An overview of various aspects and issues of the present study through the review of literature available on the subject has been presented in this chapter. The investigations made in the previous studies have been of great significance in understanding the intricacies of the issues taken up for this study and also in finding the gap for further research in the field. The conclusions drawn from the earlier research works have served as a guide mark for this study. Some of the important studies have been reviewed as under:

Wagner (1941)\(^1\) in his article titled, “Advertising and the Business Cycle” studied one of the most difficult and controversial problems of marketing. Although his analysis is handicapped by important weaknesses in the available data and particularly in statistics on the volume of advertising, the conclusions he reaches are of interest to many workers in this field. The author in making a comparison of advertising and the business cycle, attempted to compare changes in advertising volume with changes in comparable indices of business conditions.
In general conclusion, it appears that it was a wise policy from the short-time point of view for most companies to follow the business cycle in determining their advertising appropriation, increasing their efforts when sales were easy to obtain and decreasing their efforts when sales were difficult to obtain. The long range point of view, although not covered in this study, may not have upheld the wisdom of this policy from the firm’s standpoint and especially from the viewpoint of society as a whole.

Weber (1963)² in his research paper titled, “Can Results of Sales Promotion be Predicted?” observed that there is a widespread viewpoint that this problem can be solved in the same way as many other research problems, through the controlled experiment. This viewpoint is based on the assumption that promotion is a separate entity, that it can be separated from other interrelated factors – the product that is to be promoted, the appeals used in promotion, price, etc. This theory was substantiated during a two years project of the Department of Agricultural Economics of the College of Agriculture of the University of Idaho, working in co-operation with the American Dairy Association in trying to determine the effectiveness of advertising in increasing sales of dairy products. University
personnel worked with one dairy in each of two markets, designing and carrying out different types of promotions; sales of the particular firm and the market as a whole were to be measured periodically and analyzed to determine what effect the promotions had on sales. But the work never reached the analysis stage because of the unforeseeable and unmeasurable factors affecting sales in the workaday world. Of necessity reported here are only those factors which were recognized to have an effect on sales.

(a) General Economic Conditions

(b) Local Market Conditions

(c) Competitive Reactions

(d) Factors within the Firm

The conclusion drawn from this two year study is that an objective, quantitative evaluation of the effectiveness of promotion cannot be made because the scientific tools of research do not lend themselves to the solving of the problem. The answer to the effectiveness or non-effectiveness of promotion lies in psychology, not economics. A full page ad in a magazine can motivate us to look at something with the idea of buying it, while another leaves us unmoved. The product, the advertising message, and the skills
of individuals involved are all a part of “promotion” and vary greatly from situation to situation. “Promotion” cannot be separated out as an entity but is a composite of many other factors. Promotion is an art, not a science.

Adler (1963) in his research paper titled, “Sales Promotion Effectiveness can be Measured” taking the issue with Weber’s views asserts that the effectiveness of sales promotion activities can indeed be determined, and that experimental methods can be utilized. In his article, Weber (1963) questioned whether the results of sales promotion can be predicted. However, he did not draw distinctions between the various kinds of sales promotion activities which can be engaged in. Weber took sales as the criteria by which to measure sales promotion and there is nothing wrong with this. Sales volume is indeed the ultimate criterion of sales promotion value. But there can be many other criteria of effectiveness which are valid. The “yardsticks” used for measuring one sales promotion activity differ from those for another activity. But the problem is not as hopeless as Weber indicated.

The researcher through his plan investigated that the effectiveness of many sales promotion activities can be measured and predicted, although of course, various methodological
difficulties must be overcome. Just as objectives vary, criteria of effectiveness vary with them. Controlled market experiments are feasible, provided the study design is adequate in scope and sample to allow for unfavourable conditions.

Simon (1966)\(^4\) in his study titled, “Erratum : A Simple Model for Determining Advertising Appropriate” points towards estimated profits. In the application of the algorithm to Palda’s Lydia Pinkham data, the researcher did not consider the cost of merchandise, and hence, the profits from advertising are overestimated. Palda figured that all out-of-pocket variable costs except advertising were approximately 25 per cent of the selling price.

