Chapter-I

Introduction
CHAPTER - I
INTRODUCTION

Today we are living in a rapidly changing world, where ideas are sold and valued. Everyday, new ideas are generated and introduced to the world. Advertising portrays the work of creativity and glamour which creates attention value, attracts and motivates end users to buy a product/service. Advertising is a very relevant way of disseminating information about the product. People do not go searching for the item of their requirements in this busy life. They are meeting their needs through the information from advertisements, which really play a very important role in this market of variety. Celebrities and models are used to attract our attention. Emotions are played upon, and consumers are roped in by targeting their ego, emotions, and any other weak points of their personality. These advertisement, considerably and deliberately, target consumer psychology, which forces them to identify themselves with one brand or the other. It is important that the advertisers inform the consumers about the products, avoiding any false information or exaggeration just for the sake of selling more of those products. The truth in advertisement is very essential to guide the consumers about the qualities of the products, where they can have the opportunity to choose or reject them.

Advertising is defined as the non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media (Richard F. Taflinger). Advertising is something which is related to information about the product, which today has become a vast topic and needs a lot of focus in order to survive in this hi-tech world, which is being constantly bombarded with high level of information. This information is communicated so fast that it can travel throughout the world within seconds even sometimes before your reconsideration.  

Customer is the central point in every business. Now-a days, attracting and satisfying customers is more difficult than producing the goods for any product. Many brands are available in the market. Every company wants to increase its

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market share. So it has to make lot of efforts to attract and persuade the persons to purchase its products and services. Advertising is an important means to influence the potential customers. Companies ranging from large multinational corporations to small retailers increasingly rely on advertising to sell their products and services. Moreover customers have also started giving due importance to advertising while making purchase decisions. Thus, advertising has become the need of the hour in today’s era.

Secondly, advertising is known for playing with human emotions via skits, pictures, music etc a fine blend of these together create images and symbolic appeals for a company or brand. For example-Wrangler Jeans has already created masculine image with the help of print ads representing cowboy. Moreover Wrangler showrooms also get their interior done like stables as a part of Integrated Marketing Communications.

Another advantage of advertising is its ability to strike a responsive chord with customers (prospects) when other element of marketing program have not been successful. Popular advertisement campaigns attract consumer’s attention and can help generate sales.²

All advertising is not designed to lead directly to sales. For example, some advertising may be aiming for long term brand image building. Whether it is designed for short-term or long-term purposes, advertising’s effectiveness lies in its capability to help stimulate or maintain sales. Thus, advertising is frequently used as an independent variable in explaining changes in sales.³

Abraham and Lodish (1990) suggest that, as a result, much advertising is wasted, largely due to lack of measures that can show the manager the impact of short term advertising on long term sales.⁴

Mohrle, and Simon (1997) reported on a study that addresses this problem by utilizing a relatively new concept: marketing persistence. Marketing persistence

measures the extent to which a relatively short term change in the marketing mix, such as advertising expenditures, leads to a long effect on sales.\textsuperscript{5}

All business establishments, including large and small retailers, use advertising in some form or the other depending on their objectives and resources. The role of advertising depends on how much importance is attributed to advertising relative to other promotion mix elements in the company's marketing programme. This would determined by considering various factors such as consumer behaviour, competitive situation and product category etc.

Advertising helps in making certain important assumption that (i) Most advertisements help in producing psychological effects and can help in changing only mental states of audiences and predispose them toward purchase of advertised product or services (ii) Advertising is essentially a form of communication and its basic responsibility is to deliver desired information to the targeted audience.

The field of advertising management is made up of a system of interacting organizations and institutions all of which play a role in the advertising process. At the case of the system are advertisers and the organizations that provide the financial resources for supporting this advertising. Advertisers are private or public sectors organization that use mass media to accomplish their organizational objective. It is the decision to invest resources in purchasing time or space in such mass media as Television, Radio, Newspaper or Magazines that basically distinguishes advertiser from non-advertisers. Advertisers make use of mass media, non-advertisers do not.

There are few elements of communication that are as pervasive as advertising. Every person, irrespective of age, income or class consideration, exposes to advertising in one form or the other. While a child may sing an Ad jingle for entertaining family guests, a housewife may talk knowledgeable about latest 'Micro System' for washing clothes almost everyone also has an opinion about advertising. People may love it or hate it but few can remain indifferent to advertising and its persuasive messages.

Advertising perform its role within the framework of marketing. Marketing is the function concerned with assuring that products are ready when and where needed by consumers. Understanding of advertising and its role in modern society is one characteristics of being an information person in today’s world. Advertisements are aimed at members of society. Society is affecting by advertising in economic and social way. Marketing people obviously require the most through comprehension of advertising. A business executive need for knowledge about advertising will vary with his area of responsibility often business people tend to accept advertising as a necessary component.6

Highlighting the global importance of advertising, it is claimed that, “Although advertising is primarily a private - enterprise marketing tool, it is used in all the countries of the world, including socialistic countries-advertising is a cost affective way to disseminate message, whether it is to build preference of coca-cola all over the world or to motivate a developing nations consumer to drink milk or to practice birth control.”7

THE PROBLEM

Ethics in Advertising is a subject that has not received the attention it deserves. While there are several good books and articles on the subject of Ethics by and large they Concentrate either on the Ethics in Business or on Managerial Ethics etc. A review of the literature on advertising Ethics was also made. It was found that there is dearth of literature on the subject. Some of the prominent books are: Advertising and research by S. Ayaz (Peerbhoy, Progressive, Bombay, 1964), Advertising and Publicity in India by S.S. Scxena (Agra University, Agra, 1952). Managerial Ethics by Shiva Prakashan (Rajat Publicaton, New Delhi, 2003). Advertising management by B.S. Rathore (Himalaya publishing house, Bombay, 1984). Foundation of Advertising Theory and Practice by A. Chunawalla and K.C. Sethia (Himalaya publishing house, Bomba, 1985). Ethics in Business and

Various aspects of advertising have also been covered in Marketing Management edited by T.A. A. Latif, (Deep Publications, New Delhi, 1983), Salesmanship and Publicity by R.S Davar (Progressive, Bombay) and Modern Marketing by S.A. Sherlekar (Himalaya Publishing House, Bombay, 1981). A study of a number of articles and case studies on advertising was also made, They have been published in journals, viz., Indian Journal of Marketing (New Delhi) and Indian Management (New Delhi), Industrial Times (New Delhi) and in daily newspapers like The Economic Times (New Delhi). Financial Express (New Delhi), etc. The Indian Institute of Mass Communication (IIMC) at New Delhi conducted various studies on advertising. It conducted a study in 1982 on content Analysis of Advertisements and Consumers Behaviour. The report has been published in two volumes.

In India, there are about 390 big and small advertising agencies. Most of the agencies are small and do not conduct research systematically. It is believed that only 10 percent of the agencies are genuine advertising consultants; the rest can be called suppliers. Not even 2 per cent of the advertising expenditure, in India, is earmarked for research. The Indian advertisers acknowledge the need of advertising research. Tapan Lal Dhar, Art Director, at Mutual Advertising and Marketing Agency, says, “Advertising today is very objective-oriented. I feel, I must Know the entire background of my Product before I can successfully plan out the campaign. Research tells me in details all about my product, the consumer, and the existing markets, Tara Sinha of Tara Sinha Associates says, market research and advertising research are both very important. Our expertise is in Knowing the consumer, the market and our clients’ products.

Much has been researched and written about how advertising works and the effects it produces. However, at the very outset, it is important to appreciate that the nature of subject is such that there are few definitive answers. Perhaps everyone associated with advertising has something to say on this subject. The persuasion process can occur as a consequence or exposure to an advertisement. The exposure
can result creating awareness and a feeling of familiarity about the brand. Exposure to an ad can also lead to relevant information about the products attributes and, more importantly, the resulting benefits to the consumer. Ad exposure can often generate feeling-positive or negative, which consumers begin to associate with the brand. Use of testimonials or brand endorsers can help create an image or brand personality. Ad exposure can also create an impression that the brand is in fashion and favored by friends and acquaintance etc. These effects can lead to liking, preference, conviction and, finally, purchase of the product or brand.

Understanding the response process that the consumers may go through the moving or eliciting a behaviour as a result of exposure to advertising, is perhaps the most important aspect in developing an effective advertising programme. The objective of the advertiser may relate to cognitive, affective, or behavioural aspects.

Amna Kirmani and Peter Wright suggest that consumer's perceived amount of advertising, judged by advertising frequency and the size of print ad etc. is sometimes used by them as an indicator of the brand's quality. Consumers reason that because of high quality the marketer is backing the produced with high degree of marketing effort.⁸

Advertising is a major component of marketing mix. In this context marketers are frequently concerned with the effect of their advertisements. The effect of advertising depend on several factors, the quality of the advertisement, the advertisement and the media, the characteristics of the potential buyers, situational factors such as the sequential order of advertisements, the amount of time between advertisement and momentary consumer moods and other circumstances that are not under the direct control of the advertiser.

Indian market is a highly growing market with rich performance potential. With liberalization of economic policies and opening up of the Indian market to multinational and transactional companies, there is an increased attention of the consumer behaviour of this market. Advertising being a way of influencing the consumer behaviour, giant organization are now eager to know the effect of advertising on Indian consumers.

In today’s society, advertising has a profound impact on how people understand life, the world and themselves, especially in regard of their values, moral principles ethics and their ways of choosing and behaving. Advertising is a part of marketing strategy. To market a product, the product makers hire advertising agencies to design ads for their product from cosmetics to an aeroplane. In the present era of information, explosion and media influence these advertisements play a major role in changing the consumption behaviour of the society. Thus, the impact leads to cultural and social changes to a great extent.

Advertising too has ethical values. Advertising communication is a mix of art and facts subservient to ethical principles. In order to be consumer oriented an advertisement will have to be truthful and ethical. Today, the major ethical issues in advertising is misleading or deceptive advertising. Advertising is deceptive which degrade rival products or substitute products, which gives misleading information, which gives false information, which conceal important information that vitally affects human life, which make exaggerated or tall claims, which is obscene or immoral, which is against national or public interest. After looking into what is ethical and what is not, it becomes imperative for critics that they are having an eye on the tactful and tilted advertisement to confine the same within the norms of ethics and code of conduct of advertisement.

Today, world of Advertisement is totally based on sex portrayal in every aspect of advertising. Advertising is criticized for its sexiest approach and for stereotyping women’s role by either depicting them as passive sufferers or glamorous dolls. Many activist organizations have taken up the issue of the ‘commodification’ of the female body, calling it an affront and fighting many a battle on the streets. In the Indian context, their efforts bore fruit when the Indecent Portrayal of Women (Prohibition) Act, 1986, was passed. The act forbids the depiction of women in an indecent or derogatory manner in the mass media.

After liberalization and Globalization (1990) of Indian economy the advertising industry is growing with 14% growth rate, and liberalization is proving an energy oil for other sector of economy also. Indian market now-a-days has been flooded with many products, Indian as well as foreign. Lot of marketing activities
are required to sell the product because the immense competition among companies. All most all the company are doing marketing activities. Advertising is the main tool as far as dissemination of information is concerned. Lot of studies had been conducted in the past regarding the marketing tools, but not many research activities has been conducted as far as advertising is concerned. Because of a very simple thinking which has been prevailing in the mind of producer that advertising do work for their product. But empirically some studies has proved otherwise also i.e. advertising do not work much. It is technically superiority which of product is important and work. So researcher need for this kind of study was realized.

**CHALLENGES TO INDIAN ADVERTISING**

The Gulf War in 1989 and the entry of CNN, followed by a plethora of channels, changed the face of Indian advertising. Two developments followed. With so many channels, the audience became fragmented. The lure of watching more than one programme resulted in channel surfing, giving media planner’s sleepless nights. This resulted in media innovations of the kind no one imagined. Several breaks within programmes for commercials, sponsorships, road block strategies (broadcasting your advertisement on various popular channels at the same time so that the suffer is exposed to the advertisement, wherever he/she stops), using anchorpersons talking about the product, and product endorsement in popular serials were used, among many other innovations.

With television bringing films to the home, doomsayers declared the death of feature films in the theatrical circuit. Media planners also feared the loss of the popular media choice. However, innovations happened there too. The rise of multiplexes has turned film watching into a lifestyle experience. The print media also witnessed tremendous media innovation, as television was not only competing with it on news, but was also faster, three dimensions, and often live. Newspapers improved their packaging and added several niche supplements to cater to the communication need of various age groups.

Advertisements began appearing in all shapes and sizes, which was unheard of in the pre-liberalization days. It is common for a pizza company to book a heart-
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shaped advertisement on Valentine's Day, an advertisement may run diagonal on the page, and paste-ups of various materials can be seen plastered all over magazines, among many other innovations. Outdoor media has also witnessed tremendous innovation. Cut-outs on billboards, light and music displays, perforated boards to avoid damage from high velocity winds, the use of printed, multi-colour, and halftone printed paste-ups against hand-painted boards, the use of laser beams to project brand messages, and electronic scrolls, especially during fairs and congregations are some examples.

Indian advertising remains a bastion of male dominance, at least in the top positions. There are about 800 accredited advertising agencies, and except for a couple of instances, women have not been heading these agencies. Advertising is a preferred choice of profession for thousands of youngsters in India today. In an article titled 'Young and Restless', Brand Equity opined that advertising's gennext was all set to shake up the industry. In an era of professionalism and multi-tasking, there is a breed of youngsters who are very focused and see themselves as the next David Abot or Piyush Pandey (Razdan 2004).

ADVERTISING IN INDIA

Over the years, Indian advertising has had many changing faces. It changes with business conditions, social, cultural time and technology. The advertisement in the pre independence period in India were mainly addressed to the affluent class. These advertisements were generally for tea, gramophones, cars, hotels, restaurants, and cotton goods etc. After Independence, there was abolition of princely states and Zamindary system that a new born middle class received the attention of advertisers. Hence, large numbers of advertisements were made. Since, after independence advertising has developed rapidly in India. In the mid 1960s, Kersey Katrak, an exceptionally talented advertising professional, helped in nurturing talents such as Arun Nanda, Mohad Khan, and Ravi Gupta. The collapse of some agencies such as MCM and Iyer's brought on the scene many new agencies. The major trend in 1970s was professional approach and consolidated. During 1980s the economy slowed significant improvement, and advertising agencies flourished.
This is reflected with the growth of advertising industries in India during the last decade. According to an assessment, the advertising industry in India has seen a phenomenal growth. A survey conducted by the Economic Times on Advertising and Publicity Expenses revealed that the total expending on advertising during the year 1985-86 amounted to Rs. 146 crores, whereas, this figure stood at Rs. 3200 crores for the year 1995-96.\(^9\) Thus the total advertising expenses in the country registered a growth of 22 times during these ten years. It has been accepted that the size of advertising industry is a true indicator of the level of the living standard in a country and its economy. Opening up of Indian market and emergence of middle class consumers, the advertising industry has grown tremendously. The industry today consists of more than 150 large, medium and small sized advertising agencies. Introduction of Cable TV, Satellite Channel and Internet have given tremendous opportunity for advertising industry to grow and flourish.

There are professional bodies that represent the advertisers the advertising agency and the media of advertising.

- The Advertising Agencies Association of India (AAAI) was formed in 1945 to raise the standard of advertising and to introduce a code of conduct.
- The Indian Society of Advertisers (ISA) was formed in 1952 to promote the interest of the advertiser and to raise the standards of advertising.
- The Audit Bureau of Circulations (ABC), formed in 1948, helped to bring Indian newspapers in line with those of the advanced industrial countries.
- The Indian and Eastern Newspaper Society (INS).
- The Advertising Club, Bombay, registered in 1962, presents annual awards for excellence in advertising on an all-India basis.

There has been pressure on advertising to become more socially accountable and responsible. There has been an increasing need for more truth in advertising and for regulation of advertising.\(^{10}\)

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ADVERTISING CONCEPT

In the simplest language "Advertising is the reflection of era, a technology, an ideal, a way of life". The word advertising is derived from Latin word, viz. 'adverto', 'ad' meaning towards and 'verto' meaning 'I turn'. Literally it means to "turn people's attention to a specific thing". It may be interpreted as to turn the attention of the people concerned to a specific thing, which has been announced by the advertiser publicly in order to inform and to influence them with the ideas that the advertisement carries. Advertising is a key part of sales process.

The dictionary meaning of advertising defines advertising as 'to make known or to inform.' All advertisement can be seen to offer information and can be regarded as communication about product, services and organisations. Advertising is a multidimensional promotion tool and is used as a powerful marketing tool for mass communication. It is a component of economic system, a means of financing the mass media and social institution. It is an art and a field of employment and profession. It is also an instrument of business management. It is also claimed that advertising is "telling and selling."  

The word advertisement first appeared around 1665 A.D. it was used in bible to indicate notification or warning. By 1660 it was used as heading for commercial information by store keepers. Harold W. Berkman and Christopher Gilson, have defined advertising as a persuasive media communication designed to respond and help to achieve the marketing objectives.

According to new Encyclopedia Britannica, advertising is a form of communication intended to promote the sale of product, services to influence public opinion, to gain political support or to advance a particular cause. Advertising has been defined by different experts. Some of the oftquoted definitions are

"Advertising consist of all the activities involved in presenting to a group, a non-personal, oral or visual, openly sponsored message regarding a product,

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service or idea. This message called an advertisement is disseminated through one or more media and is paid for by the identified sponsor. “13

According to Philip Kotler (1977),

“Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services in a manner consistent with the achievement of the advertiser’s objectives, the delivery of consumer satisfaction and the development of social and economic welfare.”

Subroto Sengupta (1990) emphasized:

“Advertising is the discovery and communication of a persuasive difference for a brand to the target prospect.”

O’Guinn (2000) offered straightforward definition

“Advertising is paid mass-mediated attempt to persuade.”

When one closely looks at all the definition by various experts over a period of spanning almost one and a half centuries, advertising comes out in a working definition, “Advertising is mass paid communication of building brand through persuasive communication and positioning them in consumer’s perception with a constant eye on the market environment and consumer expectations.”14

Although advertising has been variously defined by different authors, the basic theme has more or less remained the same. The effective advertising must carry three essential elements. It includes:

Stopping Power: Revealed by the initial delivery of message.

Holding Power: Apparent in receiver’s continuing attention to the message.

Commitment Power: Shown when the receiver takes the hope for action.

In developing an advertising programme, one must always start by identifying the market needs, buyer’s motive and must make five major decisions

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13 Ibid., pp.7-8
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commonly referred as 5M's (Mission, Money, Message, Media and Measurement) of advertising.

Fig. 1.1: The 5M's of Advertising

Understanding the various types of intended effects that typically are the goals of advertising is the way one evaluates whether an ad is effective. However, effectiveness only occurs to the degree that certain effects – such as the impact or result of a message – are accomplished.

