6 ADVERTISING EFFECTIVENESS

Basically advertising effectiveness depends upon user’s response towards an ad and on their attitude towards advertising. Advertising’s effectiveness lies in its capability to help stimulate or maintain sales (Eachambadi 1994; Mantrala, Sinha, and Zoltners 1992; Naik, Mantrala, and Sawyer Sethi 1998; Vidale and Wolfe 1957). Thus, advertising is frequently used as an independent variable in explaining changes in sales (Lilien 1994). In the theoretical literature there are two dominant views of the role of advertising, namely the “information” and the “market power” views.
1.6.1 Theoretical background of advertising effectiveness

The information view, exemplified by Stigler (1961), is that non-price advertising provides information about the existence of a brand or about its quality. This leads to increased consumer awareness of the attributes of available brands, reducing search costs and expanded consideration sets, which, in turn, results in more elastic demand.

The market power view of advertising is that it creates the perceived degree of differentiation among brands. This will increase brand “loyalty” which, in turn, will reduce demand elasticity, increase markups of price over marginal cost, increase barriers to entry and reduce consumer welfare (see, e.g., Bain, 1956; Comanor and Wilson, 1979). However, it is controversial whether advertising actually creates barriers to entry, because this depends on how effectively new brands can use advertising to induce trial by consumers who are loyal to other brands (see Schmalensee, 1983, 1986; Shapiro, 1982; Shum, 2002).

The effect of the advertising on consumers rests on the theory of message repetition. It can be classified into three main effects: a current effect on behavior, a carryover effect on behaviour and a non behavioral effect on attitude and memory (Pechmann and Stewart 1988; Sawyer 1981; Sawyer and Ward 1976).
1.6.2 Evaluating Advertising Effectiveness

There is no single measure of advertising effectiveness as it is affected by a number of factors. In general there are two approaches used: communication effect research and Sales effect research. Researchers have tried to estimate the effects of advertising on brand sales using field data (Leone and Schultz 1980; Vakratsas and Ambler 1996). Deeper analysis of these studies finds that the effects of advertising are significantly greater than zero but do vary by market and product characteristics (Assmus, Farley, and Lehmann 1984; Sethuraman and Tellis 1991). Abraham and Lodish (1990) believe that advertising effectiveness has to be captured by the additional sales of a product over and above those that would have happened in absence of any advertising or promotion. Although advertising managers have long believed that advertising's impact on sales can persist longer than the current period (Clarke 1976), the tendency to assume that advertising's effect on sales is short-term is yet prevalent. They further argue that the longer uses of advertising are better than less and shorter uses of it irrespective of the nature of contribution of advertisement to sales. The inability of measures to differentiate the impact of advertisement between its short term and long term effects have resulted in wastage of advertising expenditure (Abraham and Lodish, 1990).

As per the views of Rossiter and Percy (1987), Behaviour and communication effect are the primary basis for advertising segmentation and target audience definition, even for the new product or new brands
1.6.3 Media Impact on Advertising

Advertising obviously depends on both the quality of the product being advertised and the quality of the ad itself. But the third and equally important factor is the medium in which the ad appears. The medium itself is most often viewed as a vehicle that provides exposure, or “eyeballs,” for an ad. Any consideration of the quality of the medium itself as something that might affect reactions to an ad, if considered at all, is typically based on subjective judgments of alternative, and otherwise comparable, media buys. Few studies have addressed the effect of advertising effects on sales. Little has been researched on capturing the impact of how the effects vary by creative medium or vehicle (e.g., Bhattacharya and Lodish 1994).

It is well researched that consumer have very definite ideas about the media and their advertising content and they hold different expectation about different media. For example people are likely to seek information from print and entertainment form broadcast (Speck and Elliott, 1997) Television and print medium are used in different ways by the consumers: Television is a display medium with external pacing i.e. medium itself decide the time and speed of transferring information while print is search media with internal pacing, absolutely in control of consumer. or reader (Smit 1999).

Besides this, people consider internet as a task performing medium rather than an advertising vehicle (Cho and Cheon, 2004) therefore internet ads are found to be most intrusive as compared with other ads. (Li. Et. Al., 2002)
1.7 INDIAN ADVERTISING INDUSTRY:

The earliest of ads that can be seen, appeared in newspapers, from England around the early 1700s. With a beginning like that, Indian advertising has come a long way in today’s fast growing tech savvy world in the 21st century. During this journey, it saw the launch of independent advertising agencies, entrance of multinational companies and beginning of India’s only advertising school, MICA (Mudra Institute of Communications, Ahmedabad). This section highlights the salient features of the advertising industry in India and how globalization has played a key role in making Indian advertising industry so impotent. After the tough time of global economic recession, a great fall out was seen in global advertising industry but now it seems to recover and thanks to growth in ad spend of developing countries. Global advertising spending will rebound to reach almost 450 billion US dollars by the end of 2010, and hit 500 billion dollars in 2012, according to the media buying group Zenith Optimedia forecast. Markets in developing countries like India are predicted to grow much faster than developed markets, accounting for almost 36 per cent of all advertising. This can be attributed to following facts about India:

