CHAPTER 1

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“Advertising, the use of visual or auditory messages by a person or firm to persuade others to buy a product, accept an idea or take some other desired action where there is no direct contact between the advertiser and audience”

— The New Illustrated Everyman’s Encyclopedia.

Advertising has become an integral part of our society. In a way, it has become embedded in our daily lives. We cannot go through a newspaper, listen to radio or watch television, without reading, hearing or seeing some advertisement or commercial. We see them on billboards, on buses, in trains, in magazines, on matchboxes, some message aimed at influencing us or making us aware of the advertiser’s product.

The main purpose of advertising is to sell products or services. Manufacturers advertise to try to persuade people to buy their products. Large business firms also use advertising to create a favourable image of their company. They want the company to be known and respected for their products the firm makes or the services it provides. Local businesses use advertising to gain new customers and increase sales. Advertising, thus, plays a major role in the competition among businesses for the consumer’s money. It is the cheapest and fastest way to inform large number of people about products or services for sale and persuade them to buy.

Today, advertisements cover varied subjects like planning a family, getting a desired child, getting abortions, immunization, child care, pre-natal care, health care and so on.
Advertising has brought in its tentacles society, culture, national integration, economy, politics, music, history, art and many more areas.

MEANING OF ADVERTISEMENT

The Dictionary meaning of the term ‘Advertising’ is “to give public notice or to announce publicly”. Etymologically, the word ‘advertising is derived from the Latin word viz., “Advertero”, ‘Ad’ meaning ‘towards’ and ‘Verto’ meaning ‘turn’. So, in a broad sense anything that turns anybody’s attention to anything may by regarded as advertisement.

Advertising consists of all the activities involved in presenting to a group of non-personal, oral or visual, openly sponsored message regarding a product, service or idea. This message, called an advertisement, is disseminated through one or more media and is paid for by the identified sponsor.

Advertising performs its role within the framework of marketing. Marketing is the function concerned with ensuring that products are ready when and where needed by consumers. Understanding of advertising and its role in modern society is one characteristic of being an informal person in today’s world.

DEFINITION OF ADVERTISEMENT

Advertising is a stimulating influence on our modern civilization, which affects our standard of living, our forms of recreation and our selection of goods. It has been defined by different experts. Some of the oft-quoted definitions are:
i) The American Marketing Association defines advertising as:

"Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor"\(^5\).

ii) Stanton is of the opinion that:

"Advertising consists of all the activities involved in presenting to a group, a non-personal, oral or visual, openly sponsored message regarding a product, service or idea"\(^6\).

iii) Borden states that:

"Advertising includes those activities by which, visual or oral messages are addressed to the people for the purpose of informing them and influencing them either to buy merchandise or to act or be inclined favourably towards ideas, institutions, for persons featured.... Advertising messages are identified with the advertiser either by signature or by oral statement.... Advertising is a commercial transaction involving payments to publishers or broadcasters and others whose media are employed"\(^7\).

iv) Blake points out:

"Advertising is the presentation and promotion of a product, service or idea where such presentation and promotion is identified with and paid for by a sponsor.... Advertising seeks not only to inform but also to promote...to persuade people to buy a product or service"\(^8\).

The above definitions clearly brings out the five important elements of advertising. They are given below:

a) **Paid Form:** The advertisers make payment for the space or time one buys in order to announce their message. An exception to this
rule is public service campaigns by some non-profit organizations, considered as advertising.

b) **Non-Personal Presentation:** The message of the advertiser is not directed at any particular person. It is meant to reach and communicate with a mass market in the least expensive way. The advertising message may give an impression of a personal appeal, it is still considered as non-personal.

c) **Ideas, Goods and Services:** The goals of advertisement are to convey ideas, to make the public aware about the benefits of buying a product and to offer some services.

d) **An identified sponsor:** In each advertisement, the name of the advertiser is clearly indicated like the name of the company which offers a product or insurance company which offers to cover a risk, etc.,

e) **Selected market:** Advertisers must prepare their advertising and select their media with an eye to influence the selected markets. Unless the market is segmented, the advertising will not have its optimum effect⁹.

**FORMS OF ADVERTISEMENT**

Generally business firms adopt two types of advertisement to create awareness about their products in the minds of general public. They may reveal quality and uses of their products through advertisement or they may highlight comparative merits of their products over those of competitors. Sometimes they may depreciate the competitor’s product while extolling their own virtues. So, comparative advertisement (ad) refers to the latter two varieties.
COMPARATIVE ADVERTISEMENT – CONCEPT

Comparative Advertisement, as a special form of advertisement, is a sales promotion device that compares the products or services of one undertaking with those of another or with those of other competitors. All comparative ads are designed to highlight the advantages of the goods or services offered by the advertiser as compared to those of a competitor. In order to achieve this objective, the message of the advertisement must necessarily underline the difference between the goods or services compared by describing their main characteristics. The comparison made by the advertiser will necessarily flow from such a description.\textsuperscript{10}

The comparisons made in comparative ads can be explicit (brand named as in Hyundai Vs Indica) or implicit – brand name implied but, not named, as in Complan Vs Horlicks.