Fig. 1.2: A Model of Key Effects (Categories of Effectiveness)

Fig 1.2 is a simplified model of a set of typical effects that advertiser hopes to achieve. In this model, the first level is perception, which means the advertiser hopes the ad will be noticed and remembered. Then there are two categories of effects that are either focused on learning, which means the audience will understand the message and make the correct association or persuasion, which means the advertiser hopes to create or change Attitude and touch emotions. The last major category of effect is behaviour – getting the audience to try or buy the product, or perform some other action.\(^\text{15}\)

HISTORICAL PERSPECTIVE OF ADVERTISING

The story of advertising has unfolded in a series of cycles, coinciding with periods of economic depression, boom and the World Wars. The rise of mass marketing, technological advances, have contributed to the emergence of advertising as an important business tool today. Communication has been a part of the selling process for almost as long as there has been the need to exchange goods for one person to another. During ancient and medieval times advertising was crude if measured by present day standards. However, the basic reason for using advertising was the same then as it is now.\textsuperscript{16}

The recorded history of advertising covers a period of about 5000 years including the modern satellite and internet age. Our knowledge of advertising in ancient times is in fragments. Advertising was really launched by the ancient Babylonians, of about 3000 BC, who had a reputation for being materialistic. Some of them even stenciled the bricks used to build temples, with letters announcing the name of the temple and the king who built it. Romans and their predecessors know that ‘it plays to advertise’. Papyri found in the ruins of Thebes (Egypt) show announcements offering rewards for the return of runaway slaves (about 3000 BC).

Before the insertion of printing from movable type (about 1438 AD) by John Gutenberg, there were three forms of advertising.\textsuperscript{17}

**Trademarks**: Craftsmen in early times wanted to be identified for their skills and placed their individual marks on goods they crafted. This led to reputation building of particular artisans by word of mouth. Trademarks and brand names of today are developed forms of those early trade marks.

**Signs**: Phoenicians and other traders painted commercial messages on prominent rocks along trade routes that they used. These messages highly praised the products that were for sale. Archeologist have revealed from excavation at

Pompeii that little shops had inscription on walls, near the entrance to inform the passers by whether the shop sold pottery, wine, bread or any other goods.

**Town Criers**: This system of town criers was present in all developed civilizations of ancient world. In Greece during the Golden Age, town criers were paid to go around spreading news and making announcements in the streets of Athens.

Epics and history book about ancient India reveal that the system of town criers was used by the rulers in India to inform the public of various public interest matters. In rural India, town criers were used till 1950s. Infact spoken words were the most predominant form of advertising till 1450 AD. The invention of movable type printing press by Johann Gutenberg, the first printed advertisement of prayer book appeared in England in 1477. The first newspaper advertisement was seen in London, in 1625.

The first advertisement in America appeared in 1704 in the Boston Newsletter offering a reward for the capture of a thief. By the middle of 17th century, weekly newspaper started to appear in England. Most of the early advertisements in these newspapers were in the form of announcements. The first advertisement offering coffee appeared in a newspaper in 1652, followed by an offering of chocolate in 1657 and a tea in 1658. Soon advertising became the main source of revenue for newspapers and space-selling came into existence. This advertising was primarily ‘pioneering advertising’ in its nature: Competitive advertising came much later in the 18th century in England, when various ads attempted to convince the reader about the advertised product’s superiority over other similar product.

In the late 1880s, John E. Powers emerged as a greater copy writer. J. Walter Thompson, a young advertising executive, signed on exclusive contract with 25 of the best American magazine and had an impressive list of advertiser. He was head of the famous agency by that name, was the first to introduce ethical standards in the industry during this period. His personal distaste for alcohol and tobacco kept his
agency from accepting such business for many years. He placed strong emphasis on women as important consumer.

An Agency, Lord and Thomas, had two remarkable copy writers, John E. Kennedy joined in (1898) and Claude C. Hopkins enjoyed a reputation work. Hopkins had joined Lord and Thomas in 1907 was regarded by many as the greatest creator of advertising who ever practiced the art.\(^\text{18}\) In 1918, Albert Lasker (Chicago) was recognized as the king of US Advertising world. During the 1920s, modern marketing research entered the world of advertising. As a result of this new development, advertising of this period started stressing on the outcome of consumer purchase such as health, happiness, status and love etc. Before the severe depression of the 1920s, radio was not being used for advertising. Strong though it seems, during this period of depression, the commercial radio-emerged as a popular advertising medium, following newspapers and magazines.

Most of the growth of advertising has been after World War-II. It was mainly because of the efforts of Leo Burnett, David Ogilvy and William Bernbach that creativity and soft sell were reintroduced in advertising. Burnett’s contribution in late 1950s and 1960s brought drama and warmth to advertising with character such as Marlboro man Ogilvy, Bernbach’s contribution was combining copy, art and humour. The growing popularity of TV as an important media of mass communication and recreation greatly contributed in bringing about this situation and also provided the much needed momentum to the advertising assumed an important position in the industrial societies. The influence of TV ad is obvious. It not only generates greater sales but also plays an active role in boosting company image. Today advertising is widespread all over the world in different countries. But advertising trends vary from country to country. Germany leads the advertising world with its largest advertising industry to be second by the US.

COMPONENTS OF ADVERTISING

Fig. 1.3 Components of advertising

ADVERTISERS
Who sometimes use
ADVERTISING AGENCIES
And are sometimes assisted by
SUPPORT ORGANIZATIONS
Send their message through
MEDIA (GENERALLY MASS)
To potential
CUSTOMERS
Of the product, service or idea promoted

Advertisers:
The advertiser is the core institution of advertising management. He provides the overall managerial direction and financial support for the development of advertising and purchase of media time and space.
The advertiser consists of many types and can be identified on the basis of their respective spending on advertisement formulation and launching. Those who are classified as national advertiser spend the largest share of advertising dollars. The balance is spent by the local advertiser.

Advertiser can also be differentiated by the product type they are providing. Broadly they can be of three types.

(i) Consumer advertisers are those who manufacture products or services for the consumer markets. Extensive media is used by these advertisers in terms of TV, radio, newspapers, magazine.

(ii) Industry advertiser are involved in producing products/service for the industrial markets and thus spent largely on trade magazines, business papers, direct mail and trade shows.

(iii) Retail advertisers are the users of local media eg ads in regional/local newspapers, pamphlets, posters and ad in cable TV.

In order to make advertising decisions, advertisers may have to deal with a number of institutions broadly categorized into (a) Control Institutions; (b) Facilitating Institutions.

The Government is the larger advertiser in the country. This predominant share of the Government in advertising is due mainly to the fact that the government is the single largest investor in the country. In India, in the hands of the Government, advertising has become a powerful instrument of socio and economic growth.19

The Table given below shows the top twenty corporate advertisers in India and their ad expenditure. The advertising spending of these companies range between Rs. 13 Crore and Rs. 67 Crore.

Twenty five companies spent more than Rs. 10 Crore each and sixty four companies spent more than Rs. 5 Crore each on advertising.

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Table 1.1: Top Twenty Advertisers in India.

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Advertising Expenditure (Rs. Core)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindustan Lever</td>
<td>67.22</td>
</tr>
<tr>
<td>ITC</td>
<td>34.93</td>
</tr>
<tr>
<td>Nestle</td>
<td>24.61</td>
</tr>
<tr>
<td>Nestle</td>
<td>24.15</td>
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<tr>
<td>Brooke Bond</td>
<td>23.97</td>
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<tr>
<td>Godrej Philips</td>
<td>23.87</td>
</tr>
<tr>
<td>Philips</td>
<td>21.07</td>
</tr>
<tr>
<td>Colgate Palmolive</td>
<td>20.80</td>
</tr>
<tr>
<td>Procter &amp; Gamble</td>
<td>19.84</td>
</tr>
<tr>
<td>MRF</td>
<td>17.57</td>
</tr>
<tr>
<td>Tata Tea</td>
<td>15.69</td>
</tr>
<tr>
<td>Mc. Dowell</td>
<td>15.25</td>
</tr>
<tr>
<td>Telco</td>
<td>15.01</td>
</tr>
<tr>
<td>YST Industries</td>
<td>14.30</td>
</tr>
<tr>
<td>Bajaj Auto</td>
<td>14.24</td>
</tr>
<tr>
<td>Tomco</td>
<td>13.95</td>
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<tr>
<td>Indexport</td>
<td>13.75</td>
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<tr>
<td>Reliance Industries</td>
<td>13.72</td>
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<tr>
<td>Lipton</td>
<td>13.58</td>
</tr>
<tr>
<td>Titan Industries</td>
<td>13.16</td>
</tr>
</tbody>
</table>

AGENCIES

The American association of advertising agencies defines an agency as:

1. An independent business organization.
2. Composed of creative and business people.
3. Who develop, prepare and place advertising in advertising media.
4. For sellers seeking to find customers for their goods and services.

The advertising agency is independent both of the client and of the media.

Services that the agency offers the advertisers include:

1. A study of the client’s product or service;
2. An analysis of the present and potential markets
3. A knowledge of the available media, their capabilities, costs and other requirements.

On the basis of such knowledge the agency formulates and presents to the client and advertising plan. Execution by the agency of this plan involve copywriting illustration, layout and in general.

1. Construction of advertisements;
2. Making arrangements with media for placing advertisements with them;
3. Checking on media performance.
4. Co-operating with the client to achieve the desired coordination between advertising and sales. Co-ordination means concerted effort towards a common goal.

The sale of advertising agencies is constantly growing in importance. The Indian agencies are now making a significant leap forward research based advertising leading agencies like Hindustan Thompson, Lintas, Mudra, Mass Communications and others have taken many steps in this direction.20

Table 1.2: Top 25 Advertising Agencies in India

<table>
<thead>
<tr>
<th>Name</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ogilvy &amp; Mather</td>
<td>01</td>
</tr>
<tr>
<td>Jwlt</td>
<td>02</td>
</tr>
<tr>
<td>Lowe</td>
<td>03</td>
</tr>
<tr>
<td>Mudra</td>
<td>04</td>
</tr>
<tr>
<td>McCann-Erickson India</td>
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</tr>
<tr>
<td>Rediffusion Dyr</td>
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<tr>
<td>Leo Burnett</td>
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<td>R.K. SwamyBBDO Advertising Ltd.</td>
<td>09</td>
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<td>Draftcbulka</td>
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<tr>
<td>Grey Worldwide</td>
<td>11</td>
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<tr>
<td>Bates 141</td>
<td>12</td>
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<tr>
<td>Saatchid &amp; Saatchi</td>
<td>13</td>
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<tr>
<td>Percept Advertising</td>
<td>14</td>
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<td>Ambience publicis</td>
<td>15</td>
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<tr>
<td>Euro RSCG Advertising</td>
<td>16</td>
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<tr>
<td>M &amp; C Saatchi</td>
<td>17</td>
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<tr>
<td>Everest Integrated Communication Ltd.</td>
<td>18</td>
</tr>
<tr>
<td>Law &amp; Kenneth</td>
<td>19</td>
</tr>
<tr>
<td>TBWA Anthem</td>
<td>20</td>
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<tr>
<td>Interface</td>
<td>21</td>
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<tr>
<td>Publicis India</td>
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<tr>
<td>Orchard</td>
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<td>Triton</td>
<td>24</td>
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<tr>
<td>Quadrant</td>
<td>25</td>
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20 Kaptan Sanyay (2001), "Women is Advertising," V.P. Subramaniam Book enclose, new Dephi, pp. 85-88
THE MEDIA

Advertising media are the non-personal channels of communication that people have invested and used and continue to use.

Advertising media are institutions such as newspapers, posters, magazines, radio, television, direct mail and outdoor Skywriting, bill boards, transit cards, sandwich boards that is used to carry the advertisers messages to the desired audiences.

The Media Boom

The period between the mid-eighties and the mid nineties has witnessed a media boom in India-Media availability as well as exposure to mass media has been on the rise, even in rural areas. By 1993, 74 percent of urban and 11 percent of rural population watched TV, 37 percent of the total population read newspapers and 47 percent of the total listened to the radio. And there is every indication that in the near future, TV viewership will touch practically the 100 percent mark in urban India. The advertising expenditure in the world in general and in India in particular is increasing significantly year after year. The following table highlights the pattern of advertisement expenditure through various media in the years 1992, 1995, 2000, 2002.

It is clear from the table that the business enterprise in India are using newspapers, magazines, televisions, radio, cinema and outdoor as media for advertising their products. Further the table reveals that on the whole the advertising expenditure has increased from 671 million US $ in 1992 to 3291 million US $ in 20000 recording an overall increase of 390.5 percent. This shows the importance of advertising in the modern competitive world.
Table 1.3: Advertising expenditure in India (in million US $ at current prices)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Newspapers</td>
<td>422 (62.89)</td>
<td>800 (62.94)</td>
<td>1345 (63.6)</td>
<td>2160 (65.6)</td>
<td>80.5</td>
</tr>
<tr>
<td>Magazines</td>
<td>40 (5.95)</td>
<td>75 (5.90)</td>
<td>130 (6.2)</td>
<td>210 (6.4)</td>
<td>425.0</td>
</tr>
<tr>
<td>Television</td>
<td>136 (20.27)</td>
<td>200 (15.73)</td>
<td>295 (13.9)</td>
<td>400 (12.2)</td>
<td>194.1</td>
</tr>
<tr>
<td>Radio</td>
<td>19 (2.83)</td>
<td>65 (5.12)</td>
<td>19 (4.3)</td>
<td>186 (5.7)</td>
<td>478.9</td>
</tr>
<tr>
<td>Cinema</td>
<td>4 (0.60)</td>
<td>48 (3.78)</td>
<td>105 (5.0)</td>
<td>225 (6.8)</td>
<td>4550.0</td>
</tr>
<tr>
<td>Outdoor</td>
<td>50 (7.45)</td>
<td>83 (6.53)</td>
<td>150 (7.0)</td>
<td>225 (6.8)</td>
<td>350.0</td>
</tr>
<tr>
<td>Total</td>
<td>671</td>
<td>1271</td>
<td>2115</td>
<td>3291</td>
<td></td>
</tr>
</tbody>
</table>

Source: www.businessstandard.com

Selecting the Right Advertising Approach

Once a company decides what type of specific advertising campaign it wants to use, it must decide what approach should carry the message. A company is interested in a number of areas regarding advertising, such as frequency, media impact, media timing, and reach.

I. Frequency: Frequency refers to the average number of times that an average consumer is exposed to the advertising campaign. A company usually establishes frequency goals, which can vary for each advertising campaign. For example, a company might want to have the average consumer exposed to the message at least six times during the advertising campaign. This number might seem high, but in a crowded and competitive market repetition is one of the best methods to increase the product’s visibility and to increase company sales.

II. Media Impact: Media impact generally refers to how effective advertising will be through the various media outlets (e.g., television, Internet, Print). A company must decide, based on its product, the best method to maximize consumer interest and awareness. Similarly, a company such as Mercedes-Benz, which markets expensive products, might advertise in specially car magazines to reach a high percentage of its potential customers. Before any money is spent on any...
advertising media, a thorough analysis is done of each one's strengths and weaknesses in comparison to the cost. Once the analysis is done, the company will make the best decision possible and embark on its advertising campaign.

III. Media timing: Another major consideration for any company engaging in an advertising campaign is when to run the advertisements. For example, some companies run ads during the holidays to promote season-specific products. The other major consideration for a company is whether it wants to employ a continuous or pulsing pattern of advertisements. Continuous refers to advertisements that are run on a scheduled basis for a given time period. The advantage of this tactic is that an advertising campaign can run longer and might provide more exposure over time. Pulsing indicates that advertisements will be scheduled in a disproportionate manner within a given time frame. Thus, a company could run thirty-two television commercials over a three or six-month period to promote the specific product it wants to sell. The advantage with the pulsing strategy is twofold. The company could spend less money on advertising over a shorter time period but still gain the same recognition because the advertising campaign is more intense.

IV. Reach: Reach refers to the percentage of customers in the target market who are exposed to the advertising campaign for a given time period. A company might have a goal of reaching at least 80 percent of its target audience during a given time frame. The goal is to be as close to 100 percent as possible, because the more the target audience is exposed to the message, the higher the chance of future sales.

Advertising Media

A medium is a vehicle for carrying the sales message of an advertiser to the prospects and there by aid in closing the gap between producer at the one end and the consumer at the other end. Each medium designs its products to be more and more attractive among its audience. Each medium applies marketing concepts to the designing of the right product, selling it at the right price, distributing it through several outlets and, at times, taking the help of the right promotional means to increase its circulation or improve the popularity of its programmes. Various advertising media are available to marketers.
1. **Printed Media:**

   The print media carry their messages entirely through the visual mode. These media consist of newspapers, magazines and direct mail. Business publications, popularly called trade journals or trade magazines, are also used for advertising. Much of the advertising carried by printed media is local promotion by retail stores, cinemas and other local organizations. In general, printed media of advertisements offer advertisers the opportunity to reach highly selective audience. This media has other advantage. The advantages of time flexibility. Because of the high cost factors many small advertisers don't employ this medium.

2. **Radio**

   The Radio is a prominent vehicle of advertising in our country, and accounts for a large sum of the total advertising—Budget. The radio serves principally local rather than national or large regional markets. The advantages of radio advertising are immediately, low cost flexibility, practically, low-cost audience selection, and mobility. But a message on the radio lasts only for a short period. Moreover, the radio appeals only to the sense of hearing.

3. **Television**

   The T.V. is a unique combination of sight and sound, and achieves a deeper impact than the other media do. TV advertising offers advantages of impact, mass coverage, repetition, flexibility and prestige. This is particularly advantageous for advertisers whose products require demonstration. It is a fact that a product or service is promoted on TV may build a prestigious image of the product and its sponsor. The disadvantage include relinquishing control of the advertising message to the telecaster, high cost, high mortality rates for commercials, same evidence of public distrust and lack of selectivity. Quite apart from the cost of TV times the cost of producing commercials is also very high.

4. **Hoardings:**

   Hoarding is one of the oldest methods employed by advertisers to get their message before the public. It includes all outdoor advertising, such as wall posters, roadside displays, electric displays, signboards etc. The consumers make no expenditure and exerts, no effort to see the advertisements. These advertisements
must attract attention through their color, location, size and copy. It is flexible geographically. An advertiser can cover a section of a city, a metropolitan area, a state, a region, or the entire nation. Hoarding offers an opportunity to use color and large illustrations but copy length is somewhat limited. These media cost nothing to observers but too much to the publicity men.

5. **Point of Purchase**

As the name itself suggests the emphasis is on the point of outlet of the product. This advertising is useful for consumers products of impulse items and a particular brand is rarely insisted upon. The Pop medium has been of increasing importance. In fact, Pop advertising eliminates salesmanship in retail selling. The argument in favour of Pop is that, however effective an advertising message, delivered by a manufacturer through other different media may be there is always the need for a final word to remind the buyer at the last moment he buys. That is why the Pop immediately adjacent to the retail distribution outlet point designed to influence favourable buying decisions on the part of the customers. Signs, window displays, wall displays, Displays cards, Mechanise Racks and Cases etc. are the forms of points of purchase media.

No media can be said the best. Each one has advantages or disadvantages. Audio/Audio-visual medium now-a-days is being heavily used for advertising. Audio/Audio-visual medium such as radio, T.V., film, documentaries are very popular with audience for advertising purposes.

**Vendors:**

Vendor is the group of service organizations that assist advertisers, advertising agencies and the media. Members of this group are also called freelancers, consultants and self employed professionals. The array of vendors mirrors the variety of tasks that it takes to put together an ad. Examples include freelance copywriters and graphic artists, photographers, songwriters, printers, market researchers, direct-mail production houses, telemarketers and public relations consultants. The advertisers may not have expertise in that area; they may be overloaded or they may want a fresh perspective.
The Target Audience:

The final player in the advertising would is the target audience. All strategy starts with the customer. In a marketing strategy, the term target market denotes the customer, the person who purchases the product. The target audience has a direct bearing on the overall advertising strategy especially the creative strategy and the media strategy.