- It represents almost one-sixth of the global population.
- It is the fifth largest economy in the world
- It is one quarter of the earth’s urban humanity
- It stands for one –third of the world’s democratic population.
- It is the second largest among the developing economies
• It is the first massive, complex society to successfully transit from a socialist economy to a market economy;

The following table clearly depicts the significant growth in advertising industry in India.

Table 1.1.

<table>
<thead>
<tr>
<th>Country</th>
<th>Growth (US$ million)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>14,812</td>
<td>8.3</td>
</tr>
<tr>
<td>China</td>
<td>9,243</td>
<td>61.5</td>
</tr>
<tr>
<td>Russia</td>
<td>8,248</td>
<td>92.1</td>
</tr>
<tr>
<td>UK</td>
<td>4,541</td>
<td>19.5</td>
</tr>
<tr>
<td>Brazil</td>
<td>4,520</td>
<td>46.6</td>
</tr>
<tr>
<td>India</td>
<td>3,163</td>
<td>52.2</td>
</tr>
<tr>
<td>Japan</td>
<td>2,347</td>
<td>5.7</td>
</tr>
<tr>
<td>South Korea</td>
<td>2,095</td>
<td>21.6</td>
</tr>
<tr>
<td>South Africa</td>
<td>2,070</td>
<td>45.8</td>
</tr>
<tr>
<td>Pan Arab</td>
<td>1,987</td>
<td>54.2</td>
</tr>
</tbody>
</table>

Source: Zenith Optimedia

Indian advertising has been placing more emphasis on the importance of both recall and persuasion as brand differentiating messages. Another factor that needs to be considered is the language in the country.

### 1.8 GROWTH OF INDIAN MEDIA INDUSTRY

The process of communication to target audience in an Indian market is more complex because communication takes place across multiple contexts, which differ in terms of language, literacy, and other cultural factors. In addition, media differ in their effectiveness in carrying different appeals.
The upper middle class in India, unlike the rural market, is well aware of global brands via exposure to global media. A number of media options are available among Indians. Indeed we are living in a clutter of different media which are competing with each other for their advertising revenue. The media wise advertising expenditure from 1996 to 2008 reveals that newspapers and TV owned over 90 percent of the Indian ad market, while all other media ad expenditure accounted for almost nothing. By 2010, TV and newspapers still own the biggest share, but some other media grow strong, such as the Internet.

Table: 1.2 Media wise expenditure in India from 2004 to 2008

<table>
<thead>
<tr>
<th>Media</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>4,528</td>
<td>5,185</td>
<td>6,051</td>
<td>7,110</td>
<td>10,033</td>
</tr>
<tr>
<td>Newspaper</td>
<td>5,554</td>
<td>6,651</td>
<td>7,856</td>
<td>9,290</td>
<td>10,033</td>
</tr>
<tr>
<td>Radio</td>
<td>240</td>
<td>300</td>
<td>399</td>
<td>590</td>
<td>880</td>
</tr>
<tr>
<td>Digital</td>
<td>75</td>
<td>130</td>
<td>204</td>
<td>390</td>
<td>680</td>
</tr>
</tbody>
</table>

Source: PwC Reports

India’s media and entertainment industry grew 15 per cent annually in the last five years. And according to a report by the global consultancy firm KPMG and the Federation of Indian Chambers of Commerce. Growth rates in entertainment and
Chapter 01: Introduction to Media & Advertising

media industry will increase in 2010 as economic conditions are expected to gradually improve.

The media wise advertisement expenditure in India from 1996 to 2010 (projected) reveals that the advertisement expenditure in television media is highest when compared to other Medias followed by Print.

**Fig.:1. 2 Advertising Expenditure per Medium in India**

Source: Zenith Optimedia

1.9.1 REACH OF DIFFERENT ADVERTISING MEDIA IN INDIA

The Indian economy is booming and as a result, the various advertising and communication media are also flourishing. The population distribution of India shows that of the 1028.7 million people in the country, 65.4 per cent are literate. Around 29.1 per cent live in urban areas and 70.9 per cent in rural areas. Males form 51.8 per cent of the total population and females, 48.2 per cent. In order to understand
media impact in advertising it is reasonable to mention reach of different medias and this section of thesis attempts to do this with reference to India.