The comparisons can be verbal or visual (Hindustan Lever Ltd. compares Surf with an orange colour pack, which is apparently Procter & Gamble’s Tide)

The claims can be of superiority or equality (Nirma claims its performance is as good as that of Surf for a lesser price).

It is well known that comparative ads have been on the increase in recent times, in all countries. A study by Jackson, Brown and Harmon (1979) of 9,500 full – page advertisements in four popular consumer magazines showed that these advertisements increased from 6.3% in 1960 to 7.8%, 8.9% and 9.8% respectively in 1965, 1970 and 1975.\textsuperscript{11} A follow up study (1983) in the same magazine for 1980 showed that over 32% of the full page advertisements were competitive in nature.\textsuperscript{12}
A study on television advertising in recent years has pointed out that comparative ads form about 20% to 30% of all advertisements being run.\textsuperscript{13}

In USA, the use of comparative advertising was made legal in 1971, when Federal Trade Commission not only legalized it, but also encouraged advertisers to provide more comparative information (to enable consumers to take better decisions) through the use of such advertisements. Since then, advertisements with comparative format have been increasingly used and their effectiveness as compared to the non-comparative advertisements have also been extensively researched.

Comparative ads have elicited mixed responses from the public and others. While some argue that the increased information content will be beneficial to the consumers, there are others who question the contention and argue that they could only mislead the consumers. The research done on the effectiveness of comparative ads point that while these advertisements score on certain aspects like their attention getting ability, recall and positioning ability, on certain other aspects like persuading ability, changing attitudes or effecting purchase etc., they have not been found to be superior than non-comparative advertisements. The effectiveness of comparative ads sometimes lies not in raising the preference rating of the advertised brands, but in lowering the preference ratings of the comparison brands.\textsuperscript{14} To sum up it would be apt to quote Thomas Barry (1994) according to whom the evidence on great effectiveness of comparative advertising is often equivocal.\textsuperscript{15}

**COMPARATIVE ADVERTISEMENT IN INDIA**

In India, recent years have witnessed a host of products being compared in advertisements on the basis of price, quality and other features. Many advertisers have viewed the use of comparative ad as an opportunity to fully
inform consumers. At the same time, it is also viewed as a creative advertisement strategy to counter competition.

During the whole of the last decade, the Indian marketing environment has been subject to a number of changes. Since the year 1991, the Government of India has been initiating a number of industrial reforms to liberalise the domestic economy and to link the Indian economy with the rest of the global economy. The sea change in the Industrial Policy has had its impact on various sectors, including that of the advertisement sector. A spurt in the primary demand for various goods and as a result, the clamoring for a larger market share among the new entrants (Indian and Foreign) and existing players has resulted in cut throat competition. In their attempt to woo new customers and to motivate existing customers to shift loyalties, marketers are resorting to all kinds of aggressive strategies. Comparative ads can be viewed as one such advertising strategy.

In India, though comparative ads of the general (my brand is better than or best variety) type always existed, the use of direct comparisons in terms of specific features is a phenomenon of the recent past. The direct comparative ad, which shocked the consumers in a big way, was that of Hyundai’s advertisement on which (Hyundai’s Santro compared itself of TELCO’S Indica), ‘Indica’ targeted. Prior to this, it could be said that brands like Nirma and Complan have used comparative advertising to break entry barriers and make frontal attacks on the market leader. Nirma very effectively positioned itself near ‘Surf’ (Hindustan Lever’s detergent powder) in terms of quality and at the sometime made price comparisons and made a name for itself as a product which offered value for money. Complan made direct comparisons with the market leader Horlicks (Smithline Beecham’s health drink) by making superiority claims in terms of quality. The strategy worked well and had the desired effect in the minds of the middle class Indian mothers who were
obsessed with the health of their growing children. However, both these brands made implicit comparisons without mentioning the name of the competitor.

After Hyundai resorted to direct comparative ad, other South Korean companies like LG, Samsung, Daewoo also followed suit. The Indian market leaders who were the victims (BPL, Videocon, Maruthi) also quickly retaliated.

The increase in the number of comparative ads was conspicuous and created waves in the advertising world. The Indian public displayed mixed reactions to the increasing use of these type of advertisements. However, the increasing sales of Hyundai and the success of other South Korean companies point to the success of the advertising strategy. The initial success of the South Korean companies could perhaps be attributed to the aggressive marketing strategies adopted by these companies, the use of comparative ads in particular.

It can be said that comparative ad as a strategy is here to stay. They are increasingly being used to make frontal attacks, to break entry barriers, to remove myths of the consumers about competitor’s products, to position the given brand close to that of the market leader and for various other purposes. The marketing war has already begun and comparative advertising is a potent tool in the hands of the advertisers to fight the war.

