SECTION III

THE PRESENT STATE OF WORLD ECONOMIES AND MODALITIES FOR ADVERTISING
III. THE PRESENT STATE OF WORLD ECONOMIES AND MODALITIES FOR ADVERTISING.

In the paper entitled 'India's Information Economy: Role, Size and Scope' by Vijay Kelkar, D.N. Chaturvedi, and Madhav K Dar (EPW Sept 14, 1991) observed that the value of output of information goods and services at current market prices worked out for the year 1986-87 comes to Rs.3,15,290 million (1 US $ = 21.07 Indian Rupees) or 10.81 per cent of the GNP at current market prices. For various reasons analysed in the paper it was felt that these estimates are likely to be an underestimation of the actual situation. The indirect impact of this sector of the economy on the national output was considered to be substantial.

An informational good or service as defined in that paper is one which either directly conveys information or is directly useful in the production, processing or distribution of information. Though this definition avoids the difficult problem of how to define information itself, it has become the standard one used by most information sector theorists and has been legitimised by the OECD 1981 report.

Those information goods and services which are traded on established markets, fall into the category of the 'primary information sector' (PIS). Of the remaining information goods and services those that are used in the production of non-information goods and services are defined by the OECD to belong to the 'secondary information sector' (SIS).
Informational goods and services are further defined, implicitly, as those whose primary purpose is either conveying information directly or assisting directly in producing, processing or distributing information. Thus all activities such as education, research, communication, broadcasting, etc. whose primary purpose is to produce/convey information have been treated as information activities. All goods whose primary purpose is to help in the production and distribution of information such as computers, calculators and watches, printing presses, test and measuring instruments, radios, TVs and diagnostic equipment, etc. have been treated as information goods. The non-information goods and services which are used as input items in the production of information goods and services have also been treated as 'information goods and services' only to the extent they are used as input in the production of such goods and services.

The preliminary estimates of the information sector in India, for 1986-87, indicate that its contribution to GNP is 10.81 per cent. Compared to the developed countries, this is still very low. For instance, in the U.S. the PIS was estimated to contribute 24 per cent of GDP in 1976; in the U.K. in 1975 the PIS accounted for 22 per cent of GDP. Similar estimates for France, W. Germany and Japan indicate the comparable figures to be in the range of 17 to 19 per cent. For less developed countries, Table 4 gives us comparable figures for well known countries.
Table 1:

INFORMATION SECTOR SIZE

INTERNATIONAL COMPARISONS

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>YEAR</th>
<th>PERCENT OF GDP</th>
<th>PERCENT SHARE CONTRIBUTED OF PIS IN WORKFORCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>1975</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1975</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>Philippines</td>
<td>1974</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>Singapore</td>
<td>1976</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Thailand</td>
<td>1975</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>South Korea</td>
<td>1980</td>
<td>14.6</td>
<td>14.8</td>
</tr>
</tbody>
</table>

Source: Paper in EPW quoted above.
The nature of the information revolution and its extent is illustrated by the graphs in Figures 3 and 4. The two graphs give us a clear idea about the emerging information societies. The fact that about 50 percent of the U.S. workforce was engaged in 'information jobs' in 1980 and the fact that both advanced and developing countries are fast emerging as information societies make it imperative that before we talk about strategy we should have a close look at the typical 'information society' with its new sociological variables which will no doubt play an important role in our model.

The 'information society' is made up of four categories of people:

**Category I: The Embracers:** Those who are in 'the information rich' society will, by definition, be able to make comparatively skilled use of information technology for their personal and public ends. While being in the midst of a turbulent state of affairs and sometimes exhausted by it, they will none-theless be able to use the opportunities the new revolution will provide, for personal and societal growth. Those who are 'out' of the information- rich society can be subdivided into three categories: The Rejecters, the Indifferent and the Inadequate.

**Category II: The Rejecters:** They are defined as follows: People who choose to reject the thrust and commitments of the larger society with its complex technological - social interdependence. They may be actively or passively alienated.
FIGURE 3  HOW NATIONS RANK AS INFORMATION SOCIETIES

SOURCE: ADOPTED FROM RESEARCH INSTITUTE OF TECHNOLOGY AND ECONOMICS, TOKYO, JAPAN, ANNUAL REPORT.
FIGURE I: THE U.S. WORK FORCE, 1860-1980

SOURCE: MARC PORAT, THE INFORMATION ECONOMY, VOLUME I: DEFINITION AND MEASUREMENT.
Category III. The Indifferent: Another "out" part of the population are composed of the indifferent. They are the functionally affluent through government, entrepreneurial, or other occupational roles.

Category IV: The Inadequate: Another category of people are those who are socially or culturally inadequate rather than indifferent or alienated. They will therefore be unable to use information technology.