TYPES OF ADVERTISING

Advertising is complex because so many different advertisers try to reach so many different types of audiences. Let’s examine the major types of advertising.

Personal Advertising:

Advertisement that are placed by individual with a specific purpose, such as matrimonials, situations wanted, sale of household goods or obituaries is called personal advertising. The first recorded advertisement in English, which appeared in Boston Globe in the beginning of 18th century was ‘personal’ in nature. It announced on award for anyone who caught a thief. Besides matrimonial advertisements, some newspapers carry several ‘remembrance’ advertisements, referred to as ‘obituary’ advertisement. These are placed by the family/friends of people who have died or by the companies in which they worked. Obituary advertisements for soldiers who have sacrificed their lives are commonplace in this genre of advertising.

Vacancy or Appointment Advertising:

Advertisements that detail situation/job vacant placed either by the employer or placement agencies without naming the company. According to Maurice E. ray (1971) “the aim of recruitment advertising is to recruit at an economical cost”. In India, an exclusive weekly newspaper, Employment News, is published in many languages. It carries government and public sector recruitment advertisements. From ‘Hi looking for change?’ (Hutch) to ‘Do you have it in you?’ (Indian Army), recruitment advertisements in India have come of age. The Hindustan Times calls its weekly supplement containing vacancy advertisements Power Jobs. Times of India’s supplement is called Ascent and a particular day (Wednesday) was fixed for the supplement.
Consumer/product advertising:

Product advertising pertains to now personal selling of a specific product. (From shoes to refrigerators, from chocolates to computers, from textiles to potato chips, from cosmetics to real estate, all products advertised (The Times of India 2004). Some companies spend millions of rupees to advertise their products and create a direct link with the consumer. Table 1.4 gives the reader and idea about the money spent by the top ten advertisers in the country. The figure shown in the table reflect the media billings by the top ten spenders in India in the year 2008.

Table 1.4: India’s leading Advertiser in 2008 with respect to media spend.

<table>
<thead>
<tr>
<th>Position</th>
<th>Name of the company</th>
<th>Amount spend (in million US $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hindustan Lever</td>
<td>376</td>
</tr>
<tr>
<td>2</td>
<td>Paras Pharmaceuticals</td>
<td>120</td>
</tr>
<tr>
<td>3</td>
<td>Procter &amp; Gamble</td>
<td>114</td>
</tr>
<tr>
<td>4</td>
<td>Coca Cola</td>
<td>95</td>
</tr>
<tr>
<td>5</td>
<td>Godrej Industries</td>
<td>80</td>
</tr>
<tr>
<td>6</td>
<td>Colgate- Palmolive</td>
<td>67</td>
</tr>
<tr>
<td>7</td>
<td>Pepsi Co.</td>
<td>62</td>
</tr>
<tr>
<td>8</td>
<td>Nirma Chemicals</td>
<td>52</td>
</tr>
<tr>
<td>9</td>
<td>Nestle</td>
<td>50</td>
</tr>
<tr>
<td>10</td>
<td>Dabur India</td>
<td>49</td>
</tr>
</tbody>
</table>

Source: Nielson Media Research/Advertising Age, www.adbrands.net.in

Retailer Advertising:

A great deal of advertising focuses on retailers or manufacturers that sell their merchandise in restricted area. In the case of retail advertising, message announces facts about products that are available in nearby stores. The objects tend to focus on stimulating store traffic and creating a distinctive image for the retailer. Retail advertisements generally incorporate price, availability, location and timings. Some upcoming retail outlets now stock their own brands also. Shoppers’ Stop and

Westside have their own labels. Both stores also stock designer wear. Large retail outlets such as Shoppers’ Stop, Westside, Lifestyle, Pantaloons, and Pall Mall entered India in the beginning of this century.

In fact, according to a media report, about half of the 30% rise in initial business transacted at the fourth India Fashion week in 2003, which amounted to about Rs. 35-50 crore, came from the growing number of department store chains (Roy and Raghvendra, 2003). With the emergence of large retail outlets and supermarkets and due to stiff competition among such outlets, retailers have resorted to independent advertising to woo discerning consumer to their outlets.

Keeping in view the popularity of the small neighborhood Kirana shops (most of the time due to convenience, and at times due to the credit facilities offered to neighbours), retail outlets, in order to be profitable are working out strategies to attract buyers to purchase items of day to day use such as cooking oil, toothpaste, brushes, detergents, and toilet soaps at their stores. Many malls are opening multiple cinema halls to attract crowds that would bring in a certain number of footfalls everyday. A mall named 3Fs (film, fashion, and food) is being constructed by the Eros group in Faridabad (Haryana) which will have three cinema halls.

**Trade Advertising:**

It is defined as a communication by a company aimed at other companies, wholesalers and retailers especially those in the chain if distribution, to encourage them to purchase its merchandize. In such communications, mainstream mass media is rarely needed. Advertisers generally use trade magazines and papers to reach out to this very important segment of their target audience. The objective of advertising for (grocers, travel agents, chemists, paper merchants) etc. them is to inform the customer through the word of mouth if this audience about new products, changes in price, change in the excised taxation structure, so as to supplement other modes of communication.

Pharmaceutical companies often reach out to doctors through special interest medical journals, doctors meet medical representatives, and literature. Trade advertising is generally aimed at evoking an immediate response and getting inquiries and orders for goods and services. Some analysts feel that trade advertising
Introduction

is aimed at the higher ups in the industry who cannot be reached by the sales people. The preferred media include trade magazines, direct mailers, and demonstrations. Once in a while, such advertisements are also placed in mainstream financial newspapers.

Business to Business Advertising:

Advertising that is aimed at wholesale buyers of goods and services, generally companies. This kind of advertising is also known as Industrial advertising. The customers are generally people who are in charge of purchasing goods or services on behalf of their organization. The choice of media is generally 'trade press' or publications of a specialized nature. For example, Companies manufacturing printing press machinery, scanners, and other processing equipment often advertise in magazines for the printing fraternity. The buying motive of these consumers could be production requirement or business needs. In this kind of purchase, the decision is often taken by a group of people. The purchase could even be through an open bid.

Industrial advertising is generally aimed at relatively smaller and specialized target audience, direct mailing, internet, trade fairs, exhibitions and specialized publications generally comprise the media choice for this kind of advertising.

Institutional Advertising:

Advertising that promotes a company’s mission and philosophy. This is also known as corporate advertising, aims at building a favourable image for the company.

A number of other large companies and this number is growing by the day, spend a good portion of advertising budget on institutional advertising. Such advertisements aim at encouraging people to have a clear understanding of what the company stands for its corporate philosophy.

Institutional advertising is so broad in character that sometimes two advertisements are not even comparable. An example of such an advertisement is the Uttar Pradesh Tourism Department celebrating ‘350 years of Taj’, which was brought out in September 2004.
Public sector giant Indian Oil came out with an advertisement, ‘200 is greater than 500’, informing readers that they had moved from the 226th rank to the 191st in the list of Fortune 500 companies.

The Aditya Birla group released a double-page advertisement in many magazines claiming to be ‘India’s first truly multinational corporation’. The body copy informed readers that the company had a market cap of $5 billion and 72,000 employees from 20 different nationalities. Over 30% of its revenue, said the advertisement, flowed from its operations across the world. The visual was a collage of pictures of various world famous monuments from the countries where the group was presumably engaged in business.22

Corporate advertising fulfils the PR objectives of a company to the extent that it helps the company get ‘added value’ for the product, builds trust levels between the company and the public, encourages shareholders to invest and the neighbourhood to be empathetic towards the company, and last but not the least, attracts the best talent to the company.

Service advertising:

Service advertising, as the name indicates, aims at publicizing the service a company offers. Service can be of varying kinds such as insurance, medical, airline telecommunication, courier, petrol, business processing, banks, beauty saloons, gyms, repair shops, and hotels. There is stiff competition among various players; hence the advertiser has to be careful about creating a nice for its services.

For years the Life Insurance Corporation was in a monopoly situation in India. With liberalization many private sector and multinational companies entered the fray, bringing about a change in is advertising. Kotak Mahindra, Birla Sunshine, ICICI Prudential, Metlife, etc. have been advertising vigorously to sell their various insurance products. From Metlife’s ‘Have you Metlife today?’ to ‘Jeevan mein bhi; jeevan ke bad bhi’ from the LIC, there has been a slew of campaigns, most taking the emotional route. Many companies in the general insurance sector have also come up with interesting campaigns. One such campaign was from the Oriental Insurance

Company namely, the ‘Prithvi, Agni, Jal, Aakash. Sab ki suraksha hamare paas’ advertisement.

Mobile phones and mobile companies have seen the most rigorous advertising in the country in the last few years. While some talk about value for money and the accompanying freebies, the others talk about style and elegance. Many celebrities such as Shahrukh Khan, Karisma Kapoor, and Kareena Kapoor have been roped in to endorse these products and services.

Most airlines have begun auctioning tickets if seats are booked in advance. Frequent travelers can have multiple coupons endorsed, which fetch them less than half the fare. The glitch, however, is that one has to use them within a prescribed time limit. The ticket is void if one misses the date. Jet Airways introduced ‘e-ticketing’. A full-page advertisement had a young executive formatting his ticket on his laptop computer. The headline read ‘Want an air ticket really fast? Print a Jet Airways ticket yourself. Book.Pay.Print.www.jetairways.com’ said the advertisement. This advertisement could involve the target audience instantly.

**Public service advertising:**

Public service advertising (PSA) is aimed at issue of public interest and promotes public welfare or public service. The issues may include environmental protection, prevention of cruelty towards animals, water conservation, child rights, drug abuse, etc. In India, public service advertising has been used both by the central and state governments to reach out to people and inform them about various welfare measures. Over a period of time, companies have also supported various issues. Issues which are of public interest directly fall in the category of public service advertising. In India, the government is probably the largest public service advertiser. The content varies from recruitment advertisements for vacancies in various ministries, in the army, air force, and navy, to safe drinking water or the immunization of children; from crime prevention to obeying traffic rules. A long drawn campaign has been the Pulse Polio campaign that disseminates information about the immunization programme for infants. On a designated day, millions of children in India are given polio drops. A vigorous campaigning is launched every time the Pulse Polio day is fixed. In the last few years, several celebrities have
Introduction

appeared in the polio advertisements. Some film stars who have endorsed the campaign include Sharukh Khan, Sunil Shetty, Amitabh Bachchan and Aishwarya Rai.

Benetton, which is known for the 'shock treatment' that its various campaigns give, came out with an interesting campaign on 'AIDS awareness' for the youth. Using the print media, especially magazines, one of the advertisements had multicoloured condoms all over the page with the company's mission statement 'United colors of Benetton'. There was a one-line copy printed vertically, which said, 'Use condom to prevent HIV and other sexual transmitted diseases. Pick up your free AIDS Guide at any Benetton outlet countrywide'.

The World Health Organization (WHO) and Ministry of Health and Family Welfare came out with the 'Choose Life. Not tobacco' campaign. The advertisement had the picture of a very young child exhaling smoke from his nostrils. The headline read: 'Believe it or not, he actually smokes 20 different brands'. The advertisement emphasized the perils of secondary inhalation by non-smokers, including children.

The Advertising Standards Council of India (ASCI) is a representative body of the advertising fraternity, also known as the 'watchdog of the Indian advertising industry'. It publishes advertisements from time to time inviting people to write to it about advertisements they think are indecent, make exaggerated claims, or are not factual.

Financial advertising:

Advertising aimed at selling financial products such as bonds, debentures, fixed deposits. This kind of advertising is done when companies decide to collect money from the primary market. Banks, financial institutions, and the corporate sector, which raise funds from the primary market, make use of financial advertising. There is generally a legal angle to these advertisements; hence companies have to seek permission from the concerned authorities before announcing any schemes or going to the primary market. Some of the major advertising agencies that are into financial advertising in India include the Pressman Advertising Agency, Sobhagays Advertising Services, and Clea Advertising. A thorough knowledge of the capital market, investor psychology, stock exchanges,
the functioning of the Registrar of Public Issues and the Securities and Exchange Board of India (SEBI), etc. is needed before an agency can venture into such advertising.

The SEBI once proposed that ‘between the date of announcement of the public issue and the closing of the subscription list, no corporate advertisement of the issuer can be issued’ (Chunawalla and Sethia, 1997). In order to protect gullible prospects, the SEBI no longer approves glamorous advertisements using celebrities, smart headlines, or unsubstantiated claims. The SEBI exercises control over financial advertising indirectly through merchant banks, who manage the issue (Chunawalla and Sethia, 1997).

Educational and NGO advertising:

Educational institutions advertise to invite students for various courses. At times they invite their alumni to commemorate certain occasions. In the last decade, non-governmental organizations or NGOs have come to the forefront, espousing various causes. These range from education to environment protection, from women’s issues to empowering the physically challenged, from children’s rights to help the aged. Fund-raising is a very important activity for the most NGOs to sustain their programmes. Child relief and You, better known by its acronym CRY, which started with a few hundred rupees, is now a multi-crore organization, trying to alleviate the suffering of underprivileged children.

Amity is one of the institutes that has come a long way in the last decade. It also happens to be the most innovative in its approach, not leaving anything to people’s imagination. On the first day of the CBSE examination in 2004, it came out with an advertisement inviting the parents of children who were taking the exam to join in the ‘havan’ (a religious ceremony with fire) that Amity had organized for the children, to ward off misfortunes and to bring them luck.

Amitasha, a part of the Amity Humanity Foundation, has been set up to help the girl child. A musical tribute was given to the girl child through a CD ‘Sapna dekha maine...’ performed by the famous singer Shubha Mudgal.
Advocacy advertising:

Advocacy advertising aims at making a point on an issue of concern. Also called ‘issue’ advertising, such advertising aims at the propagation of ideas and the clarification of controversial social issues of public importance, including political issues. The World Wildlife Fund (WWF) has been advocating action against cruelty towards animals and to promote efforts to save near-extinct species of animals and birds. Benetton, in its characteristic way, often takes up important issues such as the futility of wars and the spirit of universal brotherhood, through its ‘United Colors of Benetton’ campaign. These advertisements have caught the attention of the world by being bold.

The Department of Women and Child Development, Government of India, came out with a campaign against domestic violence.

Generic advertising:

Also known as primary demand advertising, genetic advertising aims at gaining acceptability for a product group rather at brand building. An industry group or a trade association generally conducted it to promote a product. Advertising by poultry farms, the Egg trading Association, milk traders, gold and diamonds traders etc. broadly falls into this category. A recent addition are advertising campaigns by the World Gold Council, promoting the yellow metal. A recent advertisement has septuagenarian film actress Achala Sachdev endorsing the metal. D’damas has been using the ‘Speak Gold’ logo in their advertisement ‘together’.

The de Beer’s campaign all over the world promotes diamonds. The ‘Diamonds are forever’ or ‘Heera hai sada ke liye’ advertisement has caught the attention of the burgeoning middle class in India. The tag line ‘Aapke khyal se kahin kam daam’ encourages people to at least enquire about the stone. A campaign has also been launched to promote platinum. The route is celebrity endorsements from across the globe. In one advertisement, singer Asha Bhonsle endorses the metal. The series is called ‘Platinum people’.

There are advertisements promotion milk or eggs as healthy products. The ‘Are you eating enough eggs? Sunday ho ya Monday, roz khao anday!’ campaign is sponsored by the National Eggs Coordination Committee.
The reasons for resorting to generic advertising, according to Dorothy Conen (1988), among others, are to reverse a declining primary demand, overcome a stigma, or suggest new uses.

**Comparative advertising:**

Comparative advertising aims at comparing specific product attributes with competitor’s brands. Although not banned by law, some analysts question such advertisements on ethical grounds. To ensure that advertisements observe fairness in competition such that the consumers need to be informed on a choice in the marketplace is taken care of and the canons of generally accepted competitive behavior in business are served, the Advertising Standards Council of India (ASCI) has laid down the self-restrictions on advertisers.

The famous comparative advertisement wars include those between the two detergent giants Ariel and Surf (on which detergent washes the whitest); Whisper and Carefree sanitary napkins (on the plank of ‘safety’ provided and material used); Rin and wheel; and Polo and Mint-O. Some of the advertisements made use of rhetoric to work as ‘positioning statements.

Many advertisers resort to comparative advertising to gain top-of-the-mind recall, but unfortunately no serious research has been conducted in India to provide a serious basis to this assumption. In the West, however, Philip Levine’s research (1976) indicated that such advertising might generate grater sponsor mis-identification, ultimately helping the named competitor.

While most media companies name competitors in such advertisements, taking refuge behind statistics from the National readership Survey, Indian Readership Survey, or the Audit Bureau of Circulation.

**Political advertising:**

Political advertising has become an important ingredient in democracies, especially at the time of elections. An ideal political campaign aims at soliciting votes from the masses by either telling them about the achievements of the party or providing a plan of action. This kind of advertising is generally seen around the time of elections.
The most commonly held view about political advertising, as described by advertising guru David Oglive (1985), is that it is ‘the most deceptive, misleading, unfair and untruthful of all advertising’. There has always been some kind of publicity by various political parties in India since the time of its first election in 1952, but real professionalism entered the field and big money came to be spent on it only since the 1980s. There are always allegations of the surrogate route adopted by various parties, especially the ones in power, to publicize their achievements.

**Surrogate advertising:**

Surrogate advertising refers to the strategy used by companies and advertisers to promote a product clandestinely, because the law of the land may not permit the advertising of that particular product. Liquor and cigarette companies use this route as many countries do not allow the advertising of such products or at least keep a close watch on such advertising. During the period when electronic media was government controlled in India, its code of conduct did not allow the advertising of tobacco, liquor. Liquor advertisements were openly flaunted, even on channels such as Sony and Zee. Many advocacy groups, which have been spearheading movements against tobacco, tobacco bases products, and liquor have worked relentlessly against the use of persuasive communication using ‘lifestyle’ as a strategy to woo gullible consumers, especially impressionable minds. Their efforts bore fruit when the Government of India passed an enactment in 2004 banning the advertisement of tobacco and related products in the mass media. However, that has not dampened the spirits of the companies, which have continued to use the surrogate route to publicize their products.

A major cigarette brand, Wills, has started the ‘Wills Lifestyle’ apparel brand. Their designs are named ‘Wills Classic’, ‘Wills Club Life’, and ‘Wills Sport’. The model in the advertisement sporting Wills Classic apparel is a male. Wills Classic is also the cigarette brand. Two other models, both women, are wearing the ‘Wills Club Life’ and ‘Wills Sport’ apparel, which are not Wills cigarette brands as of now. The connection is clear. A surrogate route through brand extension.
The Advertising Standards Council of India, a voluntary body of advertising agencies that has evolved a Code of Self-Regulation in Advertising, does not talk about surrogate advertising at all.

FUNCTIONS OF ADVERTISING

Advertising performs certain functions in the marketing of products and services. Its functions, according to Bovee and Arens (1986), are listed below.

- Advertising helps in increasing the customer base of an organization, that is, it tries to increase the demand for its products. Advertising, in such a case, would aim at turning non-users into users (for example, advertisements for mineral water, mouthwash, deodorants, etc.); attracting users of a competitive brand (for example advertisements for colas, mint candies, detergents, etc.); and retaining existing customers (both through product advertisements, reinforcing the message, and also through corporate advertisements like airline advertisements).  

- Advertising helps increase primary demand (for example, advertisements for milk, eggs, vegetables, meat products, gold, diamonds, etc. where a product and not a particular brand is highlighted.)