Greyser and Bauer (1966)\(^5\) in their study titled, “Americans and Advertising : Thirty Years of Public Opinion” revealed remarkable stability in basic feelings about advertising and its major institutional elements over the past thirty years. Although there is a general paucity of data from which to generalize, opinions are examined in perspective on issues such as the public’s general favourability toward advertising, advertising and
the economy, advertising as a persuader, truth and standards of advertising and advertising's effect on prices.

At least two conclusions can be drawn from examining the data on advertisement’s effect on prices. First, in studies a majority of the public believed that advertising costs result in increased consumer prices, although there are exceptions. Second, the American Association of Advertising Agencies' (AAAA) study, shows a slightly higher percentage of the public saying that advertising results in higher prices than saying lower prices.

Despite variations in question wording and samples, there seems to be no reason to believe that Americans are particularly more, or less, critical of advertising today than they have been in the past. The general stability of opinion over time is marked, with respect to both favourable and unfavourable attitudes.

Friedland (1977)\(^6\) in his research paper examined the relationship between advertising and concentration for two reasons. First, if advertising increases concentration, one may choose to pass legislation which will stave off this process. Second, advertising may be responsible for the observed increases in concentration in consumer goods industries. This paper infers
a relationship between advertising and sales for firms of different sizes in an industry.

In summary, the F-tests fail to support the hypothesis that differential effectiveness of large and small firms' advertising is responsible for advertising increasing concentration. On the contrary, the F-tests suggest that small firms' advertising is at least as effective as large firms' advertising. This implies that advertising does not increase concentration and may even reduce it.

If this finding is valid, advertising may enable small firms to grow more rapidly than large firms and may actually be a deconcentrating force. The tests in this paper suggest that advertising is not responsible.

Netter (1982)\(^7\) in his empirical study on excessive advertising examined the effects of advertising in a new manner which hopefully sheds some light on the effects of advertising on resource allocation. An examination of the relationship between a firm’s own advertising effectiveness and the advertising of its competitors is the appropriate method for determining whether advertising can reach excessive levels.
A closer analysis of the relationship between advertising and sales and profits, reveals that advertising is an input used to sell products so that a firm can earn profits. Therefore, factors that can influence the returns from advertising are also some of the determinants of sales and profits. The relationship between advertising and output and profit is similar to the relationship between production inputs and output and profit. Advertising stimulates sales to create profits.

Further, the author examined the relationship of firm and industry advertising with firm sales and profits. The results indicate that among firms producing consumer goods, particularly, non-durable, competitive advertising may be mutually destructive. He found that while the direct effect of industry (competitors) advertising on an individual firm is not strongly positive or negative, it does reduce the productivity of advertising of the individual firms in the industry.

The results have several implications for the relationship between advertising and welfare. The evidence suggests that in some markets firms engage in advertising that does little more than cancel out the advertising that has escalated to this point are wasted, since this type of competition does not benefit consumers.
Hirschey (1982) in his article titled, “Economies of Scale in Advertising” used a flexible quadratic model to generate sales elasticity estimates for own advertising, competitor advertising and media concentration. This paper extends the inquiry into the competitive implications of advertising by focusing on the economies of scale in advertising issues covering the broad spectrum of US industry. The research effort is motivated by a desire to reduce the paucity of information on scale advantages in advertising by considering the relationship between advertising and sales for a large number of firms across a broad spectrum of industries.

The researcher concludes that despite significant academic and obvious public interest in the question, little direct evidence on the general magnitude of economies of scale in advertising has emerged in the economics literature. Through estimation of a flexible quadratic model, sales elasticity estimates for own advertising, competitor advertising and media concentration were engaged. On the basis of these estimates, moderate economies of scale in advertising are indicated for firms at the highest end of the advertising per firm distribution. Interestingly, these firms are found only in the cereals, cigarettes, pharmaceuticals, soaps,
shaving instruments and motor vehicle industries. No advertising economies, however, are obvious for the levels of advertising common across the broad spectrum of US industry. Phase findings provide a valuable new perspective to previous analysis of economies of scale in advertising. It appears that advertising economies are localized rather than general phenomenon. In any event, it appears that economists may have over estimated the magnitude of harmful competitive consequences due to economies of scale in advertising.