1.9.2 Reach of Television:

**At a glance**

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV Households</td>
<td>112 million</td>
</tr>
<tr>
<td>TV penetration of Total Households</td>
<td>59%</td>
</tr>
<tr>
<td>Cable and Satellite TV Households</td>
<td>68 million</td>
</tr>
<tr>
<td>Cable and Satellite TV penetration</td>
<td>61%</td>
</tr>
<tr>
<td>Terrestrial TV Households</td>
<td>42 million</td>
</tr>
<tr>
<td>Terrestrial TV penetration</td>
<td>38%</td>
</tr>
<tr>
<td>DTH Households</td>
<td>2 million</td>
</tr>
<tr>
<td>DTH penetration</td>
<td>1.79%</td>
</tr>
</tbody>
</table>

**Source: PwC 2006**

India will have more than 500 channels in the next two years and may well become the largest television market in the world by 2015. Television has the highest reach in urban areas and reached more than 75 per cent of the urban population in 2007. These viewers watched TV at least three days a week. Television continues to be the medium with the highest reach, but penetrates only 38 per cent of the huge rural population in the country.
1.9.3 Reach of print media

At the same time, literacy has risen to encompass 551 million people and more people in both rural and urban areas are reading newspapers and magazines. According to current estimates, the print media reaches 316 million people. The print medium has the second highest reach in urban areas, with 35 per cent penetration. The percentage reach for the print medium denotes average issue readership. The penetration of print is 15 per cent in rural India.
1.9.4 Reach of radio

According to Lintas Media Guide 2008 Radio is estimated to provide 1.5 million hours of content for 300 channels at present. The medium forms 3 per cent of total ad spend this year, and is expected to grow to 5 per cent in 2008-09. Radio overtakes print in rural India and becomes the medium with the second most reach. Radio reaches, 18 per cent of the rural population. Globally local retail advertising constitutes a large part of revenue of radio media but in India the local advertising constitutes only 8% of revenue of radio. Ideally a localized media like radio can be used as very effective medium for localized promotions and region specific advertising campaign.
1.9.4 Reach of Internet:

The Internet also shows a lot of promise and has grown 43 per cent in terms of advertising revenue. But it reaches even less than 2% of total population of India.

![Number of Internet Users In India](chart)

1.9.5 Gender-wise reach of different media:

On the basis of sex, the penetration of all media remains less for females than for males in both urban and rural areas. In urban India, TV reaches 75 per cent of males and 74 per cent of females. Press permeates to 46 per cent males and 27 per cent females. Radio has 24 per cent and 19 per cent reach for males and females, respectively. Cinema reaches 10 and 3 per cent males and females and the Internet reaches 6 per cent and 2 per cent males and females, respectively.
1.9.6 State-wise Reach of Different media

Looking at state-wise reach in urban areas, television has the highest reach in all the states, including Chandigarh, Delhi and Goa. All three states reveal 87 per cent penetration. TV has the lowest reach in Bihar, with only 49 per cent penetration. Print has the highest penetration in Kerala and the lowest in Orissa. Reach figures for both states are 71 per cent and 27 per cent, respectively.

Radio has the highest reach in Tamil Nadu – 40 per cent – and the lowest reach in Punjab – 9 per cent. Cinema is most successful in Andhra Pradesh, with 20 per cent reach, and least effective in Goa and Himachal Pradesh, with only 1 per cent reach in each state. The Internet is most useful as a medium in Delhi and Goa, with 12 per cent reach in each state, and the least used medium in Gujarat, Madhya Pradesh and Chhattisgarh, with just 2 per cent reach in each state.

1.10 NEWSPAPER INDUSTRY IN INDIA:

India has a diverse and growing newspapers paper industry. Since 1991, the increase of business and financial news reports in English-language and vernacular dailies has paralleled the economic reform program and the movements of the stock markets. Leading business newspapers include *Business Standard* and *Economic Times*. Magazines include *India Today*, *Business India*, *Business Today*, and *Business World*. India has emerged as the most promising and democratic mass market in Asia. The country now has a timely and uninhibited press, a judiciary that
often overrules the government, international standards of accounting and a growing research and academic infrastructure.

- Print Advertising

The print advertising segment, which constitutes 64% of the print segment, grew by 10.1% in 2008 over 2007 and stood at an estimated Rs. 103.5 billion in 2008. Circulation revenues for newspapers grew by 3.1% in 2008 over 2007 and stood at an estimated Rs. 58.3 billion in 2008. The growth in circulation was contributed more by an increase in the number of units circulated, there was marginal growth recorded in the circulation price in 2008 from 2007.

The size of the magazine publishing industry was estimated at Rs. 21 billion in 2008 which grew from Rs. 19 billion in 2007, registering a growth of 10.6%. The magazine advertising segment, which constitutes 13% of the segment, grew by 10.6% in 2008.