COMPARATIVE ADVERTISEMENT FOR DURABLES IN INDIA

Although comparative ads are given for both consumer durables and non-consumer durables, more importance is being given for consumer durables in India. Different durable players are using aggressive advertising campaign against their competitors. This is happening in the field of television i.e. between LG, BPL, AKAI and Panasonic. Similarly in the field of refrigerator, LG, Samsung and BPL are competing with each other. In washing machine segment, LG is facing tough competition from BPL, Samsung, Whirlpool and
IFB Bosch etc. Apart from these three products, other durables such as Air Conditioner, Air cooler and Microwave Oven are also brought to the knowledge of consumers through comparative advertisement.

As huge sum of money is needed to purchase consumer durables, the consumer would definitely like to have complete information about different brands of a product that they intend to buy. To collect the required information, they may have to go all the way to different dealers’ shops and enquire about their products. This will result in wastage of time and unnecessary strain to the consumers. Instead of taking strain for visiting different dealers’ shops, the consumers can, by sitting at home, get all the information from the comparative ad given in print media.

Generally, the comparative ads for consumer durables are given in the form of a comparative schedule in which a number of attributes, features, price, performance factors and products benefits are listed. The presence of all the attributes in the comparison brand and absence of all these in the competitor’s brands is indicated by a tick mark ✓ and into mark ❌.

The comparative ad for consumer durables also indicate uniqueness of a particular brand compared to other brands of a product. For example, IFB Bosch, a well known washing machine brand compares the water consumed by top-loading washing machines and front – loading washing machines. The message from Bosch whose slogan is “the science of washing” is that Bosch owners conserve water (which is scarce in most metros). Here the advertiser has used relative measures to enhance the effectiveness of the advertisement. Since the comparison is well illustrated with the help of buckets of water (IFB uses only four and a half buckets of water as against the rest of the brands which uses six buckets of water). The advertisement appeals to those who are low on cognitive ability. A majority of washing machines sold in India are top-loading machines and therefore, at one stroke, the advertiser tells the consumer
that his brand is better on this particular benefit as compared to most other brands.\textsuperscript{10}

With the help of information given in the comparative ad for consumer durables, the consumers are able to weigh the pros and cons of all the brands available in the market and choose the best one among the various varieties. Apart from this, such advertisements enable new entrants to challenge market leaders. Research studies have showed that comparative ads may help a new entrant (an unknown player in the market) to grab a place (position) near the market leader. It also enables marketers to differentiate their products as against those of the competitors and thereby grab niche markets.

**NEED FOR THE STUDY**

The analysis of researches done on comparative ad. in different parts of the world indicates that almost all the researchers have taken a great interest in studying the general impact of comparative ad. But in India, as indicated earlier, most of the comparative ads are given for consumer durables. The researcher of this study has, therefore, decided to make an attempt to ascertain the impact of comparative ad for consumer durables. The comparative ad for consumer durables is mainly given to educate the masses about the features and price of different brands of consumer durables available in the market. The consumer durable players are spending lakhs of rupees for this type of advertisement. Hence, it is necessary to evaluate the performance of comparative ads for consumer durables given in print media in the light of the following:

i) Do the consumers really appreciate this type of advertisement?

ii) To what extent consumers are paying attention to it?

iii) How far this type of advertisement is beneficial to consumers?
iv) How effective these comparative ads are?

v) Do the consumers find the comparative ad useful in arriving at proper purchase decision?

vi) Were the consumers’ purchase decision influenced by comparative ad?

vii) Is comparative ad more effective than non-comparative ad?

All these questions need to be examined in the context of booming advertisements for consumer durable in India.

The present study is an attempt in this direction.

OBJECTIVES OF THE STUDY

General: The broad objective of the study is to examine and find out whether or not comparative ad impacts the purchase of consumer durables in the city of Chennai. The study further attempts to find out the reason for such an impact whether favourable buying or unfavourable buying among the consumers in the city of Chennai.

Specific: Based on the above general objective, the following specific objectives were framed for the study:

i) To study the characteristics of consumers owning selected consumer durables i.e Television, Washing Machine, Refrigerator.

ii) To ascertain the extent of awareness of the consumers about comparative advertisement of different brands of selected consumer durable.
iii) To find out consumers’ perception about comparative ads for selected consumer durables.

iv) To analyse the impact of comparative ads on purchase of selected consumer durables.

v) To verify whether the comparative ad is more effective than non-comparative ad.

HYPOTHESIS

Keeping in view the wider theoretical framework and objectives of the study, the researcher has formulated and tested the following null hypotheses:

1. *Comparative Ad and Buying Motivation*: There is no significant difference between mean rank towards influence of factors of comparative ad on buying motivation.

2. *Comparative Ad and Product Information*: There is no significant difference between mean rank towards influence of factors of comparative ad in enhancing product information.

3. *Comparative Ad and Buying Decision*: There is no significant difference between mean rank towards influence of factors of comparative ad. in buying decision.

4. *Comparative Ad and Post Purchase Behaviour*: There is no significant difference between mean rank towards influence of factors of comparative ad in post purchase behaviour of the consumers.
5. *Comparative Ad and Negative Effects*: There is no significant difference between mean rank towards negative effects of comparative ad.