- Advertising aims at increasing usage. It attempts to generate sales by highlighting the variety of uses of a product, and the frequency of use (for example, advertisements highlighting the various uses of mixers and grinders, shampoo advertisements advising viewers to wash their hair at least twice a week, and the Milkmaid advertisements showing various easy-to-make recipes).

- Advertising also aims at reducing the time between purchases (for examples, advertisements encouraging customers to stock items before they run out, like keeping in stock an extra toothbrush before the old one becomes soft or changing the refrigerator deodorant before the fridge starts smelling, etc.).

- Advertising helps to identify products and differentiate them from others. It aims at communicating information about the product, its features, and when

it is available. It induces consumers to try new products and suggests a variety of uses for the same product. It also stimulates the distribution of a product and builds brand preferences and loyalty.

Arnold M. Barban, et al. ascribe three functions to advertising. The first steps create the awareness and knowledge function and relate to information and ideas, the second steps create the liking and preference function, which would lead to a favourable attitude or feeling towards the product. The final two steps create the conviction and purchase function and produce action — the acquisition of the product. These three functions are directly related to a classic psychological model, which divides behavior into three components or dimensions:

The cognitive component — the intellectual, mental, or rational state; (2) the affective component — the emotional or feeling state; (3) the conative or motivational component — the striving states, relating to the tendency to treat objects as positive or negative goals (Bovee and Arens 1980)

ADVERTISING STRATEGIES:

Advertising is an important motivator in marketing. The people must be motivated to want a product before they buy it. The primary role of advertising is to inform, educate, to motivate and to persuade people to buy a product, a brand, or a service. Advertising must also be able to overcome people’s resistance and inertia to change and counter competitive claim to draw consumer’s attention to the advertiser’s product. Once consumers are won, they must be held and made loyal to the advertiser’s products. Advertising, thus, plays two basic roles in marketing, that is, it attracts potential customer towards product and helps to hold them as loyal customers to the product. In addition to this, advertising also plays other important roles in marketing, such as:

- Advertising identifies a business with goods or services it offers.
- Advertising can build us confidence in the business.
- Advertising can create image and goodwill.
- Advertising can increase sales and turn over.
Advertising is a crucial element in the integrated marketing plan, but its role in specific marketing varies from time to time, market to market and company to company depending upon the overall marketing strategy adopted. Advertising is one element of the promotion mix and promotion is but one element of the marketing mix. Hence, advertising strategy is an integral part of the promotion strategy, which, again, is essential component of integrated marketing strategy. Advertising strategy has; therefore, to be formulate within the framework of marketing strategy and its role has to be clearly defined in helping to achieve marketing objectives. Like any other marketing strategy, advertising should be used only if it can be economically and effectively contributed to the attainment of marketing goal in a given situation. Because of environmental difference, a certain type of advertising which works in one place or another market segment in the same place. Hence, the product advertising has to be target-market-specific. Even if a standardized advertising theme or message is developed for multi use, it often become necessary to adopt or modify the central theme or message to suit the local conditions of the people.

Element of Advertising Strategy

There are broad elements that dominates the advertising strategy, these are:
(a) Creative Strategy and (b) Media Strategy.

These two strategies are inter-linked and independent. They are practically two sides of the same coin and therefore, one can not be formulated in the absence or other. In formulating advertising strategy in creative and media terms, the advertiser comes across a host of environmental problems and limitations, which would vary, from market to market. Since, advertiser cannot alter the given conditions and limitations, hence, the creative and media considerations have to be adapted to these conditions.

Creative Strategy

Versatility and creativity are key concepts in developing the creative strategy for an advertising campaign. In formulating creative content of different advertising, the main factors to be considered include:

I. Language factors
II. Legal factors
Introduction

III. Cultural factors
IV. Production and cost factors

I. Language Factors:

Language is one of the most formidable barriers to effective advertising communication. The problem involves not merely the different countries or even languages in the same countries; it also involves linguistic nuances and semantics, literacy rate, prevalence of idioms, and dialects. India is a multilingual country. People have different languages in different parts of the country. This linguistic pattern in a country creates serious problems for economy and effective advertising communications.

II. Legal factors

Legal factors also play a crucial role in formulating an advertising strategy. The law pertaining to advertising may restrict the amount spent on advertising, the use of popular media, advertising of certain kind of product, the use of certain kind of copy or visuals, comparative advertising, misleading and unfair advertising. Apart from legislative measures, advertising practices are also subjected to voluntary code or self-regulatory action in many countries by advertising industry itself. In some countries, large advertising agencies and media have their own standards for judging the content of advertisement. Some broad based, self-regulatory codes on worldwide advertising practices also exist in main transnational corporations. International Chambers of Commerce (ICC) has formulated the “International Code of advertising Practices”24.

The basis principles of ICC are:

- All advertising should be legal, decent, honest and truthful.
- Every advertisement should be prepared with a due sense of social responsibility and should confirm to the principle of fair competition as generally accepted in business.
- No advertisement should be such as impair public confidence in advertising.

III. Cultural factors

Advertising communication of often impeded by the great diversity of cultural heritage. Cultural is pervasive in all marketing activities including advertising. Cultural factors largely mould and shape people’s value system, perception, faith and belief, aesthetic values and many more. People perceive and interpret advertising message in the light of their cultural background. It is, therefore, necessary to understand the various dimensions and nuances of cultural heritage of the people for formulation of effective advertising message aimed at different market.

IV. Production and cost factors

The facilities for and cost of production of advertisement substantially varies from place to place causing severe production limitations. The necessity for low reproduction in small market poses another problem. The production and cost limitations exist nearly in all advertising media.

Media Strategy

Media strategy is crucial for effectiveness of advertising and it is closely linked with the creative strategy. The media availability is one of the limiting factors in creativity. Although nearly every sizeable country has some kind of mass communication media in the form of press, television, radio, cinema, outdoor, etc. there are number of specific considerations, problems and differences encountered from one country to another. In deciding the media strategy for advertising the important concerning factors affecting to it are availability, coverage and cost.

I. Availability:

The availability of advertising media substantially differs from country to country and even region-to-region. Normally, media availability is closely related to the socio-economic development of the country. Some countries have too few advertising media and other have far too many. In some countries, the governments do not allow certain media specially, television and radio or some other media to advertise certain products. For examples, advertising to tobacco, alcohol etc., are prohibited in many countries.
II. Coverage

The media coverage implies the number of people who are collectively exposed to different media like the press, television, cinema, or radio available in the country. That is, how many people watch television or listen to radio, how many people see movies in cinema houses and so forth. This provides an estimate of the proportion of total population in a country who are exposed to different media. However, advertisers are more interested in individual exposure rather than collective exposure. Advertisers are also interested to have socio-economic profiles of different media audience to make an assessment of qualitative coverage.

III. Cost

The media cost is an important determinant in deciding the strategy for advertising the product. The basic media cost involves the cost of space in the print media and the cost of time in the electronic media, with the wide variations according to special position and special time segment. Normally, the media prices are quoted by the individual unit of media owner and advertising agency.

UTILITY OR ROLE OF ADVERTISING IN MODERN WORLD

Advertising is a form of direct persuasive communication to the target market which attempts to stimulate demand for the generic powder category, promotes the key benefits or uses of individual brands, or influence as the consumer psychology in such manner that it may encourage sales and some future point of time. Advertising not only projects the band into the perspective vision of the consumer but is more importantly the instrument that imparts a distinct personality and image to a brand.25

Advertising Utilities

Advertising serves many purposes. A few of its utilities can be summed up as follows:

- **Create Awareness**: Advertising creates awareness among people about the goods and services that are being advertised. There are innumerable products and services in the market today that a big job for advertiser is to make people aware that he offers a particular solution to their problems.

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- **Building Image:** Advertising helps to build image of the company and that of the brand, creative advertising, the personalities used in the advertisement, the programmes sponsored by the advertiser etc. Helps to build goodwill of the organisation and that of its product and/or services.

- **Information:** Advertisements provide information about the advertised goods, services or ideas. The advertisements may carry a message in respect of product features, operating instruments, product's price, the name and address of the advertiser and so on.

- **Facilitate Customer's Choice:** Advertising facilitates consumer's choice. It informs about the features, price and other aspects of the goods and services. This enables the customer to make a proper choice in the buying depending upon their budget, taste, likes and dislikes.

- **Influence Diverse Groups:** Advertising is primarily directed at the present and potential customer. However, when designing advertising forms must consider the various diverse groups that advertising may have an influence. The various groups include the professionals, the distribution channel, employed, shareholders, and the society at large.

- **Associate The Brand With Feelings And Emotions:** Advertisement can generate feeling and emotions in the audience that they associate with the brand or its consumption, e.g. macho feeling in the case of Marlboro cigarettes.

- **Create Group Standards:** The advertisement can create an impression that the consumer's peer group of friend-circle or experts favour the brand. For this reason the advertiser uses models or famous personalities in the advertisement.

- **Spur, Buying Behaviour:** The above effect can result into the purchase action on the part of the audience. At times, the advertisement can directly attempt to spur the purchase action, by reminding or by inducing an immediate purchase of other brand so advertised.

- **To Build a Reinforce Attitude:** Advertisement needs to create, maintain and reinforce attitudes in the minds of the target audience. The target audience
should develop favourable attitude towards the brand. Positive attitude towards the brand results in increased sales.

**To Correct Negative Attitude:** At times, people develop negative attitude towards certain products or brands. For instance, some people have a negative attitude towards ice creams i.e. consumption of ice cream causes cough and cold. The advertiser through effective presentation of facts needs to correct negative attitude.

**To Educate The Audience:** Some of the advertisements intend to educate the audience regarding the use of product, the handling operations etc. Public awareness campaigns educate the citizens regarding the negative effects of noise and dirt pollution, child labour etc. Advertiser should not try to achieve only business objectives, but also the social objectives through advertising.

**Advertising as Means of Communication:** Advertising as a potent pool of communication is highly useful to manufacturers, retailers, consumers and society at large. Advertising is basically designed to inform, create interest and induce people to act in a particular way.

These were the general utilities of advertising from this we conclude that whoever comes within the circle of advertising is benefited in one way or other. For instance a producer sells his products, a retailer gets business and consumer enjoys the satisfaction of using the product.

**CRITICISM OF ADVERTISING:**

1. **False and Misleading:**

   Advertising makes false statements which confuse and mislead consumers and often these statements are made by implications. Sometimes even defective goods are advertised.

2. **Increase the prices of Goods:**

   Advertising increases the prices of the product. As now-a-day almost all the business giants spend lavishly huge amount of money on advertising which becomes a part of selling cost of manufactures, thereby raising the selling price.
3. **Take undue advantage of sex:**

Now-a-days there is general trend among most of the advertisers to use vulgar and sexually illustrated advertisements. Every trapper knows that sex can be a powerful lure to draw an otherwise wary prey into snare. One advertising agency claims, “The average adult male under age thirty thinks about sex every fifteen minutes; the man between thirty and sixty has a sex related thought every half hour; after sixty, sex comes to mind only once an hour.”

4. **Develop Monopoly:**

Today, a newcomer can make any product because most of the products are technologically simple and are capable of being made by anyone. However, it is difficult to compete with established brands which have distinct images which have been created by heavy advertising over a period of time. Hence we may say that advertising has given a tremendous coverage to established market leaders, enabling them to almost monopolise the market.

5. **Most Advertisements Exaggerated – Puffery:**

Advertisements don’t give details of real features of products, features of products are overstated. Puffery is advertising that praises the product or services to be sold with superlative opinions, exaggeration of superlatives without stating any facts and for this advertisers have a right. This further complicates the issue of deception. What really bothers critics is the extent to which advertisers are knowingly and deliberately misleading or untruthful.

6. **Vulgar in Taste:**

Recently, women have strongly objected to the way their body is exploited to promote products when hardly any body exposure is warranted. Often the advertisements are ridiculous. These are certainly in bad taste.

7. **Buy products which they do not need:**

Advertising cause people to buy products or services that they do not need. The defenders acknowledges that the whole reason to advertise the product or services is to persuade consumers to purchase the right product.
8. Stereotyping:

Another common criticism of advertising is that it perpetuates stereotyping, the process of categorizing individuals by predicting their behaviour based on their membership in a particular class or group. The problem, critics, say, is that advertisements often portray entire group of people in stereotypical ways, for example showing women only as homemakers and elderly people only as senile. The charge is that advertising has failed to portray the changing role of women in society. Visual and copy of ads present stereotyped images of Indian women in setting such as family illness, children, cooking, neighbours, approval by mother-in-law and worries about daughter’s marriage etc. or they are shown as dependent on men, subservient, less intelligent. They are also shown as decorative objects or sexually provocative figures.26

9. Other Objections:

The other objections are:

(a) Expensive advertising, alone cannot promote a product.
(b) In a poor country, advertising amounts to waste of national resources.
(c) Indian advertisers are apes and imitate the content and style of their foreign counterparts.
(d) Advertising forces the consumers to want wrong things or the goods which they don’t really e.g. cigarettes, liquors etc.

PSYCHOLOGY OF ADVERTISING

Psychology plays an important role in advertising. Since the “Psychology of Advertising” has become the base of consumer contention, these advertisements which could activate impulses of prospective customers to channelize their behaviour towards creating demand for desired goods and services will be effective advertising in 1920’s motives/instincts were considered to be the life blood of

effective advertisement. A greater amount of sophistication was brought in consumer behaviourism in 1930’s which was further refined in 1940’s and 1950’s by psychologists in the form of “learning theories”. In 1960’s social psychologists brought in the elements of reference groups, social law and attitude theory in the prospectus of consumer behaviour. By 1970’s comprehensive models of buyer behaviour were developed to explain consumer decision making process. It may be stated that consumer behaviour is the function of Man and his Environment.

CB=(M,E)

Man’s behaviour is related to his personality which is cast in the mould of socio-cultural environments. Hence, the individual factors like beliefs, perceptions, learning etc. are influenced by social and cultural factors like, social groups and classes around the individual.

Advertising is the instrument to activate impulses of the consumer to develop the feeling to know, to get and to use the products. To make advertisement more responsive, it is necessary that it should be related to psychographic aspects of consumer dynamic.

Psychographics play an important role in making advertising effective. Advertising effectiveness is related, among other things to proper (i) targeting decisions, (ii) advertisement writing decision and (iii) media decisions. These variables of advertising effectiveness depend on psychographic characteristics of prospective customers.

Advertising Psychology’s Principles of learning

Most advertising men don’t realize it, but their work requires them to use psychological principles of learning. Both advertising men and psychologists want to know more about people’s minds. Presented here are principles of learning which have been established experimentally by psychologists, and which have practical applications for advertising men. All the principles should prove useful to advertising practitioners.27

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1. UNPLEASANT THINGS MAY SOMETIMES BE LEARNED AS READILY AS PLEASANT THINGS, BUT THE MOST INEFFECTIVE STIMULI ARE THOSE WHICH AROUSE LITTLE OR NO EMOTIONAL RESPONSE

The application is that it is better to have rewarding condition than unpleasant conditions, but either is preferable to learning under neutral conditions. The annoying radio or TV commercial works, but not as well as a message with gives the audience a promise of a rewarding experience. The closer the actual rewarding experience is to the presentation of the message, the more likely it is to be remembered. Thus the procedure of giving out samples at the point of purchase is a good one, providing the proper advertising message is used at the time.

2. THE CAPACITIES OF LEARNERS ARE IMPORTANT IN DETERMINING WHAT CAN BE LEARNED AND HOW LONG IT WILL TAKE

The implication of this principle is that advertisers should know their audience. The ability to learn changes with age. For most people, ability to learn reaches a peak around 16 years of age, then begins to decline steadily. Consequently, an advertiser should know his market and be more patient if he is trying to reach and older audience, or one of lower intelligence.

3. THINGS THAT ARE LEARNED AND UNDERSTOOD TEND TO BE BETTER RETAINED THAN THINGS LEARNED BY ROTE

Mere repetition of ads is of no great value unless of message is understood by the people who see and hear it. Experimental evidence indicates that understanding contributes more to remembering than merely frequent repetition.

4. PRACTICE DISTRIBUTED OVER SEVERAL PERIODS IS MORE ECONOMICAL IN LEARNING THAN THE SAME AMOUNT OF PRACTICE CONCENTRATED INTO A SINGLE PERIOD.

In planning a campaign, the prospect should usually be exposed to the advertising over a relatively long period. Thus, a campaign would probably be more effective if spaced over a period of months rather than concentrated in one week.
5. WHEN TEACHING PEOPLE TO MASTER MECHANICAL SKILLS, IT IS BETTER TO SHOW THE PERFORMANCE IN THE SAME WAY THAT THE LEARNER WOULD SEE IN IF HE WERE DOING THE JOB HIMSELF

For example, in a TV commercial in which a sequence of acts is being demonstrated which you want the viewers to repeat. It may be better to employ "subjective camera angle", that is, place the camera so it is shooting over the demonstrator's shoulders. In this way the viewers can see the demonstration is the same way they would see it if they were doing it themselves. This is somewhat comparable to writing copy from the "you" attitude.

6. THE ORDER OF PRESENTATION OF MATERIALS TO BE LEARNED IS VERY IMPORTANT

Points presented at the beginning and end of the message are remember better than those in the middle. Thus, if 4 reasons "why" are given in a series in copy, the 2 most important points should be given first and last.

7. IF MATERIAL TO BE LEARNED IS DIFFERENT, OR UNIQUE, IT WILL BE BETTER REMEMBERED

An outdoor poster may be better recalled if it stands alone than if is one of a group. Is a magazine contained nothing but 4-color advertisement, a black-and-white one might get greater attention value than another color one, just because of the uniqueness.

8. SHOWING ERRORS IN HOW TO DO SOMETHING CAN LEAD TO INCREASES IN LEARNING

The effectiveness of a demonstration on television might be increased by showing not only "what to do" but "what not to do." Thus, to show how not to use a product and also how to use a product may be very useful.

9. LEARNING SITUATIONS WHICH ARE REWARDED ONLY OCCASIONALLY CAN BE MORE EFFICIENT THAN THOSE WHERE CONSTANT REWARD IS EMPLOYED

For example it is more efficient to employ deals or premiums over fairly short period rather than over extended period. The reasons is that short-time deals
are looked upon as some sort of bonus, whereas extended deals come to be expected, and consumers feel cheated if they are cut out. There is likely to be more brand switching away from a product after an extended deal than after a temporary one.

10. **IT IS EASIER TO RECOGNIZE SOMETHING THAN IT IS TO RECALL IT**

The application is obvious. Make the name of your product, your package... and your sales message easy to recognize. A fine example is the detergent All for automatic washing machines. Its distinctive type face stands out in both advertising and packaging.

11. **THE RATE OF FORGETTING TENDS TO BE VERY RAPID IMMEDIATELY AFTER LEARNING**

Accordingly, the continuing repetition of the advertising message is desirable. It usually takes a lot of advertising in the early weeks of a campaign to overcome rapid forgetting.

12. **MESSAGES ATTRIBUTED TO PERSONS HELD IN HIGH ESTEEM INFLUENCE CHANGE IN OPINION MORE THAN MESSAGES FROM PERSONS NOT SO WELL-KNOWN, BUT AFTER SEVERAL WEEKS BOTH MESSAGES SEEM EQUALLY EFFECTIVE**

The implication for advertising is that it is not essential to employ high-priced, well-known talent in testimonials if you are trying to build a long-range favorable climate for your product. The use of less well-known people should also prove effective and less expensive.