People in category I will seek to acquire expertise in using information for making personal choices. However, the vast majority comprising of people in category II, III and IV will consume unevaluated products and have no desire to use information to their advantage. The strategic Model that will be developed in this paper will be successful with all the four categories to a greater or lesser extent unlike other advertising strategies.

Added to this is the phenomenon of brand proliferation which is an established phenomenon in most advanced as well as developing countries like India. Even around 1970, the picture was completely different. A handful of well-known brand names dominated the market — Lux soaps, Postman edible oil, Halo shampoo, Tata Hair Oil — each one a giant in its own field facing very few competitors.
These days there is a deluge of brands in shop-shelves. There are 53 Shampoos alone and 116 different brands of edible oil. The proliferation of brands on the market is one of the by-products of the roaring 80s, the decade when the Indian consumer came of age and cut throat competition among brands became the order of the day.

The emergence of new brands has taken place across the board in almost every product category. In some categories the number of brands in the market has more than doubled in the 80s. In the packaged tea market in 1985 there were 34 brands in the market. In 1990 there were more than 80 brands. Likewise the number of shampoo brands went up from 23 in 1985 to 53 in 1990. An Operations Research Group Study lists 34 brands of hair oil which advertised in different stations of Doordarshan in a particular month in the mid-eighties. Among them are well-known brands like Dabur, Kep Karpin and Parachute. But there are also small niche and regional players unheard of in most of the country. Brands like Jabalusum, Rita, Arnica, Surya, Oasis and Banphool.

Consumers softs inevitably lead the way. But brand proliferation is taking place in other areas too. In the over crowded television business, for instance, there are 30 advertised brands. The top spenders on advertising are the big brands like Videocon, BPL and Onida.
The mind as a defence against today’s communication screens and rejects much of the information offered. Today’s marketplace is just no longer responsive to the strategies that worked in the past. There are just too many products, too many companies and too much marketing noise. In communication as in architecture, less is more. You have to jettison the ambiguities, simplify the message and create a long lasting impression. Al Ries and Jack Trout point out that to succeed in our overcommunicated society a company must create a position in the prospect’s mind. A position that takes into consideration not only a company’s strengths & weaknesses but that of its competitors as well. In positioning it is not enough to invent or discover something. It may not be necessary. You must however be the first to get into the prospect’s mind. IBM did not invent the computer but was the first to create and occupy the computer position in the mind of the prospect.

The real challenge to the advertising profession is to create ads that stand out. The volume of messages disseminated has been growing at a much more rapid rate than the number to which people are actually exposed. Between 1967 and 1986 the number of TV, Radio, Magazine, and newspaper advertisements disseminated in the United States increased by 257 percent, with more channels and shorter commercials. The number of TV messages to which the average person is exposed grew by 128 percent in that period and the total number of messages by 73 percent. But the human
capacity to absorb and make sense of this swollen flow of attempted persuasion has not changed one iota in those 20 years. In this welter of communications the messages that stand out do so not because of their cost or number but because of their character.

In the present context of information revolution two issues are vital: (1) Preparing an appropriate positioning as reflected in the positioning statement and (2) selecting the right kind of messages to be delivered to ensure the desired positioning. Crash and Lashey have suggested a decision model for selecting messages that are appropriate among the whole lot of possibilities in an organized manner, allowing for the selection of the message type which best fits the positioning statement for the brand. Being able to eliminate alternative commercial message types early in the campaign development process should improve the effectiveness of the final messages developed and improve the cost efficiency of the process.

The decision model should not be construed as an attempt to restrict the creative input of the agency. Numerous creative executions are possible for any of the message types outlined. This model merely guides both the marketer and the agency in the selection of the general type of commercial desired.

This decision model could serve other uses as well. For example a marketer could examine the competitor's commercials to determine which message types are being employed. This model could also be
used to convert it into an interactive computer program, or expert system where the marketer could input key facts about the brand and product category and receive the appropriate commercial message type as output. By changing the input parameters about the brand, the category or the positioning statement, the marketer might be able to see what would be necessary to effect a change in the proper message type.

Figure 5 illustrates that the first stage of the decision process is the selection of one or the other of the two general commercial message types:

1. Informational or (2) transformational.

An informational message is one which "provides consumers with factual (i.e. presumably verifiable) relevant brand data in a clear and logical manner such that they have greater confidence in their ability to assess the merits of buying the brand after having seen the advertisement." A transformational message "associates the experience of using (consuming) the advertised brand with a unique set of psycho characteristics which would not typically be associated with the brand experience to the same degree without exposure to the advertising."