6. *Comparative Ad and Exclusive Benefits*: There is no significant difference between mean rank towards exclusive benefits of comparative ad.

7. *Sex and Impact of Comparative Ad*: There is no significant difference between male and female respondents with regard to dimensions of impact of comparative ad.

8. *Marital status and Impact of Comparative Ad*: There is no significant difference between married and single respondents with regard to dimensions of impact of comparative ad.

9. *Age groups and Impact of Comparative Ad*: There are no significant differences among different age groups with regard to dimensions of impact of comparative ad.

10. *Education levels and Impact of Comparative Ad*: There are no significant differences among the educated respondents with regard to dimensions of impact of comparative ad.

11. *Occupation and Impact of Comparative Ad*: There are no significant differences among the respondents in different occupations with regard to dimensions of impact of comparative ad.

12. *Income groups and Impact of Comparative Ad*: There are no significant differences among the different income groups with respect to dimensions of impact of comparative ad.
13. Family size and Impact of Comparative Ad: There are no significant differences among the three family sizes of the respondents with regard to dimensions of impact of comparative ad.

14. Users and Non Users of CA TV and usefulness of Comparative Ad: There is no significant difference between users of comparatively advertised television and users of other televisions with regard to usefulness of comparative advertisement to take proper decision for purchase of television.

15. Users and Non Users of CA TV and Influence of Comparative Ad: There is no significant difference in the rating of influence of comparative advertisement in actual durable purchase between users of comparatively advertised television and users of other televisions.

16. Users and Non-Users of CA washing machine and usefulness of Comparative Ad: There is no significant difference between users of comparatively advertised washing machine and users of other washing machines with regard to usefulness of comparative advertisement in taking proper purchase decision for washing machine.

17. Users and Non-Users of CA washing machine and Influence of Comparative Ad: There is no significant difference between users of comparatively advertised washing machine and users of other washing machines with respect to influence of comparative advertisement in purchasing washing machine.
18. *Users and Non – Users of CA Refrigerator and Usefulness of Comparative Ad*: There is no significant difference between users of comparatively advertised refrigerator and users of other refrigerators with regard to usefulness of comparative advertisement in taking proper purchase decision for refrigerator.

19. *Users and Non – Users of CA Refrigerator and Influence of Comparative Ad*: There is no significant difference between users of comparatively advertised refrigerator and users of other refrigerators with regard to influence of comparative advertisement in purchasing refrigerator.

20. *Dimension of impact of comparative ad - Television purchase*: There is no significant difference between users of CA television and users of other televisions with regard to dimensions of impact of comparative ad.

21. *Dimension of impact of comparative ad - Washing machine purchase*: There is no significant difference between users of CA Washing machine and users of other Washing machines with regard to dimensions of impact of comparative ad.

22. *Dimension of impact of comparative ad - Refrigerator purchase*: There is no significant difference between users of CA Refrigerator and users of other Refrigerators with regard to dimensions of impact of comparative ad.

**OPERATIONAL DEFINITIONS**

i) **Consumer**: It denotes the ultimate user of a product. The ultimate user of a product or service is the person who derives the satisfaction or the benefits offered.\(^{17}\)
According to the Consumer Protection Act 1986 U/s 2(i) (d), the consumer is defined as “a person who buys goods or hires any service for consideration, paid or promised and include user of goods, using them with the approval of the buyer, but does not include a person who obtains goods for resale or for any other commercial purpose”.

A consumer is an individual, who consumes goods manufactured by firms or created by nature (air, water etc.) and services offered by government or firms, hospitals, educational institutions, etc.¹

ii) **Users of CA Television:** It represents the persons who own television of a company which has given comparative advertisement to publicise its product.

iii) **Users of CA Washing Machine:** It indicates the persons who possess washing machine of a company which adopts comparative advertisement to popularise its product.

iv) **Users of CA Refrigerator:** It represents the ultimate consumers of refrigerator of a company which follows comparative advertisement to familiarise its product.

v) **Consumer Durables:** The household assets which can be used for significant length of time (say, minimum period of 3 years) are known as Consumer Durables. The price value of these assets is comparatively high. Hence, these assets are purchased with considerable deliberation and care. In marketing, they are otherwise called shopping products and speciality products. These assets include items like radios, sewing machines, electric fans, furniture and fixtures, jewellery and ornaments, computers,
televisions, washing machines, refrigerators, air conditioners, air coolers and microwave ovens. Although it includes numerous items, the researcher of this study has taken into consideration for analysis only three products i.e. television, washing machine and refrigerator. This is because more number of comparative advertisements are being given only for these three products. As these three products are mainly taken for analysis in this study, it is better to have a complete picture of them.

PROFILE OF CONSUMER DURABLES

1) Television

It is one of the wonders of science. By sitting at a place, one can see what is going on around the world through television. The world has become very short and small. The saying “seeing is believing” is true. This is helpful to communicate to one another. Thus, the television plays a vital role in the lives of present day humanity and it has become part and parcel of modern living. It has become an essential item and not a luxurious one.