Singh (1985)\textsuperscript{9}, in his doctoral work, studied the role of advertising in oligopolistic markets. The issues taken up for the study include: (i) Why do firms advertise?, (ii) Are consumers influenced by advertising?, and (iii) Does advertising impact the prices of products and profits thereof?

He has observed that advertising has an insignificant effect on the sales and profits of the product. His observations indicate the ratcheting nature of advertising in oligopoly markets and the rules of thumb policy followed by firms for deciding advertising appropriations. Since the study is confined to a single industry and the single product, hence it is contextual in character.
Hardy (1986) in his article, examined the differences between sales promotions that achieved their objectives and those which did not. The author has directed promotion managers to the key variables to be monitored and managed. Although thousands of manufacturer sales promotions are conducted each year by North American package goods companies, promotion managers frequently are dissatisfied with the impact of these promotions. This exploratory research identifies the major factors associated with achievement of the promotion’s objectives.

This exploratory research examined 216 sales promotions, employing both quantitative and perceptual data on each sales promotion. The power of the survey design was that the variables contributing to successful achievement of promotional objectives were identified and quantified. Regression analysis identified significant variables related to the successful achievement of trade and consumer promotion objectives. Greater sales force (trade) support is the main common correlate of successful promotions. The key success factors for consumer promotions are different from the key success factors for trade promotions. Most importantly, factors such as sales force support, promotion period, dual promotion, and level of incentives are within the
control of the product managers. If the Trade becomes increasingly concentrated product managers will have to focus increasingly on trade customers and less on products. They will have to tailor sales promotions to fit the competitive strategies of large customers. In order to create these specialized sales promotions, product managers will have to get closer to both the customers and the sales force. The results of this study seem to indicate that more attention should be paid to the variables of sales force support and trade support.

Bajracharya (1986)\textsuperscript{11} in his doctoral study titled, "Marketing Strategies in Public & Private Sector Manufacturing Industries: A Comparative Study" explored that the growing importance of marketing in the present day era is basically due to its impact on the success or failure of an enterprise. Marketing means to identify unfulfilled human needs, convert them into business opportunities and create satisfaction for others and profit for themselves. Marketing strategies in all domains viz. product, price, place, promotion and planning have to be proper, sound and comprehensive. The present study aims to enquire into the strategic marketing management in consumer goods manufacturing industries. The problem area of the study can be
stated as to make an empirical evaluation of marketing strategies as being developed and implemented by selected consumer goods manufacturing industries and to assess their effectiveness.

The researcher concluded that most of the enterprises in the selected industries have erratic and fluctuating sales and market share trend. In cigarette and textile industries, public sector has been able to improve its share in comparison to the private sector due to more successful efforts and quality levels. In shoe industry, the public sector unit has been unable to create a distinct brand/product image, inability to position its product have led it towards poor financial performance. The two private sector units, NTC and NCF are both quickly losing their share and they have to suffer heavy financial losses too.

In view of the ad hoc product strategies being adopted by various enterprises, it is highly essential that they adopt proper product planning and strategies. Enterprises in both public and private sectors have been typically myopic (outdated). Enterprises need to adopt integrated and innovative strategic approach responsive to ever-changing market needs — both domestic and international. So, it is high time for both public and private enterprises to follow market-oriented strategic management approach before any serious competitive threats emerge.
Koirala (1987)\textsuperscript{12}, in his doctoral work titled, "Sales Promotion Policies and Practices in The Manufacturing Industries of Nepal" explored that sales promotion has been popular in all types of enterprises including manufacturing, transport, insurance and service industries. Sales promotion techniques may differ according to the type of product under consideration. A manufacturer of durable goods may not be directly involved in a sales promotion offer that is offered through channels.