Such a two-way categorisation of messages is a common approach. For example, Aakvard and Norris (1982) have suggested that all advertising is either "image, emotional and feeling " or "informative, rational and cognitive". Likewise in his typology of advertising types Vaughn has split messages according to whether they were "thinking" or "feeling".
A TYPOLOGY OF BROADCAST COMMERCIAL MESSAGES

INFORMATIONAL

WILL THE MESSAGE FOCUS UPON THE ADVERTISED BRAND?

- GENERIC MESSAGE
  - WILL COMPETITORS BE EXPLICITLY NAMED IN THE COMMERCIAL?
    - NO
    - YES
      - WILL A CLAIM BE MADE WHICH NEEDS TO BE SUBSTANTIATED?
        - NO
        - YES
          - HYPERBOLE MESSAGE NEEDS TO BE SUBSTANTIATED?
            - NO
            - YES
              - PREEMPTIVE MESSAGE
                - NO
                - YES
                  - UNIQUE SELLING PREPOSITION MESSAGE

TRANSFORMATIONAL

WILL THE MESSAGE FOCUS UPON THE ADVERTISED BRAND?

- GENERIC MESSAGE
  - WILL THE MESSAGE FOCUS UPON THE BRAND PERSONALITY?
    - NO
    - YES
      - WILL THE MESSAGE FOCUS UPON USER LIFESTYLES?
        - NO
        - YES
          - BRAND PERSONALITY MESSAGE

FIGURE FIVE
In the final analysis two steps are involved:-

1. Select the General Message Type
2. Answer a set of questions relevant to the particular message type selected.

While much has been said about positioning, no attempt has been made to formalise this concept as in "The Positioning Statement" in the manner detailed below and in Appendix I. This will be the basis on which the optimality conditions for high visibility will be derived.

The ads put up in the media will have a definite structure in terms of "The Positioning Statement". They may contain information about the following:-

1. Product category and Product types
2. Target group
3. Key consumer Benefit provided to the consumer
4. Secondary consumer benefit provided
5. Pack sizes
6. Price level
7. Time and Manner of usage suggested
8. Degree of identification of the product with its umbrella brand.

This (i.e. degree of umbrella branding) should be low for our new product because positioning and diversification are poles apart.
The message which is ultimately conveyed to the consumer is a sum of several parts which in fact is what the positioning statement is. (See Appendix I) Before proceeding further we will highlight some points which our advertising strategy will follow and which will be the "desired modalities" of advertising.
DESIRED MODALITIES OF ADVERTISING

The advertising copy is made up of three parts. The following points made by experts in the field need to be followed:

1. Headlines:- Research shows that five times as many people read the headlines as read the body copy. It follows that unless our headlines sell our products, we have wasted 90 percent of our money.

   The headline may convey, for example, the key consumer benefit, but should be short and simple. Tricky headlines, double meanings, puns and other obscurities will be avoided.

2. Illustration:- According to Ogilvy:

   * Photographs are better than drawings, except that photographs reproduce badly in newspaper where line drawings are better.

   * TV characters associated with advertising on TV help to reinforce those in print ads.

   * Illustrations will be simple.

   * Human faces enlarged than life size repel the readers and therefore will not be used.
* Historical subjects bore the majority of readers.

* Ads in colour cost more than black and white but on the average they are 100 percent more memorable.

3. Body copy: We cannot bore people into buying our product. We can only interest them into buying it. It pays to write short sentences and paragraphs and to avoid difficult words.

If the copy is long, it should be written in the form of a story, avoiding analogies and superlatives. Details regarding mark downs and special offers should be included and information regarding price if possible.

Readers look first at the illustration, then at the headline, then at the copy. So these elements should be in that order.

Good typography helps people read the copy, while bad typography prevents them from doing so. Capital letters retard reading. As the eye is a creature of habit, setting headlines in capital is avoidable. Headlines should not be superimposed on illustrations.
Ten basic principles of good advertising worth considering in the light of the above eye openers detailed by experts are:

1. IT SHOULD BE CONSUMER ORIENTED.
2. IT WILL CONCENTRATE ON ONE SELLING IDEA.
3. IT WILL CONCENTRATE ON THE MOST IMPORTANT AND PERSUASIVE ADVANTAGE AVAILABLE.
4. IT WILL PRESENT A UNIQUE IDEA.
5. IT WILL INVOLVE THE CONSUMER.
6. IT WILL BE CREDIBLE AND SINCERE.
7. IT WILL BE SIMPLE, CLEAR AND COMPLETE.
8. IT WILL TAKE FULL ADVANTAGE OF THE MEDIA.
9. IT WILL DEMAND ACTION THAT WILL LEAD TO SALES.
10. IT WILL CLEARLY ASSOCIATE THE SELLING IDEA WITH THE BRAND NAME.