Television Market

The television market in India is estimated to be around 5 million units (2000-2001) having shown a marginal growth of around 5 percent. Major players in the Indian television market are BPL, LG, Sony, Videocon, Onida, Aiwa, Samsung and Panasonic. At the same time there are Chinese brands who have aggressive plans for the Indian Market viz., Konka and TCL. In addition to these brands, this year saw the resurgence of several regional players like Texla, Salora, Rangs, Oscar and Futech who offered televisions at much lower prices than the ruling prices of larger brands.
Classification of the Television Market

Television market can be classified on the basis of screen size. Televisions are available in five major screen sizes viz., 14, 20, 21, 25 and 29 inches although larger and small sized televisions are also available but form a very small part of the market. Apart from the screen size, televisions can be further classified on the basis of features available that govern their position in the price spectrum in a size category. These features include the sound output, number of channels available, multi-lingual menus, automatic picture control mechanism, etc. Flat screen variants in different screen sizes are also available now. Price of televisions range from Rs.6,000-35,000 in general depending upon the screen size (14-29 inches) and the features, although larger sets are available at much higher prices.

Trends in the Television Market

In India, the television market has undergone three distinct phases. The sector reached the growth path in the 1982-89 period, when the government gave up its socialist approach and embraced consumerism for the first time.

Many companies such as Weston, Crown, Televisa, Dyanora entered this sector. The profitability of the venture encouraged the state governments to enter the TV sector which lead to joint ventures such as Uptron and Keltron.

TV was a highly profitable business in 1989. There were around 150 companies in the introduction stage of the PLC when about 1.3 million CTVs and about 4 million black and white TVs were sold.

After that, fiscal crisis hit in the early 1990’s. Excise duty rates went up, the rupee value came down and there was a slump in the industry. Between 1989-93, sales stagnated and the television industry saw its first phase of consolidation. Many companies got wiped out and the period saw the clear
emergence of market leaders such as BPL, Videocon and Mirc Electronic’s Onida. These companies shared about 50% of the television business among themselves.

The competitive scenario changed in the 1994-99 period with the gradual entry of MNC’s, the Koreans and Japanese. Now, most international brands have local operations. Fierce price competition and innovative marketing strategies like ‘buy a TV for a rupee’ and ‘bring in the old and take home the new’ from Akai, have changed the market place rapidly. Akai, marketed by Baron Electronics, compounded these tactics with direct price wars, which lead to a 50% drop in prices from the levels of the mid-90s.

The television industry is also one sector where the price wars have affected dealers. Margins in television retailing are probably the lowest for any retail product and dealers typically work on low inventories of about 15 days to maximize profitability. Therefore dealers sell at a discount and frequently under-cut each other.

In the second – half of the 90s, market expansion in this sector occurred because of the increased affordability of televisions. During this period, the television market experienced a compounded annual rate of growth of about 23 percent.

Indicative of a maturing market, the focus in the television business is slowly shifting from price to technology. The rate of product introduction has gone up and new models highlight enhanced product features and product styling to achieve product differentiation. LG’s Golden Eye, Sony’s Trinitron and Videocon’s Bazooka have succeeded in expanding their market growth rate.
Some weaker firms have been reduced to the regional level. Others like, Salora have begun offering their manufacturing facilities to multinational companies. Market leaders such as BPL, Videocon and Onida have protected their positions at the top despite end - product prices coming down. They have been able to improve their profitability measured in terms of their operating margins. Thus, these companies have shown that competition is not necessarily bad for producers.

Demand from those upgrading their preference is estimated at 40% of the total demand. The base of installed televisions in India is estimated around 21 million, of which 50% of the sets are more than 5 years old. Forty percent of the demand for televisions in India is priced at less than Rs.14,000 amongst which 30% for less than Rs.12,000. This segment is growing rapidly, as televisions are becoming increasingly affordable for the majority of India’s population.20

With an increase in competition, a 21 inch television which in 1994 was available for Rs.21,500, is now being retailed at less than Rs.10,000. Thus, the consumer has benefited because of stiff competition and with the entry of foreign companies in this segment.21

2) Washing Machine

It is the process of mechanization of washing. To the human labour, time, energy, cost is made up with results through this machine. One has to go near water source for washing, which is unnecessary by this invention, whereby washing is made possible in any floor of any multi – storied building. This also does not pollute the atmosphere. The office going people find this machine very handy, as it does not affect their duties. The machine has progressed to the extent of drying and giving the clothes in a perfect condition automatically. The machine is no longer a luxury, no longer a possession of
he rich and no longer unaffordable one. It forms a part of modern living. The everlasting scientific pursuit may bring more wonders in these aspects.

**Washing Machine Market**

Washing machine market in India is estimated to be around one million units in the year 2000-2001. The market, however, experienced a de-growth of 8.5% over the previous year (1999-2000). Major players in the washing machine are Videocon, Whirlpool, LG, BPL, Godrej, Electrolux and IFB.