13. **REPETITION OF IDENTICAL MATERIALS IS OFTEN AS EFFECTIVE IN GETTING THINGS REMEMBERED AS REPEATING THE SAME STORY BUT WITH VARIATIONS**

Psychologists term this identical vs. varied repetition. The implication is that exactly the same advertisements can be run over and over again, with real sales effectiveness each time.

14. **IN A LEARNING SITUATION, A MODERATE FEAR APPEAL IS MORE EFFECTIVE THAN A STRONG FEAR APPEAL**

This means that a fear appeal that is too strong is likely to lead to a rejection of the whole sales messages.
To take a far-fetched example, it would be poor strategy for a cigarette manufacturer to claim that he now uses treated tobaccos that prevent cancer. The mere association of cancer with smoking may set up a fear that is so strong as to lead to a rejection of the whole sales message.

15. KNOWLEDGE OF RESULTS LEADS TO INCREASES IN LEARNING

Advertisers should use this principle, by telling the consumer what specific benefits he will get from the product or service advertised.

16. LEARNING IS AIDED BY ACTIVE PRACTICE RATHER THAN PASSIVE RECESSION

If you can get your audience members to "participate" in your sales message, they are much more likely to remember your brand.

Participation can be accomplished in a number of ways. Get consumers to repeat key phrases, fill in coupons.

17. A MESSAGE IS MORE EASILY LEARNED AND ACCEPTED IF IT DOES NOT INTERFERE WITH EARLIER HABITS

Thus a sales theme which draws upon prior experiences of the audience will help the learning of the sales messages.

18. THE MERE REPETITION OF A SITUATION DOES NOT NECESSARILY LEAD TO LEARNING. TWO THINGS ARE NECESSARY—"BELONGINGNESS", AND "SATISFIERS."

Belongingness means that the elements to be learned must seem to belong together, must show some form of relationship or sequence. As an example, it is easier to learn 2,4,6,8,10 which seems to belong together, than to learn 2,1,4,7,43 which do not.

Satisfiers are real or symbolic rewards, as distinguished from annoying consequences that may be present in the learning process.

Because of the importance of belongingness and of satisfiers, a good deal of advertising could gain in effectiveness. If more attention were paid to the organic
unity of the total advertising message (belongingness), and also the element of reward or consumer benefits (satisfiers).

19. **WHEN TWO IDEA ARE OF EQUAL STRENGTH BUT OF UNEQUAL AGE, NEW REPETITION INCREASES THE STRENGTH OF THE EARLIER IDEA MORE THAN THAT OF THE NEWER IDEA**

By the same token, if there are two ideas of the same strength but of unequal age, the older idea will not be forgotten as rapidly as the newer idea.

20. **LEARNING SOMETHING NEW CAN INTERFERE WITH THE REMEMBERING OF SOMETHING LEARNED EARLIER**

Psychologists refer to this as retroactive inhibition.

There are many applications of the principles of retroactive inhibition of advertising. Suppose that a person has been looked at a one-hour television show, sponsored by just once advertiser. He is much more likely to remember that sponsor and his advertising message than in the situation where there is multiple sponsorship. The later commercial or commercials tend to interfere with the remembrance of the earlier commercial. The more similar the later commercials are to the earlier ones, the grater is the interference. That is why it is poor practice to have similar products advertised on shows which are too close together. We should not just blindly apply every one of these principle to the field of advertising. However we can point out certain applications that these principles suggest to the advertising practitioner.

**A MODEL OF CONSUMER BEHAVIOUR**

The starting point for understanding buyer behaviour is the stimulus-response model shown if figure 1.4 Marketing and environment stimuli enter the buyer’s consciousness. The buyer’s characteristics and decisions process lead to certain purchase decisions. The marketer’s task is to understand what happens in the buyers consciousness between the arrival of outside stimuli and the buyer’s purchase decision.
The Major Factors Influencing Buying Behaviour

A consumer’s buying behaviour is influenced by cultural, social personal and psychological factors. Cultural factors exert the broadest and deepest influence.28

CULTURAL FACTORS

Cultural, subculture and social class are particularly important in buying behaviour.

- **Culture**: Culture is the most fundamental determinant of a person’s wants and behaviour. Culture influences consumers through the norms and values established by the society in which they like. It is the broadest environmental factor that influences consumer behaviour. Cultural values are enduring and any attempts to change them generally fail. The growing child acquires a set of values, perceptions, preferences and behaviours through his or her family and other key institutions.

- **Sub Culture**: Each culture consists of smaller subcultures that provide more specific identification and socialization for their members. Subcultures include nationalities, religions, racial groups and geographic regions. Many subcultures

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make up important market segments and marketers often design products and marketing programmes tailored to their needs.

Major sub-cultural categories including; religion (Hindu, Muslim, Christian, Sikh etc.) region (Eastern, Western, Northern, Southern), age (teenage, middle age, elderly), gender (male, female) Occupation (accountant, doctor, electrician) and social class (upper, middle, lower).

- **Social Class**: Virtually all human societies exhibit social stratification. Stratification sometimes takes the form of a caste system where the members of different castes are reared for certain roles and cannot change their caste memberships. More frequently, stratification takes the form of social class.

*Social classes are relatively homogeneous and enduring decisions in a society, which are hierarchically ordered and whose members share similar values, interests, and behaviour.*

Social classes do not reflect income alone, but also other indicators such as occupation, education and area of residence. Social classes differ in dress, speech patterns, recreational preferences and many other characteristics.

**SOCIAL FACTORS**

In addition to cultural factors, a consumer's behaviour is influenced by such social factors as reference groups, family, social roles and statuses.

- **Reference groups**: A person's reference groups consist of all the groups that have a direct (face-to-face) or indirect influence on the person's attitudes or behaviour. Groups having a direct influence on a person are called *membership groups*. Some membership groups are *primary groups*, such as family, friends, neighbours and co-workers, with whom the person interacts family continuously and informally.

People are also influenced by groups of which they do not belong. *Aspirational groups* are those, the person hopes to join; *Dissociative groups* are those whose values or behaviour an individual rejects.

Manufacturers of products and brands where group influence is strong must determine how to reach and influence the opinion leaders in these reference groups. An *opinion leader* is a person in informal product-related communications who
offers advice or information about a specific product or product category, such as which of several brands is best or how a particular product may be used. Opinion leaders are found in all strata of society, and a person can be an opinion leader in certain product areas and an opinion followed in other area.

Appeals by celebrities and other similar reference groups are used very effectively by advertisers to communicate with their markets. Celebrities can be a powerful force in creating interest or actions with regard to purchasing or using selected goods and services. Celebrities, particularly movie stats, TV personalities, popular entertainers and sport icons, provide a very common type of reference group appeal.

- **Family**: The family is the most important consumer-buying organization in society and it has been researched extensively. Family members constitute the most influential primary reference group. We can distinguish between two families in the buyer’s life. The *family of orientation* consists of one’s parents and siblings. From parents a person acquires an orientation toward religion, politics and economics and a sense of personal ambition, self-worth and love. Even if the buyer no longer interacts very much with his or her parents live with their grown children, their influence can be substantial. A more direct influence on everyday buying behaviour is one’s *family of procreation namely*, one’s spouse and children.

Marketers one interested in the roles and relative influence of the husband, wife and children in the purchase of a large variety of products and services. These roles vary widely in different countries and social classes.

- **Roles and Statutes**: A person participates in many groups family, clubs, organizations. The person’s position in each group can be defined in terms of role and status. *A role consists of the activities that a person is expected to perform.* Each role carries a status. A supreme Court justice has more status than a sales manager and a sales manager has more status than an office clerk. People choose products that communicates their role and status in society. Thus company presidents often drive Mercedes, wear expensive suits, and drink Chivas Regal Scotch. Marketers are aware of the status symbol potential of products and brands.
PERSONAL FACTORS:

A buyer’s decisions are also influenced by personal characteristics. These include the buyer’s age and stage in the life cycle, occupation, economic circumstances, lifestyle and personality and self-concept.

- **Age and Stage in the Life Cycle:** People buy different goods and services over a lifetime. They eat baby food in the early years, most foods in the growing and mature years and special diets in the later years. Taste in clothes, furniture and recreation is also age related.

  Consumption is shaped by the *family life cycle*. Marketers often choose life cycle groups as their target market. Yet target households are not always family based. There are also single household gay households, and cohabiter households. Marketers pay close attention to changing life circumstances divorce, widowhood, remarriage and their effect on consumption behaviour.

- **Occupation and Economics Circumstances:** Occupation also influences a person’s consumption pattern. A blue collar worker will buy work clothes, work shoes and lunch-boxes. A company president will buy expensive suits, country club membership, expensive car etc. Marketers try to identify the occupational groups that have above average interest in their products and services.

  Product choice is greatly affected by economic circumstances, spendable income, saving and assets, debts, borrowing, power and attitude towards spending Vs saving.

- **Lifestyle:** People from the same subculture, social class and occupation may lead quite different lifestyles.

  *A lifestyle is the person’s pattern of living in the world as expressed in activities, interests and opinions. Lifestyle portrays the “whole person” interacting with his or her environment.*

  Markets search for relationships between their products and lifestyle groups. For example a computer manufacturer might find that most computer buyers are achievement-oriented. The marketer may then aim the brand more clearly as the achiever lifestyle.

- **Personality and Self Concept:** Each person has a distinct personality that influences buying behaviour.

  *“By personality, we mean distinguishing psychological characteristics that lead to relatively consistent and enduring responses to environment.”*
Personality is usually described in terms of such traits as self-confidence, dominance, autonomy, Deference, sociability defensiveness, and adaptability. Personality can be a useful variable in analyzing, consumer behaviour provided that personality type can be classified accurately and that strong correlations exist between certain personality type and product or brand choices. For example, a computer company might discover that many prospects show high self-confidence, dominance and autonomy. This suggests designing computer advertisements to appeal to these traits.

**PSYCHOLOGICAL FACTORS:**

A person's buying choices are influenced by four major psychological factors-motivation, perception, learning and beliefs and attitudes.

- **Motivation:** "Motivation is a deriving force within individual which impel them for action".

  A person has many needs at any given time. Some needs are biogenic they arise from physiological states of tension such as hunger, thirst, discomfort. Other needs are psychogenic; they arise from psychological states of tension such as the need for recognition, esteem or belonging. A need becomes a motive when it is aroused to a sufficient level of intensity.

- **Perception:** A motivated person is ready to act. How the motivated person actually acts is influenced by his or her perception of the situation.

  "Perception is the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world."

  Perception depends not only on the physical stimuli but also on the stimuli’s relation to the surrounding field and on conditions within the individual.

  One person might perceive a fast talking sales person as aggressive and insincere, another as intelligent and helpful. People can emerge with different perceptions of the same object because of three perceptual processes: Selective attention, selective distortion and selective retention.

  **Selective Attention:** People are exposed to a tremendous amount of daily stimuli. The average person may be exposed to over 1500 ads a day. Because a person cannot possible attend to all of these, most stimuli will be screened out a process called *selective attention*. Selective attention means that marketers have to work hard to attract consumers’ notice. The real challenge is to explain which stimuli people will notice. Here are some findings:
People are more likely to notice stimuli that relate to a current need.
People are more likely to notice stimuli that they anticipate.
People are more likely to notice stimuli whose deviations are large in relation to the normal size of the stimuli.

**Selective Distortion:** Even notice stimuli do not always come across in the way the senders intended. *Selective distortion* is the tendency to twist information into personal meanings and interpret information in a way that will fit out preconceptions. Unfortunately, there is not much that marketers can do about selective distortion.

**Selective Retention:** People will forget much that they learn but will tend to retain information that supports their attitudes and beliefs. Because of selective retention, we are likely to remember good points mentioned about a product we like and forget good points mentioned about competing products. Selective retention explains why marketers use drama and repetition in sending messages to their target market.

- **Learning:** Learning involves changes in an individual's behaviour arising from experience. Most human behaviour is learned. Learning theorists believe that learning is produced through the interplay of drives, stimuli, cues, responses and reinforcement.

  Learning theory teaches marketers that they can build up demand for a product by associating it with strong drives, using motivating cues and providing to the same drives that competitors use and providing similar cue configurations because buyers are more likely to transfer loyalty to similar brands. Or the company might design its brand to appear to a different set of drives and offer strong clue inducements to switch (discrimination).

- **Beliefs and Attitudes:** Through doing and learning, people acquire beliefs and attitudes. These in turn influence buying behaviour.

  "A belief is a descriptive thought that a person holds about something."

  Beliefs may be based on knowledge, opinion, or faith. They may or may not carry an emotional charge of course, manufacturers are very interested in the beliefs people carry in their heads about their products and service. These beliefs make up product and brand images and people act on their images. If some beliefs are wrong and inhibit purchase, the manufacturer will want to launch a campaign to correct these beliefs.
A company has several options when its products are competitively priced but their places of origin turns off consumers. The company can consider co-production with a foreign company that has a better name: South Korea could make a fine leather jacket that it sends to Italy for finishing. Finally, the company can hire a well-known celebrity to endorse the product. Nike has had a great deal of success using basketball start Michall Jordan to promote its footwear in Europe.

Just as important as beliefs are attitudes "An attitude is a person's enduring favorable or unfavorable evaluations, emotional feelings and action tendencies toward some object or idea."

People have attitudes towards almost everything, religion, politics clothes, music, food etc. Attitudes but them into a frame of minds of liking or disliking an object, moving toward or away from it. Attitudes lead people to behave in a fairly consistent way towards similar objects. People do not have to interpret and thought, they are very difficult to change. A person's attitudes settle into a consistent pattern: to change a single attitude may require major adjustments in other attitudes. Thus a company would be well advised to fit its product into existing attitudes rather than try to change people's attitudes.29

Consumer decision making varies with the type of buying decision. The decisions to buy toothpaste, a tennis racket, a personal computer, and a new car are all very different. Complex and expensive purchases are likely to involve more buyer deliberation and more participants. Assael distinguished four types of consumer buying behaviour based on the degree of buyer involvement and the degree of differences among brands.

Table 1.5: Four types of buying behaviour

<table>
<thead>
<tr>
<th>Significant difference between brand</th>
<th>Low Involvement</th>
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<tbody>
<tr>
<td>Complex buying behaviour</td>
<td>Variety seeking buying behaviour</td>
</tr>
<tr>
<td>Dissonance-reducing buying behaviour</td>
<td>Habitual buying behaviour</td>
</tr>
</tbody>
</table>

Source Reproduced from Henry Assael, Consumer Behaviour and Marketing Action, p. 87, with the permission of South-Western College Publishing

• **Complex Buying Behaviour:** Complex Buying Behaviour involves a three-step process. First, the buyer develops beliefs about the product. Second, he or she develops attitudes about the product. Third, he or she makes a thoughtful purchase choice. Consumers engage in complex buying behaviour when they are highly involved in a purchase and aware of significant difference among brands.

• **Dissonance-reducing Buyers Behaviour:** Sometimes the consumer is highly involved in a purchase but see little difference in brands. The high involvement is based on the fact that purchases is expensive, infrequent, and risky. In this case, the buyer will shop around to learn what is available but will buy fairly, quickly, perhaps responding primarily to a good price or to purchase convenience.

• **Habitual Buying Behaviour:** Many products are bought under conditions of low involvement and the absence of significant brand differences consider salt. Consumers have little involvement in this product category. They got to the store and reach for the brand. If they keep reaching for the same brand, it is out of habit, not strong brand loyalty. There is a good evidence that consumers have low involvement with most low cost, frequently purchased products.

  Marketers of such products find it effective to use price and sales promotions to stimulate product trial. Television advertising is more effective than print because it is low-involvement medium that is suitable for passive learning.

• **Variety Seeking Buying Behaviour:** Some buying situations are characterized by low involvement but significant brand differences. Here consumers often do a lot of brand switching. Think about cookies. The consumer has some beliefs about cookies, chooses a brand of cookies without much evaluation, and evaluates the product during consumption. Next time, the consumer may reach for another brand out of a wish for a different taste. Brand switching occurs for the sake of variety rather than dissatisfaction.

**ETHICS IN ADVERTISING**

**Ethics**

The word ‘Ethics’ has origin in Greek. ‘Ethics’ means character, norms, morals and ideals prevailing in a group, society. Ethics is a choice between good and bad, between right and wrong. It is governed by a set of principles of morality at a given time and at a given place.
Ethics is a mass of moral principles or set of values about what conduct ought to be. They give an idea what is right or wrong, true or false, fair or unfair, just or unjust, proper or improper, e.g. Honesty, obedience, equality, fairness etc. and respect and then doing the right thing.

Ethics are moral principles and values that govern the actions and decisions of an individual or group (Eric N Berkowitz et. al., Marketing, 2nd ed Richard D Irwin, 1992). Ethics are a set of rules and standards that guide our behavior. Ethics are an extension and expression of our morals.

**Marketing Ethics**

Individual, citizens and marketers have a responsibility to act within legal and ethical constraints. Marketing Ethics is the application of ethical evaluation to marketing strategies and tactics. To help their employees make the right ethical choices, many companies have created formal codes outlining what management views as ethical and unethical behavior.

In an ideal office, a set of shared ethical standard coincide with our personal morals and ethics. When the ethics in the office conflicts with our personal moral and ethics. We are confronted with the classical ethical dilemma. The gap between our morals and the prevailing office ethical standards.

Ethics can be dealt under two categories.\(^\text{30}\)

1. Ethical dilemma
2. Ethical lapses

**Ethical Dilemma**

Dilemmas are complex when managers have no clear guidelines either in law or in religion. Ethical dilemmas are complex judgement on the balance between the economical performance and the social performance of an organization.

According to Rushworth Kidder, in Ethical Dilemma, the toughest Choices are Right Versus Right. R. Kidder further adds that, “They are genuine dilemmas precisely because each side is firmly rooted in one of our basic, core values. Four such dilemmas are so common to our experience that they stand as models patterns. They are:

- Truth Vs. Loyalty
- Individual Vs. Community
- Short-term Vs. Long Term
- Justice Vs. Mercy

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Introduction

Ethical dilemma consists of two conflicting, but arguably valid sides to an issue. A classic marketing dilemma is whether tobacco companies should be allowed to advertise a legal product. Allowing them to do so exposes people to unhealthy products, but banning advertising violates their freedom of speech and ability to do business. Such dilemmas can be particularly difficult in international marketing if the ethics and values of one country clash with those of another country.\(^{31}\)

E.g. Should marketers of alcohol and tobacco be allowed to advertise at all? Why should people protest tobacco ads when hamburgers, ice-cream and other junk foods can also be unhealthy?

How then should we go about addressing an ethical dilemma? The value system and the collective values of a company will play a big role in how the decision is made. Moreover, the welfare of your customers is always a primary concern.

Ethical Lapses

The second category of marketing ethics covers a variety of ethical lapses, instances when companies have made unethical and sometimes illegal decision. It is important not to confuse ethical dilemma, which are unresolved interpretations of ethical issues, with ethical lapses, which are simply cases of unethical behavior e.g. A beer company’s desire to advertise a product that can result in alcoholism is an ethical dilemma but a contractors deceptive pricing is an ethical lapse. E.g. Can one or two spoons of Horlicks or any other drink give sufficient vitamins and minerals to a Child? Certainly not. Sugar, if taken in limited quantities at appropriate time, gives instant energy. This is a fact. But marketers make children and parents believe that by taking one spoon of any of these powders daily, the child will grow mentally and physically, so much so that he will win gold at school and college competitions.

