SECTION II

THE HISTORICAL BACKGROUND

AND THE NATURE OF ADVERTISING
II. THE HISTORICAL BACKGROUND AND THE NATURE OF ADVERTISING

At one time there was no such thing as Advertising or Marketing Management. Producers had personal contact with their customers. As the producers had direct transactions, it was quite convenient for them to find out the exact requirements of the customers. The situation was different with the advent of mechanization. With mass markets, distribution became a major and specialized function. The producer was no longer able to establish a direct contact with his customer. The trading function became the monopoly of the wholesale houses who in turn established contact with the retailers in cities and towns.

While the retailers identified the needs of the customers, the wholesalers decided on the particular ‘lines of goods’ which were to be bought from the manufacturers, the quantities to be stocked, the different sizes to be made as well as other specifications such as colour, design, quantity and price. In other words the wholesaler performed the job of a Marketing Manager of today. Advertising, as we know it today, did not have any relevance in that era _____ the latter half of 19th century and early 20th century.

In the 1950s large scale automation introduced the following
dramatic changes:

It made possible (a) production on a large scale and (b) development of mass markets; (c) it also led to increasing distribution costs and (d) transformation of markets from a sellers' market to a buyers' market (Figure-2).

For the sellers, the American Marketing Concept was an acceptable approach for competing in a buyers' market. Advertising as a method of communication passed through several stages—The Product Era, The Image Era and finally the Positioning Era.

The 'product era' was built on the concept of 'Unique Selling Proposition'. Producers started highlighting the U.S.P. or Key Consumer Benefit and outsell the competitors. But this era ended with the advent of me-too products. This was followed by the 'Image Era' and its architect David Ogilvy stressed that each advertising campaign is an investment in long term image building. This phase ended with the advent of me-too companies.

Finally came the Positioning Era which emphasized the fact that innovations in communication technology has led to the Information Revolution due to which the human brain is subject to a "sensory overload". In this situation, the only way to gain visibility for a product is through positioning. The term positioning is best explained by the French expression 'Cherchez le Craneau' which means in English find a gap (in the market for products) and fill it up. The term is explained in detail in Section V.
DD = DEMAND CURVE
SS = SUPPLY CURVE

P = PRICE

FIGURE 2
But is advertising an art, a science, or a business? Or is it all three? Leo Bogart has made a fairly comprehensive analysis of the problem. According to him, that it is a business, and a prosperous one, is beyond question. In America it is a growing business outpacing the American consumer economy and also making rapid advances around the world.

In a way he thinks advertising is an unusual business because it deals in communication, which unarguably is an art form. In 1821 in his "Defence of Poetry" Percy Bysshe Shelley wrote: "A man cannot say, I will compose poetry. The greatest poet cannot say it. For the mind in creation is as a fading coal, which some invisible muse, like the inconstant wind, awakens to transitory brightness".

Bogart points out that unlike the poets, those who create advertising must work to meet deadlines and time tables to which the muse is not always responsive. A continuing preoccupation of the business executives who run the advertising enterprises has been the problem of how to foster the artistic temperament and at the same time harness it within the budgetary and scheduling constraints that business requires.
Advertising's aspirations to science is a debatable issue. Rising costs of advertising campaigns are creating more pressure on advertising departments and ad agencies to approach the advertising problem more scientifically. It is logical, of course, to argue that you must quantify and analyse what you do in order to do it more economically. However, it is noteworthy that this has led to two approaches to the problem which are inappropriate:

a) the tendency to think in terms of the stimulus - response psychology in its crudest form. This leads us to believe that a given amount of advertising pressure applied against a target audience of customers is bound to create a measurable impact on the volume of products sold.

b) increased data-dependency in the trade has led us to think that the only thing that affects your market position is your own actions.

Both the above approaches need scrutiny because it is very difficult to draw causal relationships as in (a) unless the problem is modelled under very restrictive assumptions. Furthermore as markets are becoming more and more complex the way in which consumers respond often reflects not what the advertiser does but what the competitors do.
The essence of communication being symbolic, it cannot be quantified in totality. It is possible to determine the optimal number of messages to be used in a mathematical model, under restrictive assumptions but it is not possible to count experiences. Because each message is qualitatively unique, they cannot be added and they cannot really be compared. Communication decisions such as those concerning the elements of an ad layout—illustration, headline and body copy—are more creative and judgemental and truly represent an art form. Quantification in the form of number of ad messages which will maximize profit may be treated scientifically but only under restrictive conditions.

The debate on whether advertising is an art or science is best resolved by treating it as a source of information. Ogilvy opines that advertisement is not an entertainment or an art form, but is a medium of information. When I write an advertisement he says, "I don't want you to tell me that you find it 'creative'. I want you to find it so interesting that you buy the product".

It was estimated in the early eighties that roughly half of all the advertising in the world is in the United States and American agencies are paramount in the rest of the world. In West Germany, nine of the top agencies were American; in the U.K. and Holland, seven of the top ten. In 1977 Philip Kleinman, a British observer of the advertising scene wrote that all over the world, admen look to Madison Avenue as Moslems look to Mecca. However, good ads have not been the monopoly of the Americans.
The differences in ads across nations reflect differences in national characteristics. British ads tend to be less direct, less competitive, more subtle, more nostalgic, funnier and more entertaining. French advertising is distinguished for its wit, charm and beautiful art direction qualities. German agencies had some similarity with those in New York till recent times. In smaller European countries, advertisers cannot afford the kind of research that guides the creative output in North America and the U.K., so they are forced to rely on guesswork which is not always accurate. This is where the multinational advertisers have the advantage. They can extrapolate from the results of their research in bigger markets.

Indian advertisers have problems unknown in the West. Their campaigns have to be translated into several languages and the majority of the population cannot read any particular language used at any point of time.

Some advertising has also been used in socialist countries—erstwhile USSR, Hungary, Czechoslovakia, Poland and Romania—though not for promoting consumer products as in capitalist countries because such products have been in short supply. China has considered advertising an evil till 1977. From 1978 advertisements have been used in that country for promoting industrial products.
The general trend in advertising in mature capitalist economies like USA and Japan in recent times has been examined by the authors Stan Rapps and Tom Collins in their book entitled "The Great Marketing Turnaround: The Age of the Individual and How to Profit From It". The shift from "mass marketing" to "new marketing" has been described by them as a move towards more specific market research, niche markets, use of data bases— even identification of the end buyer by name and focused two-way communication. The reasons for this change are:

a) an increasing variety in the age, education and income mix of the consumer—change in life styles and tastes.

b) advertisers are finding it harder to garner consumer time, as he has little of it to spare.

c) sheer increase in the number of products, services and stores

d) the magic of network television advertising weaning off with 70 per cent of consumers using remote controls to switch channels and avoid advertising bombardment

e) a fall in brand loyalty

f) advertising noise, excessive and wasteful
Advertising as a promotional tool has been used in most countries all over the world although the extent of usage has varied to a great extent. In this paper we will treat advertising as a source of information——the method of conveying it will be treated as a logical art form. The extent of usage——i.e. the quantification of the optimal number of messages will be treated as a science. Our ad messages will not make the product the hero nor will we follow the principles of the Image Era. We will position the product in the mind of the prospect and gain high visibility in a crowded market place. We shall also find some means of optimizing the quantum of advertising information used to gain high visibility.