**Classification of the Washing Machine Market**

Washing machine can be broadly classified as semi-automatic and fully-automatic, depending upon the extent of programming of the wash cycle that can be done.

**Semi-Automatic Washing Machines**

These machines are invariably twin-tub: one tub meant for washing of clothes and the other for rinsing. The rinsing operation leaves the clothes on a semi-dry state. Manual intervention is quite necessary in the complete wash cycle. They can be further classified on the basis of the capacity of the machine (in terms of the cloth weight), which are less than 3.5kg, 3.5 – 5kg and more than 5kg. Machines with more than 5kg capacity sold the most during the year (2000 - 01) accounting for more than 50% of the total semi-automatic washing machine sale. This segment also showed a growth of 69% while the overall semi-automatic segment experienced a de-growth of 9.5%. Semi – automatic washing machine are priced between Rs.5,000 – 9,000 depending upon the size and features.
Fully Automatic Washing Machines

These machines are single tub machines with either pulsator, agitator or tumble wash technology. Once the clothes are loaded and the washing cycle programmed, the clothes are finally ready in almost dry state. Manual intervention is not required once the wash cycle has been set. They can also be classified as either top loading or front loading. Whereas IFB was the only manufacturer of front-loading washing machines in India till some time back, several other players are now offering them. Quite interestingly, front-loading segment showed growth of 32% while the top-loading machine sale dropped by 19% during the year 2000-2001. Price of the fully automatic washing machines ranges between Rs.11,000 – 25,000.

Trends in the Washing Machine Market

An in - house research survey by Godrej revealed that after refrigerators, the two most important big – ticket household appliances in India are washing machines and cooking systems. Now companies are successfully moving towards mini – metros and small towns in selling the concept of washing machines. Companies such as Videocon who were selling their products in metros, mini – metros and A-class cities felt the need of washing machines in small towns. Through research, they found out that small – scale sector players made a crude device which did not do any effective washing and people were being charged about Rs.3,000 for it. In 1996, Videocon took its twin – tub machine did away with the rinser and drier functions and turned it into a single – tub wash – only machine and priced it at Rs.2,900. In small towns, labour is in abundance and people have both the time and space for rinsing, wringing and pre – drying. To get away from the drudgery out of beating clothes with a wooden club is the benefit for which people are ready to pay.²³
3. Refrigerator

It is one of the first household items to be purchased by the booming middle class. On account of the tropical climate in India, foodstuffs particularly perishables deteriorate faster in quality. As more and more women take up jobs, households look out for appliances that can save time and cost. A durable product, in these situations, becomes an essential commodity for a household. While the durable products passed from mere luxury items to an essential day–to–day commodity, its marketing has become more and more aggressive.

In nature, many of the harvested produce require a constant local climate to remain sound. Milk, flowers, vegetables, human blood etc. cannot, on their own, remain sound without the refrigerator. Such life saving items are made available in their original form through this machine. This brings out the importance of refrigerator. Knowing the importance, Government has created food technology, food preservation units and dairy.

Refrigerator Market

Refrigerator market size is estimated to be 2.4 million units (2000–01). Of this, whereas the frost free refrigerator segment has de–grown by 6.9%, the direct cool refrigerator segment has de–grown by 3.4% over the previous year. At 0.34 million units, frost free refrigerators accounted for 14.5% of total refrigerator sales in the year 2000–01. Major players in the Indian refrigerator market are Whirlpool, Kelvinator, Godrej, Videocon, BPL, LG and Samsung.

Classification of the Refrigerator Market

The refrigerator market can be broadly divided into two segments viz.. frost free refrigerators and direct cool refrigerators.
Frost Free Refrigerators

In most western countries, frost-free technology is used for the household refrigerators. Based on the principle of forced convection, they are different from the conventional direct cool refrigerators in the sense that the evaporator (cooling coil) is located outside the refrigerated compartments. Air as cooling medium is forced over the evaporator by the help of a blower that then circulates in the refrigerated area. Different temperatures are maintained in different compartments of the refrigerator by regulating the quantity of air allowed in the compartment. A major advantage of these refrigerators is a frost-free interior and multiple compartments at different temperatures. Frost-free refrigerators can be placed in four groups according to the size viz. less than 225 litre, 225 – 270 litre, 271 – 310 litre and more than 310 litre. Smaller refrigerators (<270 litre) account for around 70% of total sales.

Direct – Cool Refrigerators

The evaporator or the freezer in this case is located inside the refrigerator compartment and cooling takes place because of natural convection. Despite inherent technological disadvantages, refrigerators based on this technology are the most popular in the Indian market and account for 85% of total refrigerator sales. Main reason for their popularity, apart from lower price, is the perception that ice formation around the freezer helps preserve the food during frequent power cuts.