Children believe what they see, and act on what they believed. That is how MSG (Monosodium Glutamate) is sold through Maggie noodles and what one gets is a lump of noodles and a mini pack of masala.

Ethical Criteria

Three issues are central to a discussion of ethics in advertising: advocacy, accuracy, and acquisitiveness.

Advocacy The first ethical issue is advocacy. Advertising, by its very nature, tries to persuade its audience to do something. As a result, it is not objective or neutral, which disturbs critics who think it should be. Most people, however, are aware that advertising tries to sell something, whether it is a product, a service, or an idea. The following Fig. 1.5 shows the ethical dilemmas one faces in making decisions in the field of management.

Fig. 1.5: Ethical Decisions in the Field of Management

<table>
<thead>
<tr>
<th>Selling Decisions</th>
<th>Competitive Relations Decisions</th>
<th>Channel Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bribing?</td>
<td>Anticompetitive decisions?</td>
<td>Exclusive dealing?</td>
</tr>
<tr>
<td>Stealing Trade secrets?</td>
<td>Barriers to entry, predatory</td>
<td>Exclusive territorial distributorship?</td>
</tr>
<tr>
<td>Disparaging Customers?</td>
<td>competition?</td>
<td>Tying agreements Dealer’s rights?</td>
</tr>
<tr>
<td>Misrepresentation?</td>
<td></td>
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<tr>
<td>Disclosure of customer</td>
<td></td>
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<tr>
<td>rights?</td>
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<td></td>
</tr>
<tr>
<td>Unfair discrimination?</td>
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</tbody>
</table>

| Advertising Decisions     |                                  |                                    |
| False advertising?        |                                  |                                    |
| Deceptive advertising?    |                                  |                                    |
| Bait and switch advertising? |                              |                                    |
| Promotional allowances and services? |                        |                                    |

<table>
<thead>
<tr>
<th>Product Decisions</th>
<th>Packaging Decisions</th>
<th>Price Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product additions and</td>
<td>Fall packaging and labeling?</td>
<td>Price fixing?</td>
</tr>
<tr>
<td>deletions?</td>
<td>Excessive cost?</td>
<td>Resale price maintenance?</td>
</tr>
<tr>
<td>Patent protection?</td>
<td>Scarce resources?</td>
<td>Price discrimination?</td>
</tr>
<tr>
<td>Product quality and safety?</td>
<td>Pollution?</td>
<td>Deceptive pricing?</td>
</tr>
<tr>
<td>Product warranty?</td>
<td></td>
<td></td>
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<tr>
<td>Harmful products?</td>
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</tbody>
</table>
**Accuracy** The second ethical issue is accuracy. Beyond the easily verifiable claims in an advertising message are matters of perception. Will buying the automobile make me the envy of my neighbors? Will it make me more attractive to the opposite sex? Such messages may be implied by the ads.

The subtle messages are more troubling when they are aimed at particular groups with limited experiences, such as children and teenagers, or people with limited resources, such as the elderly or disabled.

**Acquisitiveness** The third ethical issue is acquisitiveness. Some critics maintain that advertising is a symbol of our society's preoccupation with accumulating material objects. Because we are continually exposed to an array of changing, newer, and better products, critics claim we become convinced that we must have these products.\(^3^2\)

**Advertising Principles of American Advertising Federation (AAF)**

1. **Truth.** Advertising shall reveal the truth, and shall reveal significant facts, the omission of which would mislead public.

2. **Substantiation.** Advertising claims shall be substantiated by evidence in procession of the advertiser and the advertising agency prior to making such claims.

3. **Comparisons.** Advertising shall refrain from making false, misleading, or unsubstantiated statements or claims about a competitor or his products or service.

4. **Bait advertising.** Advertising shall not offer products or services for sale unless such offer constitutes a bona fide effort to sell the advertised products or services and is not a device to switch consumers to other goods or service, usually higher priced.

5. **Guarantees and warranties.** Advertising of guarantees and warranties shall be explicit, with sufficient information to apprise consumers of their principal terms and limitations or, when space or time restrictions preclude

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such disclosures, the advertisement shall clearly reveal where the full text of the guarantee or warranty can be examined before purchase.

6. **Price claims.** Advertising shall avoid price claims that are false or misleading or savings claims that do not offer provable savings.

7. **Testimonials.** Advertising containing testimonials shall be limited to those of competent witness who are reflecting a real and honest opinion or experience.

8. **Taste and decency.** Advertising shall be free of statements, illustrations or implications that are offensive to good taste or public decency.\(^{33}\)

**Ethical Advertising**

Advertising is a powerful economic and social factor which persuade the people to buy the goods and services. So, far the welfare of the society, it is vital that high ethical standard should guide the actions of advertising practioners. High ethical standards are also vital to the long run economic, health of advertising itself. If advertising doesn’t have the confidence of most of consumers, it will lose its influence and surely die. Advertising, therefore, must speak in the honest voice of consumers. It is the responsibility of each advertiser to carefully scrutinize his advertisement and adhere to the highest ethical standards of truth in advertising.

Unfortunately not all advertising follow these recommendations. There is too much that is untruthful, exaggerated, misleading in poor taste, etc. Such ads. Create misleading impression in the minds of consumers. We have numerous examples of such untruthful advertisements. One of the most commonly used advertisements is testimonials. Usually famous personalities like film stars, players and other reputed persons are shown with products to exploits the sales even if they don’t use these products.

Hence, advertisements which are untrue, misleading deceptive, fraudulent should not be used.

Advertising can violate the dignity of the human person both through its content, what is advertised, the manner in which it is advertised, and through the impact it seeks to make upon its audience. As appeals to lust, vanity, envy and greed

and of techniques that manipulate and exploit human weakness. In such circumstances, advertisements readily become "vehicles of a deformed outlook on life, on the family, on religion and on morality, an outlook that does not respect the true dignity and destiny of the human person.

**What Is Ethical Advertising**

Any advertisement that can be termed ethical is one:-

- Which contains truth, although not absolute truth but socially accepted standard of honesty as truth.
- Which is right in its approach and claims.
- Which keeps in view social morality.
- Which observes the relevant laws framed to keep the scene ethical.

**UNETHICAL ADVERTISING**

**What Exactly Is Unethical Advertising**

Unethical advertisements are those:-

- Which degrade rival products or substitute products
- Which give misleading information
- Which give false information.
- Which conceal important information that vitally affects human life
- Which make exaggerated or tall claims
- Which is obscene or immoral
- Which is against the national and public interest.  

Advertising can violate the dignity of the human person both through its content, what is advertised, the manner in which it is advertised, and through the impact it seeks to make upon its audience. As appeals to lust, vanity, envy and greed and of techniques that manipulate and exploit human weakness. In such circumstances, advertisements readily become "vehicles of a deformed outlook on life, on the family, on religion and on morality, an outlook that does not respect the true dignity and destiny of the human person.

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There are other more abundant methods, advertisements employ in order to deceive potential consumers and emphasize the features of their products. A few are mentioned below:

1. **Exaggeration**

   Some advertisers make all claims in their advertisements about their products. Tall claims are often made in case of detergents and washing powders, cosmetics and toiletries. For instance, you must have come across such advertisements of detergent powder claiming that it can wash whitest a dozen of clothes with just a teaspoonful of powder.

   A good example of exaggeration is that of Colgate toothpaste "no germs, no cavities", the advertisement has been withdrawn as required by ASCI.

2. **Misuse of testimonials**

   Testimonial is a statement given by a popular personality or any other person claiming the superiority of the brand. In fact, many advertisers pay handsome amounts of money to extract the statement from a personality even though he/she may not be a user of the product.

3. **Free Gifts, Discounts and Contests**

   Advertisements "pay for two and take three" or up to 50% discount or either into a crossword puzzle or some other contest and win handsome prices. Most of such advertising is another trick to fool the innocent customers even if the advertiser gives free gifts they may not be worth the name and if there is a discount sale, the product may be damaged or of old stock or of inferior quality and there are contests in which the decision of the judges is final favour of their known contestants.

4. **Misrepresentation**

   One comes across competitive brands with similar names such as Lux and Lex, Bata and Bala, Sintex and Suntex etc. or some sellers may state that their product is "made as Japan". All this is done to fool customers.

5. **False Statistics**

   There are also advertisers who make use of false statistics to substantiate the superiority of their brands. For instance one magazine stated "one lakh copies already sold" in fact, hardly few thousand copies may be actually sold.
6. **Total Lies**

There are also cases of advertisers presenting total lies in their advertisements to trick their customers. For instance one advertisement said, “you can reduce your weight, no dieting, no drugs, no exercises, no fasting” and some of those who responded to this advertisements landed in the hospital.

7. **Poor Taste**

At times some advertisers present vulgar scenes involving sexual innuendos, nudity and double meaning. For instance, Rotomac Pens, advertisement with the words, “sab kuch dikhta hai”, this advertisement has been withdrawn as required by ASCI. Tuff shoes using nude models, MR coffee using sexual innuedos...

8. **Erroneous Impressions**

There are cases of erroneous impressions. For Instance, there was an advertisement that said. “Three yards or pure silk for a dollar” and those who responded got 3 yards of silk thread.

9. **Claims of winning awards**

Advertisers make claims that they have won international awards for their excellence in quality. They may have won such awards but many a times the awards may be a consolation ones. Again the quality that they have represented may be far superior to what they sell in the local market.

10. **Unhealthy brand comparisons**

Nowadays advertisers are engaged in unhealthy brand comparisons with the help of advertising. Such comparisons creates problems and confusions for the right choice of products as far as audience are concerned. Examples can be cited that of Colgate toothpaste, and Pepsodent toothpaste.

11. **Surrogate Advertising**

Some marketers who are not allowed to advertise their products in certain media undertake surrogate or backdoor advertising. You must have come across advertisement for mineral water, fruit drinks, cars etc., bearing the names of alcoholic drinks and cigarettes. However, there is debate on this aspect, as supporters of advertising claim that there should be no restrictions to advertise products like alcoholic drinks, provided that they are done in good taste.
12. Advertising to children

Advertisers try to exploit the young kids by advertising products, which are not conductive to their health. This includes the advertisements of chocolates, soft drinks etc. Quite often such products lack nutritional value. However, they make the kids believe that such products are healthy for their mind and their body and as such the kids demand such products from their parents. There are cases where advertisements created inferiority complex among the children that was if they did not use the latest advertised products.

13. Use of fine print

Another big deception is the use of fine print. Advertisers often tout wonderful coverage of their products in bright, bold words and pictures, but they take it away in the fine print. This is where they put all the information about how the product may harm you or the stipulations that go along with their services, but it all too often goes unread and may cause serious harm to the consumer.

14. Suppression of certain information

Probably the biggest deception is the suppression of certain information. Companies will emphasize the positive aspects of their products while downplaying the negatives. This is easily shown in a majority of commercials and advertisements when companies employ half-truths. They should have to clearly explain all of the possible bad side-affects of their product in order to protect their consumers from illness or death.

15. Subliminal ads-brainwashing the consumers

A lot of people have started voicing their concerns about being brainwashed by marketers who are making use of subliminal perception to get the desired response from the consumers.

The exact meaning of subliminal is this context has been a source of argument and confusion for quite some time. Generally speaking a stimulus is said to be subliminal is it is below the starting point of conscious awareness of the consumers. In simpler terms, subliminal messages cannot be verbally identified.
Hence, it is a very subjective concept and measuring its effects on the consumers is also very difficult.

In subliminal advertising messages are presented to individuals beneath their level of conscious awareness that are intended to influence their attitudes, choices or actions.

There are various techniques used in subliminal advertising. One of them is the rapid-free technique in which images flash by very quickly, so much so that you can hardly register them in your minds. At times it almost seems like a flicker that really never happened. These images are usually pleasing to the eye; like a flashy colour, or maybe even a picture with sexual innuendo. Besides this, the effect of certain sounds can be used that can really impact a human’s brain waves. Your emotions could also be used to provoke the desired response.

ADVERTISING ETHICS

The role of advertising in society is a controversial one, largely because opinions associated with it are heavily interwoven with more fundamental values and beliefs about how a society does and should operate. Some will view a product advance as making an important contribution to a valued life style, increasing the range of choice and standard of living. Others who prefer a different life style will view the same product as adding to product clutter and decreasing the quality of life.

Supporters of advertising argue that it is a from of "speech" analogous to the news and entertainment components of mass media and that it should be kept entirely free of government interference. Critics often argue that government should be involved to protect the "public interest", to keep consumers from being duped by the power of advertising and to protect the interests of competitive firms whose performance of existence could be affected by unfair advertising practices. As a result, today's consumers believe that a great deal of advertising is unethical. These people say it raises the prices of products, is untruthful, tricks people, or target the vulnerable.

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ETHICAL ISSUES

Although many laws govern advertising, not all advertising is regulated. Numerous advertising related issues are left to the direction of the advertisers are based on ethical concern. Advertising people in particular must address the following questions: to ensure ethical advertising:

- Who should, and should not be the target of an advertisement?
- What should, and should not be advertised?
- What should, and should not, be the content of the advertising message?
- What should and should not, be the symbolic tone of the advertising message? (Humor, sincerity, sarcasm are all examples of symbolic tone).
- What should and should not, be the relationship between advertising and the mass media? (ads containing sexual innuendo should not be run on Sunday morning TV during cartoon hours).
- What should and should not, be advertising's conscious obligation to society?36

Ethical issues in Advertising

Advertising involves many ethical issues. The predominant issues concerning puffery, taste, stereotyping, sex in advertising, women in advertisements, advertising to children, advertising controversial products and subliminal advertising.

Puffery

Marketers used puffery to enhance their products. Puffery is a tool used by marketers in advertising and sales, with the aim of boosting their products' awareness to its consumers. Despite recent threats in regulating the use of puffery by the Federal Trade Commission (FTC), the practice of using puffery by advertisers and salespeople still continues. Because of the market place's characteristics, there are certain groups harmed by the use of puffery these are the vulnerable consumers.

Pufferies are statements in promotional material that are so vague or general that they are not considered real or provable claims by either the manufacturer or the

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provider of the services. Some courts call puffery "a license to lie" because no person would reasonably rely on puffery as anything other than "loose sales talk".

According to Preston, Puffery is advertising or other sales representation that praises the items to be sold using subjective opinions, superlatives and similar mechanism that are not based on specific facts. Historically, claims that were "mere exaggerations" or "hyperbole" were considered to be puffery. Therefore, they are not considered to be deceptive in nature. However, terms like "the best" of "the greatest" were sales talk that the FTC would not regulate. In short, puffery was a form of opinion statement that is considered non regulatory. Nearly all advertisements contain some measure of puffery.

Advertising offers claiming to be the 'best', 'leader', 'improved', '50-90% sale' are generally not substantiated with evidence. False promises of restoring youthful skin and youthfulness are often tall claims. It is not uncommon to see in fine prints 'conditions apply' on all big offers. Stores offering 'huge' discounts generally have very little merchandize on heavy discounts and the rest of the items could be with little or no discount. The size of a product shown in advertisements often does not match the size of the item for sale, especially when it concern precious stones or jewellery.

According to the courts, consumers expect exaggerations and inflated claims in advertising, so reasonable people wouldn't believe that these statements ("puffs") are literal facts - Virtually everyone is familiar with puffery claims for certain products. However, the empirical evidence on the effectiveness of puffery is mixed. Some research suggests that the public might expect advertisers to be able to prove the truth of superlative claims, and other research indicates that reasonable people do not believe such claims. Advertisers must decide what claims are and are not socially responsible.

**Poor Taste and Offensive Advertising**

We all have our own ideas as to what constitutes good taste. Unfortunately, because these ideas vary so much, creating general guidelines for good taste in advertising is difficult. Different things offend different people. What is in good

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taste to some people is objectionable to others. Calvin Klein ads have become famous for their provocative appeals. In addition taste changes over time. What was offensive yesterday may not be considered offensive today.

One dimension of the taste issue concerns the product itself. Television advertising for certain products, such as designer jeans pantyhose, bras, girdles, laxative and feminine hygiene aids, produces higher level of distaste than do ads for other product categories. Although certain ads might be in bad taste in any circumstances, viewer reactions are affected by such factors as sensitivity to the product category, the time the message is received (for example, in the middle of dinner), and whether the person is alone or with others when viewing the message. Some things on television, for example, that might not bother an adult when alone would make that person uncomfortable if children were watching. Also questionable ads become offensive in the wrong context. Advertisers and media outlets must try to be sensitive to such objections.

**Sex in Advertising**

Today's question of taste centre on the use of sexual innuendo, nudity, vulgarity, and violence. Although the use of sex in advertising is not new, the blatancy of its use is. Advertising that portrays women (or men) as sex objects is considered demeaning and sexist, particularly if sex is not relevant to the product. Ads from cosmetics and lingerie fall into a gray area because sex appeals for these products are usually relevant. The fashion industry has often been criticized for its liberal use of sex in advertising. These are experts in the fashion industry who feel that outrageous ads are necessary in order to appeal to the MTV generation. Some advertising professionals argue that nudity and sex are a part of contemporary world in which advertising is embedded. Others agreed that sex is overused and suggested that effective advertising can be created without titillating.

Advertisers have opted sexual appeal as exploiting factor of individuals sentiments in communicating their messages. These messages are in the form of words, models, pictures striving for the sole objective of selling and persuading others for becoming a permanent buyer.

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According to Verma (1980), it was observed that 90% of advertisements contained sex illustrations. Most of the advertisements which are sexually illustrated do not represent the ideas for which they are meant. Many advertisements containing sex appeal are more easily forgotten. This was found out by a study conducted by Major Steadman. He also observed that the brand names associated with such advertisements have little recall quality. It is clear that the names and products associated with sex in any advertisement are forgettable due to ambiguous association between sex and idea to be propagated. For example a half naked lady standing by the side of tractor. Here sex appeal is present in the illustration but the message to be communicated is not clear. The observer will remember and recall only sexual part of advertisement copy.\(^3^9\)

The primary purpose of an advertisement that is to catch the attention of the reader, doesn’t justify the exploitation of Freudian motives of human being. Indians are basically conservative and sex or nudity is considered a 'taboo'. According to Freudian psychology there exists a craving subconsciously. So anything that is forbidden incites the man to do that activity. Hence, as far as India is concerned anything portrayed in semi-nude does not fail to catch attention. As it is an exploitation of a human inherent weakness such exploitation is unethical.\(^4^0\)

'Sex' the hot buzzword has heavily influenced the world of advertising and its influence is such that from tea to contraceptives it sells like 'hot cakes'. Today in this fast changing world eroticism can sell products more than any other marketing strategy. Today the world of advertising is totally based on sex portrayal in every aspect of advertising. Examples are like Durex Condom, Kamasutra condoms, Bacardi Rum, Thunderbolt Beer, Red Tape shoes are advertised in the TV/radio/newspapers/magazines. Greed has come to dominate our reasoning to such an extent that ad makers find no better resources than a female body for selling a product be it shaving cream, aftershave – lotion, razors, cigarettes pan-masala or liquor. The woman today stands reduced to a semi-clad seductress. Female form was used extensively in advertising for these products, which had no relation whatsoever. So

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in a way, advertising acts as a catalyst that raises the accept extravaganza which should be controlled so that it may not affect the society and youth which are the future of our nation.41

**Sensual Advertisements**

In the middle of 2005, Hindustan lever put on air its Liril commercial that depicted a young woman coming out of a Shower being chased by a man who licked her back, arms and picked up droplets of water with his lips to depict the fragrance of soap drawing him closer to the women. The advertisement was perceived to be 'Vulgar, Obscene and Offensive'. An ASCI member lodged a complaint against this advertisement. The council-suo-motu decided that the 'visual depictions were explicit, with sensual overtones and over-action, not suitable for general viewing in family circles.' The advertisement was considered 'indecent and offensive' HLL took note of the objections and got it edited.