### Table 1.3 Growth of Indian print media industry between 2004-2008

<table>
<thead>
<tr>
<th>In Rs. Billion</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper publishing</td>
<td>86.5</td>
<td>94.6</td>
<td>112.1</td>
<td>131.5</td>
<td>140.7</td>
</tr>
<tr>
<td>Magazine Publishing</td>
<td>11.8</td>
<td>13.5</td>
<td>16.6</td>
<td>19.0</td>
<td>21.0</td>
</tr>
<tr>
<td>Total</td>
<td>98.3</td>
<td>108.1</td>
<td>128.7</td>
<td>150.5</td>
<td>161.7</td>
</tr>
</tbody>
</table>

The newspaper media expenditure in India from 2004 to 2008 reveals that the Indian print media industry has grown at a healthy rate of 13.3% over the last four
years. In 2008, however, the economic slowdown resulted in the Indian print media industry recording a growth of only 7.5% over the previous year.

Newspaper publishing, which constitutes around 87% of the segment, grew at 7% in 2008, whereas the magazine publishing, which contributes the balance 13% of the segment, grew at a higher rate of 10.6%. On an overall basis, the print media industry stood at Rs.162 billion in 2008, up from Rs. 151billion in 2007.

**Table 1.4 Growth of Indian Print Advertising and Circulation between 2004-2008**

<table>
<thead>
<tr>
<th>In Billion Rs.</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print advertising</td>
<td>54.4</td>
<td>62.7</td>
<td>78.0</td>
<td>94.0</td>
<td>103.5</td>
</tr>
<tr>
<td>Print Circulation</td>
<td>43.9</td>
<td>45.4</td>
<td>50.7</td>
<td>56.6</td>
<td>58.3</td>
</tr>
<tr>
<td>Total</td>
<td>98.3</td>
<td>108.1</td>
<td>128.7</td>
<td>150.5</td>
<td>161.7</td>
</tr>
</tbody>
</table>

Though the traditional media like Newspaper is growing extremely fast in terms of number of National / Regional dailies published and circulated, the growth and popularity of various TV channels have been questioning the supremacy of Newspaper as most significant media in terms of its impact for Advertising. As the new emerging media like TV Commercials, Internet using web page commercials and also fast evolving Social Networking sites / Blogging cult is penetrating the population in totally unprecedented way; it also warrants reassessing the position of traditional media for Advertising.
In this clutter of media, researcher finds the need to study impact of media in present context.

1.11 CHAPTERIZATION SCHEME

The thesis has been divided into six chapters and carries an appendix.

Chapter 1, deals with the introduction of research work and theoretical background of the study. In this section of thesis researcher has tried to explain marketing communication theory and its different tools. Basic theory of advertising, its objectives, different Medias and factors affecting advertising effectiveness are discussed in this chapter. Researcher has also made a humble effort to give an overview of Indian advertising and media scenario in current time and growth shown by Indian advertising and media industry.

Chapter 2, of the thesis outlines the relevant literature explaining important concepts, related to study. The literature review outlines summary of number of studies carried out by leading authors in the field of advertising and media effectiveness, published in number of research Journals and books. This chapter also outlines the review of number of report of different media research companies obtained from various sources. The literature review is not necessarily presented chronologically. The purpose of the literature review is to provide the reader with a synopsis of relevant advertising and mass communication studies concerning how impact studies are carried out.
Chapter 01: Introduction to Media & Advertising

Chapter 3, of the study is completely devoted to media scenario with special reference to Gujarat. The various media options in Gujarat and their reach as obtained from different secondary sources is presented in this section of thesis. Since media buying behavior is affected by a number of factors like social, psychological, personal and cultural factors, so a demographic and socio-economic study of Gujarat is presented in this chapter as this study is particularly concerned to Gujarat.

Chapter 4, The success of any research work depends upon the methodology adopted. This chapter of thesis describes the research methodology of the study that includes objectives of the study, the need of study, selection of sample, development of questionnaire, data collection and analysis Techniques etc. limitations of research work is also presented here.

Chapter 5, The heart of any research work is data collection, analysis and interpretation. This chapter presents data analysis by using analytical tools such as percentage, mean, standard deviation/chi square values. The integral part of any research work is to develop hypothesis on any issue and then testing the hypothesis on the basis of available data. The analysis is represented in the form of graphs and tables.

Chapter 6, This chapter describes conclusions and finally interpretation based on the data collected and hypothesis testing.
REFERENCES


15. C. Miller, Studies: “Consumer Online Internet Levelling Off”, Marketing News, 30, 7


47. www.Zenithoptimedia.com(Adspend update)

48. www.kpmg.com

49. www.ficci.com

50. www.wan-itra.org

51. www.televisionpoint.com

52. www.nrsindia.com