According to the size, direct cool refrigerators can be further classified into three groups viz. less than 185 litre, 185 – 285 litre and more than 225 litre. Smaller refrigerators (<185 litre) account for 75% of total sales.
Trends in the Refrigerator Market

Real value of refrigeration for food preservation is not much of a felt need of Indian people who eat freshly cooked food at every meal and that too without any packed inputs whatsoever. In that sense market’s evolution remains tied to Indian eating habits. In the US, where frozen foods occupy huge amounts of space, frost–free refrigerators are quite popular. But in India, things are different. Firstly the freezer unit is almost ignored in the purchase decision (ice making being its only function). Moreover, vegetarian and non–vegetarian households differ substantially in their food storage requirements.26

A survey made by ORG – GFK found that refrigerators are all set to emerge number one in the hierarchy of consumer durables in the country. In fact, market experts are now predicting a boom in refrigerator sales in the next few years. According to Ms.Sujata Rekra, the managing director of ORG – GFK, the extreme high growth recorded for colour television sales is not tapering off.27

It has been found by ORG – GFK that the market penetration of coloured televisions has been fairly good which is leading its way for a boom in refrigerators sales in the coming years.

Companies today are trying to make products affordable to practically every household whatever may be the income level. Companies in the refrigerator segment are trying to play the price point game. In the refrigerator segment, radical cost reengineering is not possible, but companies in this segment are moving downscale and are making fridge for under Rs.7,000 since the major business for companies comes from the low–priced zones.28 Price is an important criterion in rural markets and companies such as Godrej – GE are trying to boost sales through consumer financing schemes in conjunction with
country wide finance. Thus, companies are trying to come out with products that are affordable, consumer-friendly and aimed at semi-urban and rural India.

**METHODOLOGY**

The methods used for analyzing the impact of comparative advertisement on consumer buying behaviour are presented below. It deals with selection of sample, selection of consumer durables, nature of the study, sources of data, method of data collection, pre – test of questionnaire, area of the study, questionnaire design and tools of analysis.

i) **Selection of Sample:** A sample of 300 educated male and female respondents residing in chennai, in the age group of (a) upto 25, (b) between 26 – 35, (c) between 36 – 45 and (d) above 45 who were interested in seeing the comparative ads appearing in newspapers and magazines regularly was covered. A method of random sampling was used to collect the required information for the study.

ii) **Selection of Consumer Durables:** As the levels of living of the people in the Chennai city have been fast changing, the consumerist attitude has been fast catching up in this area. It is evident from the number of consumer durables possessed by the consumers. Though the middle and upper middle income groups possessed a number of consumer durables, only three products, as discussed earlier, (i.e. TV, Washing machine and Refrigerator) have been chosen for the study because most of comparative ads are given only for these products in the print media.

iii) **Nature of the Study:** This is an empirical study which evaluates the impact of comparative ad on consumer buying behaviour. Perceptions the respondents form the primary source of information.
v) **Sources of data:** The sources of data were primary and secondary. The primary data for the study relating to ‘Impact of comparative ad, on consumer buying behaviour’ has been collected through questionnaire. The secondary data on comparative ad, consumer durables and consumer buying behaviour were collected from different newspapers, journals, magazines, reports, books, etc, for which the researcher has approached various institutions like IIM – B, JNU, Delhi, ICSSR, Delhi, University of Madras library, Cannemara library, Chennai, and other public University libraries in India and Madras Institute of Development Studies (MIDS), Adyar, Chennai. Further, enormous data relating to the topic of research were downloaded from the Internet.

i) **Method of Data Collection:** The questionnaire method was adopted to collect data and questionnaire was personally administered to the respondents. A few working people were met at their office and questionnaires were distributed to them. The questionnaire was collected after two or three days including week ends to enable them to devote more time and care in giving accurate and meaningful data. The format of the questionnaire was made simple and easy in order to seek the cooperation of majority of respondents. The questionnaire contains mostly structured questions with different alternative responses. Taking into account the extrinsic and intrinsic factors, statement with different alternative responses of SA – Strongly Agree, A – Agree, UD – Undecided, D–Disagree, SD – Strongly Disagree were also framed. In the beginning, 400 questionnaires were distributed to the respondents of Chennai. Out of this, 300 questionnaires were received by filling all the relevant columns. The remaining 100 questionnaires were discarded due to non-fulfilment of full particulars. As a result, only 300 questionnaires are considered for the study. The questionnaires were
supplemented by interview to obtain meaningful answers and views from the respondents.

vi) **Pre–test of Questionnaire:** Before finalizing the questionnaire, exploratory group discussions were conducted among selected users of consumer durables in different parts of the city. Based on their views, a questionnaire was set and pre – tested on a sample of 30 respondents. The language used in the questionnaire was simple, clear and free from technical jargon. The data collected was scrutinized to identify any defects either in the meaning or in the structure of the questionnaire. On the basis of the results, suitable modifications were made in the questionnaire.

vii) **Area of the Study:** Chennai, popularly known as Madras till 1996, is the capital city in the state of Tamil Nadu. It is the fourth largest city in India lying in south eastern extremity of Indian Peninsula. It emerged as a cosmopolitan city playing an important role in historical, cultural and intellectual development of India.