Euro underwear used sex openly. The advertisement features some young girls who accidentally get in to a men's room and come out giggling. The camera than shows the guy only in jocks with lipstick marks all over him. Many years ago, the Kamasutra condom advertisements were considered highly sensuous which attracted a discussion in the parliament. MS Coffee advertisement that likened coffee to love making and had models Malaika Arora and Arbaz Khan was withdrawn after various complaints against it.

An advertisement featuring super models Madhu Sapre and Milind Soman posing in nude, only wrapped by a python, in an advertisement of Phoenix shoes, led to police action and a subsequent legal case. The advertisement was carried in a news story before it was even published. The Bombay Police arrested both Sapre and Soman on charge of indecency and the advertisement Campaign was never mounted.42

It is to the advantage of the advertiser to be aware of current standards of taste. The safest way to make sure that you are not overlooking some part of the

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message that could be offensive is to pretest the advertisement. Pretest feedback should minimize the chances of producing distasteful advertising.

**Stereotyping in Advertising**

Stereotyping involves presenting a group of people in an unvarying pattern that lacks individuality and often reflects popular misconception. Critics claim that many advertisers stereotype large segments of our population, particularly women, minorities, and the elderly. The issue of stereotyping is connected to the debate about whether advertising shapes society's values or simply mirrors them. Either way, the issue is very important. If you believe that advertising has the ability to shape our values and our view of the world, you will believe it essential that advertisers become aware of how they portray different groups. Conversely, if you believe that advertising mirrors society, you will think that advertisers have a responsibility to ensure that what is portrayed is accurate and representative. Advertisers struggle with this issue every time they use people in an ad.

**Women in Advertisements**

The portrayal of women in advertisement has received much attention over time, especially recently. Initially, critics complained that ads showed women as preoccupied with beauty, household duties, motherhood. The charge is that advertising has failed to portray the changing role of women in society. Visual and copy of ads present stereotypical images of Indian women in settings such as family illness, children, cooking, neighbours, approval by mother-in-law, worries about daughter's marriage etc. or they are shown as dependent on men, subservient, less intelligent and hardly, if ever in authoritative roles. Men are shown as strong, independent and achievement oriented; women are shown as nurturing and empathetic, but softer and more dependent, and they are told that the products being advertised will make their lives less stressful and more manageable.43

Harmful female stereotype take a number of forms. Women are portrayed as indecisive, childlike, only interested in shopping obsessed with men or their own physical appearance, submissive to man, sexual objects. Women are also shown as

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decorative objects or sexually provocative figures. Compared to their male counterparts in ads, they are shown more scantily dressed.\textsuperscript{44}

Since the 1970s, feminists and other critics have spoken out against the portrayal of women in advertising (Pollay, 1986; Aaker and Bruzonne, 1985). Issues most often cited are the failure to reflect the changing role of women, the under representation of professional women, unrealistic and limited portrayals of women interacting only in relation to men and their families (Tuchman, 1979), and depictions of women as "happy homemakers" or as incompetents (Courtney and Whipple, 1983; Ferguson, Kreshel and Tinkhkam, 1990).

Particularly troublesome is the focus on women as sex objects (Boddewyn, 1991; Wgekham, 1987). For at least some of the public, sexual ads represent a challenge to standards of decency and are in a real sense pornographic" (Pollay, 1986, p. 28). These sexually explicit ads, employed for a myriad of products, negatively portray women solely in terms of one narrow and stereotypically presented aspect of their gender roles: as sex objects. Advertising's defenders assert that, in an open society, everyone is free to ignore an ad or refuse to buy a product that is deemed offensive or unattractive. It is the consumer, say these defenders, who act as the ultimate arbiter of advertising ethics (O'Toole 1990; Sandage 1989; Holbrook 1987; Kirkpatrick 1986).

Commodification of Women

As regards, women, the media presentation is mostly negative. In this age of liberalization and opening up of our economy to global market forces, women and young girls have became an important target for the media. In print and electronic media we find two broad trends, either women are commodified for the sale of various products or they are presented in typical stereotyped roles like Saas-Bahu bickering or proudly involved in domestic work, etc. Both these trends are highly objectionable as they demean and value their status and work and help to build a particular mind sent which provides legitimacy to the social devaluation of women.

Market forces thrive on the logic of 'what sells best" and quickest. In the process, the entity of women is reduced to a mere 'body', or a saleable sex

commodity, parading under the label of so-called modernity. There is no relation whatsoever to the product being sold, yet her body is exploited in ad after ad, ranging from men's underwear, shaving cream, lotions, to all kind of batteries, mobiles, cycles, tyres, bidi, cigarettes, wine and what not. In a recent advertisement of 'Opal Range' products one is shocked to find a Hindware wash basin hanging from a women's belly button. This kind of disgusting trivialization of woman's body for the sale of a product is not only highly insulting, it is at the same time a blatant violation of the 'Indecent Representation of Women (Prohibition) Act 1986', which strictly prohibits 'depiction in any manner of the figure of a woman's her form or body or any part thereof in such a way as to have the effect of being indecent or likely to deprave, corrupt or injure the public morality or morals. Similarly, so many ads related to soaps (Liril), deodorants, (Axe) mobiles (Idea) present woman in a low light. Suggestively exploiting a particular part of body in a manner that attracts the attention of young boys or men. We hardly ever find an ad where her talents, her contributions to society and struggle for existence could even be dimly seen.

Wrong Image of Women in Advertisements

There is equally dangerous trend of showing women as repositories of retrograde patriarchal values like son-preference. The old 'Fair and Lovely' ad - "Kaash mere beta hota!" (Which was later modified due to AIDWA's Intervention) and other such ads present the demand for dowry in subtle, overt or covert ways: grand mother expressing pleasant surprise and satisfaction at the grand daughter becoming so fair in colour, a woman expressing sharp jealousy and envy against another in favour or disfavour of a particular product and so on. The portrayal becomes all the more objectionable when the woman is shown as 'modern' and 'presentable' in her looks, her attire, her makeup and so on, but deeply traditional in her outlook and behaviour. She is looked at, presented and define from the male viewpoint only. There are number of ads which revolve around the marriage of a girl? Here is typical example. A LIC Policy ad talks of the necessity of insurance for a daughter's marriage and a son's education - 'Bete ki Padhai aur beti ki shadi ke liye' This kind of stereotyping run forces the notion that the only future for a young woman is marriage while that of a son is individual development through higher education.

In the ICICI ad "Jeevan Bhar Ki Sureksha" the bride has her head down and the bridegroom is shown providing 'Its time protection' by putting 'Sindoor' (vermilion) on her Does sindoor guarantee protection for women? Is the protection
of woman linked to marital status alone? Should we assume that a single woman or
woman who does not apply 'sindoor' has not right to be protected? (Why is there all
this police force and administration if) husband alone can protect her? What about
the large number of marital rapes, thousands of cases of bride burning due to dowry
or cases of domestic violence? India is a secular state and this dangerous tendency to
homogenize culture or to depict a uniform system of values is detrimental to the
spirit of the constitution itself. It fails to take into account the different customs and
values prevalent in different regions and sections of the society.

Advertising to Children

Advertising to Children continues to be one of the most controversial topics
in the industry. After a 1988 study found that the average child saw over 20,000 TV
commercials per year, a heated debate ensued. One side favored regulation
because of children's inability to evaluate advertising messages and make purchase
decisions. They also thought that certain advertising techniques and strategies
appropriate for adults were confusing or misleading to children. The other side
opposed regulation because member of that group believed many self regulatory
mechanism already existed and the proper place for restricting advertising to
children was in the home.

Advertising to Children was carefully monitored by self-regulation. The
National Advertising Division (NAD) of the Council of Better Business Bureaus,
Inc. seat up a group charged with helping advertisers deal with children's advertising
in a manner sensitive to children's special needs. The Children Advertising Review
Unit (CARU) was established in 1974 to review and evaluate advertising directed at
children under the age of 12.

Targeting children is easy as they are very impressionable and make a strong
emotional appeal to their parents to buy things based on what they see on TV, or
based on what their peers are doing. Allegations of Unethical advertising to children
have also been leveled at breakfast cereal makers and the television media that show
their advertisements. "The Centre for Science in the Public Interest ... announced
legal action to try to stop the Kellogg Co., maker of cereals like frosted Flakes and

45 Robert M. Liebert and Joyce Sprafkin, The Early Window : Effects of Television on Children and
Youth (New York : Pergamon, 1998) see also, National Science Foundation , Research on the Effects
46 "The Positive Case of Marketing Children's Products to Children," Comments by the Association
of National Advertisers, Inc., American Association of Advertising Agencies and the American
Nickelodeon cable network viacom Inc., from marketing junk food to children" (Reuters, 2006) Sugar filled cereals, software games, cigarettes ... even if the industry does not specifically target kids, these products find their way into the hands and mouths of kids across the world.\textsuperscript{47}

The use of children in advertising as surrogate sales person has also earned a lot of criticism for the advertisement industry. It is not uncommon to see children in advertisements promoting from washing powders to refrigerators. It has been proved through empirical research that "more and more children are participating in the decision - making process concerning the purchase of goods in homes, especially in urban areas so, it makes sense to target them." On the other hand brand managers say they want to catch these early consumers and make them loyal to their brands. And on portraying, children in commercials, a child provides an emotional platform and the presence of a child communicates the family emotion; a chance to stand out in the clutter of other advertisements whatever may be the reasons, advertising, targeting/featuring children are increasing.

**Table 1.6: Targeting Children Category with Market Size**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category</th>
<th>Approx Market Size (in Cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Apparel and footwear</td>
<td>480</td>
</tr>
<tr>
<td>2.</td>
<td>Toys and furniture</td>
<td>250</td>
</tr>
<tr>
<td>3.</td>
<td>Media and character merchandising</td>
<td>250</td>
</tr>
<tr>
<td>4.</td>
<td>Chocolates and Confectionery</td>
<td>1300</td>
</tr>
<tr>
<td>5.</td>
<td>Toiletries and personal care</td>
<td>300</td>
</tr>
<tr>
<td>6.</td>
<td>Playschools, crèches and other</td>
<td>1400</td>
</tr>
</tbody>
</table>


All around the globe, food advertisements constitute the major part of all advertising. The consumers International did an International Comparative Study on food advertisements aimed at children in Europe and Asia. The results indicate that it was largely the junk food sector, which advertised aggressively targeting kids. A few months back, in India, kids - link, which is the Consumer insights group of kidstuff Promos and Events, did an analysis on all Indian television commercials

listed on agencyfags.com (an exclusive) portal for advertising field. The study was carried on 408 TVCs across the segments: food, white goods, household products and beverages. The breakup among all the TVCs by segment is as in Table 1.7: The breakup among all TVC by segment.

<table>
<thead>
<tr>
<th>Category</th>
<th>Observed</th>
<th>% using kids</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>121</td>
<td>21</td>
</tr>
<tr>
<td>Beverage</td>
<td>127</td>
<td>13</td>
</tr>
<tr>
<td>Household Products</td>
<td>77</td>
<td>10</td>
</tr>
<tr>
<td>White Goods</td>
<td>83</td>
<td>16</td>
</tr>
</tbody>
</table>

The point which needs a considerable amount of discussion is the ethical perspective of the implicit claims in advertisements. Many advertisements of food products for children show the protagonists (who are mostly children) performing impossible feats after eating that particular brand of food.

This trend is witnessed not only in India but also across the world. A survey conducted worldwide with a sample size of 5860 parents found that, majority of the parents were against marketing of high fat/junk food are drinks to children.

Fig.1.6: Percentage of Parents Voting Against Marketing of Unhealthy Food Items to Children

Adopted from GMI Poll April 2005, Published in “Trends” Young Consumers, 2005 Quarter 2

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It is interesting to note that in every country, the percentage of parents voting against marketing of high fat/junk food and drinks to children, crossed the 50% line. This means that the majority of the parents around the world are against the marketing of unhealthy food items to children. It is more interesting to note that 76% of the parents surveyed in India were against the marketing of junk food to children. The issue that is raised is that of child obesity which is a rising problem not only in the developed countries, but also among developing countries.

Research Outcomes on Advertising to Children

The office of Communications (OFCOM), a regulatory body in the UK had commissioned a survey on advertising to children, and a part of that was an extensive literature review on the effects of food promotion to children. Some important findings of the report were: 49

1. **Children of all age are affected by advertisements**: Empirical evidence is there to prove that TV as well as radio advertising has an effect on the children’s choice of food. It has also been found that advertisements affect children of all age groups, one of the reasons being that there are different advertisements for different age groups.

2. **Media Literacy of children varies with age**: Media literacy can be defined as "The ability to access, analyze, evaluate and create messages across a variety of contexts." 50 It has been found that there is a significant difference in media literacy among different age groups. The media literacy levels at different age groups are shown in table 1.8.

3. **Literacy Level Affects the Influence of Advertisement**: The education or literacy level is also a force that has an impact on the effect of advertising in children. It has been found that the less literate viewers who are generally the younger children, are more influenced by the features of the advertisements which affect the senses of sight, hearing, etc. On the other hand, the more literate viewers, i.e., the older children go deep into the meaning of the advertisement and the claims made in it.

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50 A Commentary on the Research Evidence Regarding the Effects of Food Promotion on Children."
Table 1.8: Media Literacy Levels at Different Age Groups

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Media Literacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-4 years</td>
<td>Advertising is taken to be informative</td>
</tr>
<tr>
<td>4-7 years</td>
<td>Ability to distinguish between programs and ads</td>
</tr>
<tr>
<td>7-11 years</td>
<td>Ability to understand and persuade</td>
</tr>
<tr>
<td>11 years and above</td>
<td>Understanding about the intention of the advertiser</td>
</tr>
</tbody>
</table>


According to Naresh Gupta, National Head (Account Planning) Grey World wide - "Kids are used in a lot of situations just to make things look cute" though this sounds logical some analysts opine that one sound reason of targeting kids could be their pester power.

Pester Power

Children are used as the emotional levers to influence adult purchase decisions. Parents, squeezed between professional and personal life, heed to uncanny demands of their kids mainly due to their inability to pay more attention and spend more time with the kids. Children can be really specific in their tastes and preferences and have strong likes and dislikes, while it is easy for a parent to decide on a candy because his child wants it. It is quite another issue if the child insists on a brand of television or car which is where pestering power is into play.

A survey conducted by American Psychology Association reveals that kids of 1950 aspired to become Astronauts and Base Ball players who were their heroes. A survey conducted in the recent past portrays the astounding aspirations of kids. Majority of them want to become billionaires. Advertising creates a materialistic, consumerist mentality in order to live happily as portrayed in commercials.

The Influence of Advertisements on kids

(Comments of Ashun Gupta a British Psychological society award winner 94, thirty years experienced kids Psychologist and involved in conducted training programs on effective teaching and learning process).

Impact of advertisement on kids according to age and cultural background. Now a days, all age groups are viewing TV kids below eight years are pulled very
much by novelty, color etc. in ads. Their level of understanding is low and the purpose of the ads may not be served. However, children of the same age group who are better informed may have a little better understanding, eight years onwards - they know brand names since they exchange notes with peers, and what they hear at home (Cousins, parents etc.) But still, they may not be able to reason whether the product is worth-buying or not. Someone has to explain this to them. 11 years onwards kids are better at reasoning on quality, price etc. Also, their exposure is to more groups particularly in more urban environment. This has a lot to do with culture. In the south, kids are not so concerned about brand names and their appearance. However, these things matter much more in the North and perhaps also in the west. With culture, the value patterns given by family and society change.

**Impact of Advertisements on the General Psychological Development of a Kid**

The kids start craving for product. They could have a great need to possess certain items irrespective of their affordability. If their demands are not fulfilled, it is disturbing. Peer Pressure increases and this creates more conflict. Today kids are playing a significant role in family decision making as family size is going down, hence their opinion matters more. Ads can make kids over insistent. Abnormal behaviour due to advertisements has been noted more in pre-adolescence and adolescence.

There have been occasions when advertisements have come in for sharp public criticism even when children were not depicted in them, when the visual content of the advertisement had the potential of causing harm to them. Thumps Up, a cold drink (now with Coca Cola) is positioned as a drink for the macho man. Thumps-Up advertisement generally depicts dare devil act by men, usually celebrities form the world of cinema. A young child who aped the bungee-jumping act in the Thumps Up advertisement lost his life.51

The advertisement of multinational company selling soaps had the copy dudh malai to denote that it contained milk and cream, only to be eaten by a very young child who had just started comprehending language.

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Advertising has to be sensitive to the social mores and cultural traditions of a society. There was a lot of criticism from families against a government campaign on 'Nirodh', a male contraceptive in the eighties. The interspersing of family planning messages in popular programmes forced parents to either switch off their television sets when such advertisements were shown or send their children out of the room. The entry of satellite channels in the 1990s changed things. It is not uncommon for dozens of advertisements on laxatives, feminine hygiene ads, and even innerwear appear regularly on various television channels now.

A pan masala ad showing a group of youngsters in an open car snatching pouches of pan masala from a wayside shop and driving away happily had to be grounded. There were reactions that this would encourage other youngsters to follow suit.

If children endorse products meant for them, it makes sense, but the latest alarming trend has been that of children soliciting products ranging from refrigerator to water filter system and washing machine, from wall paints to detergents, from computers to real estate and mutual funds!

The FTC took up the issue with certain companies and the advertisement which were deemed to have a harmful impact on children were withdrawn. To cite some examples, Hudson Pharmaceuticals agreed not to use a hero figure such as Spiderman in its vitamin advertising because such advertising could influence children to take an excess amount of vitamins. Mego agreed to discontinue an advertisement for its cher doll showing a little girl, seated next to a water basin full of water using an electric hair dryer to dry her doll’s hair.

A number of consumer groups all over the world continue to feel concerned and are crusading against the ‘manipulative’ impact of advertising on children.

Many advertisers will agree that leveraging pester power for untoward advantage is an ethical issue and the marketers need to be more responsible while crafting their communication. Jamie Lord, Director (Marketing and Business Development), and Millward Brown at the Nickelodeon), share similar voice, “Children are a huge ethical responsibility. We must ensure that we produce quality
products that are safe and our message reflects this. We need to be honest, to keep the word and never abuse the trust that we have.\textsuperscript{52} All marketers at the end need to answer certain questions: Does the ad raise unacceptable emotions in kids? Does it show either an adult or child doing something that is unsafe? Does the ad makes false claims? To sum up, by thought and by deed, all of us need to uphold. Herbert Hoover thought, “Children are our most valuable natural resource.”\textsuperscript{53}

**ADVERTISING CONTROVERSIAL PRODUCTS**

Over a period of time, products that were once considered not suitable to advertise, such as those related to feminine hygiene, foot problems pantyhose, bras, laxatives, condoms have become acceptable. There are still some things however, that have not been accepted by the majority of consumers. Advertising is criticized for promoting products that could pose health hazards, such as tobacco and alcohol. It is paradoxical that there are certain commodities which are very much in demand in the market but are not absolutely necessary for the normal life of human beings. In fact some of them are positively harmful or injurious to human life tobacco in any form, alcohol etc are example. These products have a tendency to develop addiction among people and their consumption becomes almost a part of their life. Today smoking is one form of tobacco consumption, and it has become almost a part of human life for a good section of the society resulting in manufacturing and marketing of cigarettes beedies and cigar becoming a big business.