Being a major metropolitan city, all manufacturers offer their new products because the people accustomed to use innovative products. Several outlets have sprung up in different parts of the city, which offers a wide range of products thereby making shopping not only convenient but an enjoyable one. All sorts of advertisements are introduced first in this city. The people of this city are well educated and aware of all types of advertisements including comparative advertisement. This is why, Chennai city has been chosen as a study area.

viii) **Questionnaire Design:** The questionnaire consisted of the following sections:
Sections – I : In this section, multiple choice questions were framed to collect data from respondents on demographic characteristics such as age, sex, marital status, educational qualification, occupation, monthly family income, family size and number of members employed.

Sections – II : In this section, respondents were asked to furnish details about consumer durables owned, brand of products owned, factors influencing purchase of consumer durables, attributes of consumer durables considered at the time of purchase, quality of products they possess, brand loyalty and effectiveness of different advertising media.

Sections – III : This section has focused on ascertainment of level of consumer awareness about comparative advertisement, usefulness of comparative ad in arriving at proper purchase decision and influence of comparative ad in actual purchase of durables.

Sections – IV : This section has dealt with different dimensions of impact of comparative advertisement on consumer buying behaviour. The questions relating to extent of influence of comparative advertisement in buying motivation, comparative advertisement and enhancement of product information and comparative advertisement and buying decision were asked.

Sections – V : This section of the questionnaire includes questions relating to comparative advertisement and post purchase behaviour of the consumers, negative effects of comparative advertisement, exclusive benefits enjoyed by the consumers out of comparative advertisement and comparative advertisement versus non – comparative advertisement
Tools of Analysis: The primary data collected from the consumers were analysed using the following statistical tools through SPSS package:

a) Descriptive statistical tools such as simple percentage, mean and standard deviation have been used to describe the demographic characteristics of consumers.

b) Anova, t-test and F-test have been applied to test the significant differences between the respondents’ characteristics and the dimensions of impact of comparative ads. t-test has also been applied to analyse the significant difference between users of comparatively advertised TV, Washing machine, Refrigerator and users of other televisions, washing machines and refrigerators with respect to dimensions of impact of comparative advertisement.

c) Chi-square test has been applied to examine the significant difference between mean rank towards influence of factors of comparative ad on buying motivation, enhancement of product information, buying decision, post purchase behaviour, exclusive benefits and negative effects.

Chi-square test has also been used to test the significant differences between users of comparatively advertised television, washing machine and refrigerator and users of other televisions, washing machines and refrigerators with regard to usefulness and influence of comparative ad in durables purchase.

d) Multiple regression analysis has been used to study the effectiveness of comparative advertisement over non-comparative advertisement.
LIMITATIONS OF THE STUDY

The study suffers from the following limitations:

i) Since the study pertains to the city of Chennai, it is possible that the results obtained from the study may not be reflective of other market areas in India. Besides, results may or may not indicate its applicability in markets overseas.

ii) The study has been confined only to urban consumers and as such the findings cannot be generalized with reference to semi – urban and rural consumers.

iii) The consumer durables market is very large. The present study covers only three durables (i.e. Television, Washing machine and Refrigerator) for which repeated comparative advertisements are given in print media.

iv) The data was collected from educated respondents only. The views of illiterates are not sought assuming that they may not have adequate knowledge on comparative advertisement.

v) The data was collected through questionnaire method and limitations applicable to questionnaire technique are liable to be found in this study too.

vi) Due to time constraints, the sample size was restricted to 300 respondents.

In the light of the limitations summarized above, the results and conclusion of this research should be interpreted with caution unless or until this study is widely replicated.
CHAPTERIZATION

The thesis is to be presented in eight chapters. A brief description of the contents of these chapters are given below:

Chapter 1: This chapter has dealt with meaning, definition and forms of advertisement, a brief introduction on comparative advertisement, objectives of the study, profile of selected consumer durables, methodology adopted and imitations of the study.

Chapter 2: This chapter presents an overview of comparative advertisement, including its definitions, benefits, dangers and case studies.

Chapter 3: This chapter gives an account of the theoretical perspective of consumer buying behaviour. It also discusses various models of consumer behaviour.

Chapter 4: This chapter reviews previous literature in the area of study.

Chapter 5: This chapter deals with analysis of consumer buying behaviour with respect to consumer durables.

Chapter 6: This chapter provides an analysis of consumer perceptions about comparative advertisement

Chapter 7: In this chapter, an attempt has been made to analyse the impact of comparative advertisement on purchase of selected consumer durables such as TV, Washing machine and Refrigerator.

Chapter 8: This chapter presents a summary of findings that have emanated from the study. Besides the overall conclusions and suggestions to be considered have also been presented in this chapter.
FOOT NOTES


10. **Peter Miskoleczl, Bodnar**, (2004). Professor of Law, University of Miskolc, Hungary, Article on ‘Definition of Comparative Advertising’ – P.1