**CIGARETTE ADVERTISING**

Proponents of the ban on cigarette advertising argue that since cigarettes have been shown as it impairs health by causing lung, cancer, bronchitis and emphysema ischemic heart disease, cerebrovascular disease, peptic ulcer etc. encouraging tobacco use promotes sickness, injury or death for the smoker and those inhaling, second-hand smoke. The restriction of advertising on those products would result in fewer sales and fewer health problems. Further, it is proved beyond doubt that marketing rate is higher among smokes then that of non smokers.


\textsuperscript{53} Ibid.
The world Health Organisation has recommended the following legislative and economic measures to curb smoking in this connection.

(a) Control of sales promotion of cigarettes.
(b) Health warnings on cigarette packets and advertisements.
(c) Product description showing yield of harmful substances.
(d) Imposition of upper limits for harmful substances like tar, nicotine and carbon monoxide.
(e) Taxation on tobacco products.
(f) Restriction of smoking in public places.
(g) Restriction of smoking in places of work.

The Government of India has also evolved the following regulatory measures:

- statutory health warning on cigarette packets and advertisements;
- taxation on tobacco products;
- restriction of smoking in public places and places of work. It is attempted to analyze these regulatory measures at some length to find out how far they could be effective.

**Statutory health warning**

For the last one decade or more it has become the statutory obligation of the cigarette manufacturers to print “Cigarette smoking is injurious to health” on cigarette packets and advertisements. It is feared that this warning does not achieve anything more than fulfilling a statutory obligation. A casual study at various pan shops would reveal that almost 50 percent of the cigarettes are sold loose. The statutory warning will not even reach this section of buyers. In fact the numbers of beedi smokers are many times more than cigarette smoker there are ten beedi smokers. According to a study of Lung cancer in relation to smoking conducted jointly by Tata Memorial Cancer Research Centre, Bombay and Naybor Dana Institute of disease Prevention, New York the relative risks to beedi smokers is 3.4 and to cigarette smokers is 2.4. Phenol which is a cancer promoting agent is found more in beedi smoke than in cigarette smoke. It should be mentioned here that there is no statutory warning or anything of that sort on beedies and this would result in
Creating an impression or common man that beedi smoking is positively good as there is nothing written on the contrary.

In India, the Ministry of Health proposed to introduce an advertisement ban on tobacco products in 1994. According to the National Sample Survery, 35 percent of men and 12 percent of women in India use tobacco in some form or the other and the numbers are going up every year. For many of them, tobacco makes life much easier to live. Doctors cannot ignore the growing numbers of women cigarette smokers as they contribute to the steady rise in lung and cervical cancer cases. That's what tobacco does to a person!

In a recent study conducted by World Bank, it has been reported that about 1.1 billion people throughout the world smoke. By 2005, the number is expected to rise to more than 1.6 billion. With current smoking patterns, about 500 million persons alive today will eventually be killed by tobacco use. More than half of these future deaths will occur among today's children. By 2030, tobacco is expected to be the single biggest cause of death worldwide, accounting for about 10 million deaths per year. Half of these deaths will be in middle age (35-69), losing 20 to 25 years of life.

The attitude of government towards tobacco is most inconsistent. It can be gauged by the fact that it invested Rs. 28.42 crore in four cigarette companies, while public sector banks have given Rs. 500 crore in advances and credits to tobacco growers. The government gives Rs. 2.8 crore for tobacco research and Rs. 1.4 crore for anti-tobacco education research. It is in a peculiar position, on the one hand, it supports tobacco production while on the other hand, it discourages its use.

In India, the Ministry of Health proposed to introduce an advertisement ban on tobacco products in 1994. On the one hand, the tobacco farmers have been assured that they will be provided with the environment of growth. The intention of the government is clear-to help tobacco growers, creating additional demands for cigarettes by conversion from the range of tobacco products largely consumed in India. In order to create this sort of broad demand, it will be necessary to launch a number of new brands. On the other hand, the government has proposed to introduce this advertisement ban. If this ban is for creating an attitude change in consumers by
sending less information to them, it will not serve its purpose as the Indian consumers will be exposed to advertisements of foreign brands through satellite TV. This will only put the domestic industry at a disadvantage and will only help smuggling of the foreign brand.

Hamilton (1975) suggested that there is no evidence from those countries where tobacco advertising has been banned that the ban accompanied any significant reduction in overall consumption per capita consumption or the incidence of smoking. The market trends apparent prior to the introduction of the ban have largely continued to be unchanged in the years following it. However, other researchers (Fujii, 1980, Young, 1983, Bishop & Yoo, 1986, Seldon & Daroodian, 1989) have found that the advertisement ban had a positive effect on the consumption of cigarettes' although the size of its impact was lower and of a lesser duration.

**Surrogate Advertising**

Surrogate advertising refers to the strategy used by some companies and advertisers to promote certain products clandestinely, because the law of the land may not permit advertising for those products. Liquor and cigarettes generally fall in this category. Surrogate promotions can be done in two ways, one when a surrogate product is put up as a front for a cigarette or liquor brand, and the other when celebrities in cinema or television programmes endorse such products. In this case study we shall specifically look at surrogate advertising relating to cigarette and liquor brands, the role played by advocacy groups, reflection of the subject in codes of conduct of some media and media-related agencies and legislation in this regard in India. For a long time when the electronic media was government controlled in India, its code of conduct did not allow the advertising of tobacco, liquor, gold and real estate products and services.

Everything however changed with satellite channels entering the fray. Liquor advertisements were openly flaunted even on channels such as Sony and Zee. The Advertising Standards Council of India (ASCI), a voluntary body of advertising agencies, does not talk about surrogate advertising at all in its Code of Self-Regulation in Advertising. Thanks to the loopholes in law and the non-punitive
nature of industry codes, some advertisers have got away with so-called surrogate advertisements before May 2004.

Surrogate advertising denotes advertising for a product through a surrogate product. For example, for advertising various alcohol brands, it is not uncommon to see bottled water, soda, juice, or cologne advertised with the same brand name. Kingfisher is not only a beer brand from the UB group, it also has bottled water and now an airline with same name. Wills cigarettes’ famous tagline ‘Made for each other’, though used originally to refer to filter and tobacco, is now used for couples.

Advocacy by the Anti-Tobacco Lobby bore fruit when the Indian Parliament passed the “Cigarette and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Law’, which came in to effect from 1 May 2004. This prohibits inter alia advertisements that directly or indirectly suggest or promote the use or consumption of cigarettes. The Indian Broadcasting Foundation (IBF) the apex body of broadcasting companies has also formulated a set of guidelines to put a check on surrogate advertising for products such as liquor, cigarettes, and tobacco products in mass media, which is banned by law.

According to analysts, if these parameters were applied, McDowell’s No. 1 Soda, Gilby’s Green Label Water, and Smirnoff Zone CDs and cassettes might get the benefit of doubt, but Hayward’s 5000 beer might be knocked out of television screens because the dartboards the company advertises are not easily available in India. The IBF has issued show-cause notices to many channels to pull off such advertisements. Preempting governmental regulation, the channels, under the chairmanship of Kiran Karnik, the then CEO of Discovery Channel, offered a self-regulatory code on liquor advertising. Some of the highlights include the following:

- The advertisements shall not,
- encourage minors and non-users to consume liquor products, and abstinence and moderation are not to be presented in a negative light,
- suggest that liquor consumption leads to extraordinary success in various areas of human endeavour,
• overtly seek to encourage increased consumption and buying of large stocks of liquor products,
• resort to surrogate advertising to contravene the existing law, rules, and codes, or
• be aired between 6.00 a.m. to 9.00 p.m.

When cine actor Shahrukh Khan, who is a heavy smoker, turned 40 years of age in 2005, he presumably vowed to stop smoking as per media reports. Not losing a minute, Health Minister Dr. P. Ramdoss immediately got in touch with Khan requesting him to be the brand ambassador for the anti-smoking campaign.

Film star Vivek Oberoi, who for long has been associated with the anti-tobacco lobby as its brand ambassador, was selected by Godfrey Philips India Ltd., the second largest manufacturer of cigarettes in India. (that include brands such as Four Square, Red & White, Jaisalmer and Cavenders), for the Rad & Whire Awards to honour “unsung heroes’ for the year 2005. The actor, however, returned the award citing the awards as a form of surrogate advertising.

To conclude, despite the laws, regulations, and codes of ethics of media agencies, surrogate advertising carries on unabatedly in the media, it has become a common practice to endorse various brands through the cinema route. Famous actors are shown driving a particular brand of motorcycle or car. They are shown drinking a particular brand of aerated drink or visiting a branded retail store. Pepsi, coke, pass-pass, Barista, and many other brands have been seen in these movies.

**ADVERTISING’S LEGAL AND REGULATORY ENVIRONMENT**

Advertising’s Legal Environment government oversight includes two topics: Law and regulation.

Two pivotal areas of case law – trademark and copyright protection and the First Amendment as they pertain to advertising.

**Trademark and Copyright Protection**

A trademark is a brand corporate, or store name or a distinctive symbol that identifies the seller’s brand and thus differentiates it from the brands of other sellers. A trademark must be registered through the Patent and Trademark Office of the Department of Commerce, which gives the organization exclusive use of the
A **copyright** gives an organization the exclusive right to use or reproduce original work such as an advertisement or package design for a period of time. Common designs or symbols, however, cannot be copyrighted.

**Advertising and the First Amendment**

The most basic federal law that governs advertising is the First Amendment to the U.S. Constitution. The First Amendment states that Congress shall make no law “abridging the freedom of speech or to the press.” How have courts applied the First Amendment to advertising? First Amendment protection extends to **commercial speech**, which is speech that promotes commercial activity?
The Supreme Court does permit some restrictions on commercial speech. For example, the Court has held that false or misleading commercial speech can be banned. Even truthful commercial speech can be restricted if the government can prove the public good demands such restrictions.

ADVERTISING’S REGULATORY ENVIRONMENT

The Federal Trade Commission (the main regulatory body that governs advertising), additional regulatory agencies, and industry self-regulation.

Advertising and the Federal Trade Commission

The Federal Trade Commission (FTC), established in 1914 by an act of the U.S. Congress, is the primary agency governing the advertising industry. Its main focus with respect to advertising is to identify and eliminate ads that deceive or mislead the consumer. Some FTC responsibilities are:

- to initiate investigations against companies that engage in unfair competition or deceptive practices,
- regulate acts and practices that deceive businesses or consumers and issue cease- and-desist orders where such practices exist. Cease-and-desist orders require that the practice be stopped within 30 days (a cease-and-desist order given to one firm is applicable to all firms in the industry).
- fine people or companies that violate either (1) a trade regulation rule or (2) a cease-and-desist order given to any other firm in the industry.
- fund the participation of consumer groups and other interest groups in rule-making proceedings.\(^{54}\)

Specifically, the FTC oversees false advertising of such items as foods, drugs, cosmetics, and therapeutic devices. That oversight includes such things as health and weight loss business practices, 900 numbers, telemarketing, and advertising that targets children and the elderly.

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Advertisers want their customers to trust their products and advertising, so many take precautions to ensure that their messages are not deceptive, misleading, or unreasonable. Five areas of FTC regulation that concern advertisers: deception, reasonable basis for making a claim, comparative advertising, endorsements, and demonstrations.

**Deception**

Deceptive advertising is a major focus of the FTC. Some activities that the commission has identified as deceptive are deceptive pricing, false criticisms of competing products, deceptive guarantees, ambiguous statements, and false testimonials. The current FTC policy on deception contains three basic elements:

1. Where there is representation, omission, or practice, there must be a high probability that it will mislead the consumer.
2. The perspective of the "reasonable consumer" is used to judge deception. The FTC tests reasonableness by looking at whether the consumer's interpretation or reaction to an advertisement is reasonable.
3. The deception must lead to material injury. In other words, the deception must influence consumer's decision making about products and services.

**Reasonable basis for making a claim**

The advertiser should have a reasonable basis for making a claim about product performance or run the risk of an FTC investigation. For instance, Most of the companies that guarantee weight loss, increased muscle definition, or better memory employ difficult criteria with which to prove their claims. Consequently, an advertiser should always have data on file to substantiate any claim it makes in its advertisements.

The FTC determines the reasonableness of claims on a case-by-case basis. In general, the FTC considers these factors:

- Type and specificity of claim made.
- Type of product.
- Possible consequences of the false claims.
- Degree of reliance on the claims by consumers.
- The type and accessibility of evidence available for making the claim.
Comparative Advertising

Advertisers face the common threat that competitors will misrepresent their products, prices, or some other attributes. While no one expects a competitor to be totally objective, there are certain guidelines for protecting advertisers from unfair comparisons. The Lanham Act seeks damages from an advertiser who “misrepresents the nature, characteristics, qualities, or geographic origin in comparative advertising.”

Under the Lanham Act, companies/plaintiffs are required to prove five elements to win a false advertising lawsuit containing a comparative claim. They must prove:

1. False statements have been made about either product.
2. The ads actually deceived or had the tendency to deceive a substantial segment of the audience.
3. The deception was “material” or meaningful. In other words, the plaintiff must show that the ad claims is likely to influence purchasing decisions.
4. Falsely advertised goods are sold in interstate commerce.
5. The suing company has been or likely will be injured as a result of the false statements, either by loss of sales or loss of goodwill.

In addition to the Lanham Act, consumers also may rely on state laws governing unfair competition and false ad claims if the consumer is the victim of a false comparative claim.

Endorsements

A popular advertising strategy is the use of a spokesperson who endorses a brand. An endorsement or testimonial is any advertising message that consumers believe reflects the opinions, beliefs, or experiences of an individual, group, or institution.

Many consumers rely on endorsements to make buying decisions, the FTC investigates endorsement advertising. Endorsers must be qualified by experience or training to make judgments and they must actually use the product. If endorsers are comparing competing brands, they must have tried those brands as well. Those who
endorse a product improperly may be liable if the FTC determines there is a deception.

Demonstrations

Product demonstrations in television advertising must not mislead consumers. This mandate is especially difficult for advertisements of food products because such factors as hot studio lights and the length of time needed to shoot the commercial can make the product look unappetizing. For example, because milk looks gray on television. Advertiser often substitutes a mixture of glue and water. The question is whether the demonstration falsely upgrades the consumer’s perception of the advertised brand. The FTC evaluates this kind of deception on a case-by-case basis.

One technique some advertisers use to sidestep restrictions on demonstrations is to insert disclaimers or “supers”, verbal or written words in the ad that indicate exceptions to the advertising claim made.55

ADVERTISING AND OTHER REGULATORY AGENCIES

In addition to the FTC several other federal agencies regulate advertising. The Food and Drug Administration and the Federal Communications Commission have become dynamic components of the advertising regulatory environment.

Food and Drug Administration

The Food and Drug Administration (FDA) is the regulatory division of the Department of Health and Human Services. It oversees package labeling and ingredient listing for food and drugs. It also determines the safety and purity of foods and cosmetics. Although not directly involved with advertising, the FDA provides advice to the FTC and has a major impact on the overall marketing of food, cosmetics, and drugs.

Federal Communications Commission.

The Federal Communications Commission (FCC), formed in 1934 to protect the public interest in radio and television broadcast communications, can issue and revoke licenses to broadcasting stations. The FCC also has the power to ban

messages, including ads, that are deceptive or in poor taste. The agency monitors only advertisements that have been the subject of complaints and works closely with the FTC to eliminate false and deceptive advertising. The FCC takes actions against the media, whereas the FTC is concerned with advertisers and agencies.

**Additional Federal Regulatory Agencies**

Other federal agencies regulate advertising, although most are limited to a certain type of advertising, product, or medium. For example, the Postal Service regulates direct mail and magazine advertising and has control over the areas of obscenity, lotteries, and fraud. Consumers who receive advertisement in the mail that they consider sexually offensive can request that no more mail be delivered from that sender.

The Bureau of Alcohol, Tobacco, and Firearms (ATF) within the Treasury Department regulates deception in advertising and establishes labeling requirements for the liquor industry. This agency’s power comes from its authority to issue and revoke annual operating permits for distillers, wine merchants, and brewers. Because there is a danger that public pressure could result in the banning of all advertisement for alcoholic beverages, the liquor industry strives to maintain tight controls on its advertising.

The Patent Office, under the Lanham Trademark Act of 1947, oversees registration of trademark, which include both brand names and corporate or store names as well as their identifying symbols.

Finally, the Library of Congress provides controls for copyright protection. Legal copyrights give creators a monopoly on their creations for a certain time. Copyrighting of coined words, phrases, illustrations, characters, and photographs can offer some protection from other advertisers who borrow too heavily from their competitors.

**SOCIAL RESPONSIBILITIES AND SELF – REGULATION**

There are three aspects of social responsibility:

1. **Self – discipline**: An organization develops, uses, and enforces norms by itself.
2. **Pure self – regulation**: The industry develops uses and enforces norms.
3. Co-opted self-regulation: The industry voluntarily involves no industry People in the development, application, and enforcement of norms.\textsuperscript{56}

**Self-Discipline**

Virtually all major advertisers and advertising agencies have in-house ad review procedures. Several companies (Colgate-Palmolive, General Foods, AT&T) have their own codes of behavior and criteria that determines whether advertisements are acceptable.

**Pure Self-Regulation**

In the case of both advertisers and advertising agencies, agencies the most effective attempts at pure self-regulation have come through the Advertising Review Council (ARC) and the Better Business Bureau. In 1971 several professional advertising associations in conjunction with the Council of Better Business Bureaus established the National Advertising Review council, which negotiates voluntary withdrawal of national advertising that professional consider deceptive. The National Advertising Division (NAD) of the Council of Better Business Bureau and the National Advertising Review Board (NARB) are the two operating arms of the National Advertising Review Council. None of these are government agencies.

**Local Regulation**

At the local level, self-regulation has been supported by the Better Business Bureau (BBB). The BBB (www.bbb.org) functions much like the national regulatory agencies, and also provides local businesses with advice concerning the legal aspects of advertising. Approximately 250 local and national bureaus, made up of advertisers, agencies, and media, have screened hundreds of thousand of advertisements for possible violations of truth and accuracy. Although the BBB has no legal power, its does receive and investigate complaints maintain files on violators.

**Media Regulation and Advertising**

The media attempts to regulate advertising by screening and rejecting ads that violate their standards of truth and good taste. For example, The Reader’s

Digest does not accept tobacco and liquor ads, and many magazines and television stations do not show condom ads. Each individual medium has the discretion to accept or reject a particular ad.

In addition, as advertisers, agencies, and media become more and global, it will be imperative that the players understand the ethical standards and laws in which they operate.

FOCUS OF THE STUDY

The efforts of the present study are focus to discover and examine how advertising affects the ethical, moral principles, values and dignity of the customers. It further interests to know that how it measures the effects of advertising on a group of consumer on different age, sex, residential status, etc. Focus of the study was those advertisements related to women, children, of cigarettes and alcohol (unethical in Indian Context) Researcher is of the opinion that these advertisements are very relevant to examine the ethical aspects of advertising. These categories of advertisements reflect almost all the advertising ethical issues that impact socially and on consumer interests. This research provides help to marketers/ advertisers in making of advertisements, that what type of appeal they made to their prospects or target customers, how much ethical criteria is acceptable by society at large.