Sales Promotion is a supporting activity to influence the consumer behaviour and to attract the buyer. Advertising is used to create awareness, image and attitude; and sales promotion is aimed at specific action. Advertising is used to build long-term brand preference and sales promotion for the decision to buy. Sales promotion is a supporting activity to influence consumer buying and to attract them, whereas personal selling aims at selling and makes efforts to match selling with buying.

The present study identified and examined the promotional policies and practices followed by consumer goods industries in Nepal.

The researcher concludes that the Promotional incentives could be very useful means of communication in the affective
stage of consumer behaviour in Nepal. But these were not being offered in appropriate manner through retailers. Retailers were neither knowledgeable nor capable of motivating consumers. The effect of consumer deals on market share was negatively significant at 25 per cent level. The effect of advertising on market share was insignificant. Consumer response to advertised goods was estimated at 78.40 per cent. However, advertising was necessary as a vehicle of information in sales promotion. Samples were offered to consumers mostly at the introduction stage. Coupons were offered by a few companies at the introduction, growth and maturity stages. Contests and sweepstakes are considered to be suitable at the introduction and maturity stages. Its effect on market share was negatively significant at 50 per cent level.

Kalwani et al. (1992) in their experimental study on consumer price and promotion expectations investigated that in marketing, the study of the impact of price expectations on consumer choice behaviour has begun to receive increasing attention in recent years. Introducing a product at a lower than regular price and then raising the price afterward to its regular level has been shown to have an adverse effect on subsequent
sales. The reason is that consumers come to adopt the low introductory price as a reference and consider the regular price to be unacceptably greater than the price they expect to pay. The researchers investigated the impact of price promotions on consumers’ price expectations and brand choice in an interactive computer controlled experiment. They assessed the significance of the dynamic or long-term effects of a sequence of price promotions. Specifically, their objectives in the experimental study were: (1) to investigate the effects of different price promotion frequencies and depths of price discounts on the brands’ expected prices; and (2) to test the impact of price promotions on brand choice, as mediated by consumers’ expectations, in a controlled experimental setting.

(a) Their findings from the tests of two hypotheses pertaining to the impact of exposure to price promotions on consumers’ price expectations reveal that the impact is significant. However, their experimental findings do not suggest rejection of the hypothesis that the brands’ expected price is linear function of the price promotion frequency and the depth of price discounts at conventional significance levels.
Their findings on promotion expectations suggest that unfulfilled promotion expectation events among consumers who have come to expect promotions on a brand because of frequent exposure to them will have an adverse impact on the brand.

Further, the authors find that consumer expectations of both price and promotional activities should be considered in explaining consumer brand choice behaviour specifically, the presence of a promotional deal when one is not expected or the absence of a promotional deal when one is expected may have a significant impact on consumer brand choice.

Berlage (1995) observed that development of telecommunications infrastructure is seen as an important prerequisite for economic development in the countries of Central and Eastern Europe. This article gives an overview of recent developments and different approaches to telecommunications development and the reform of regulatory framework in these countries. First, the growth and modernization of the network needs to be accelerated. Second, new technologies need to be introduced into the market. Third, the need for a new
competition-oriented framework to increase efficiency within the telecommunications sector. East European governments gave the telecommunications sector a very low priority in their planning. The telecommunications operator's budget was used to finance the government's general budget.

The new telecommunication services introduced in Eastern Europe aim at a small but profitable segment of the market. The state owned operators are exploring these segments in cooperation with foreign partners.

The study concludes that the relative shortage of capital with regard to investment opportunities and the risks in many areas of telecommunications in Eastern Europe have led to high profit expectations and in most cases short-term investment strategies and a restrained interest in the market. Therefore, foreign capital can be used as a means to finance the development of modern telecommunications services for business needs. The development of the local network will have to be financed mostly by revenues of the state-owned operations, and therefore the tariff policy and the development of private incomes will be the main determinants of future development.
Riskey (1997) in his study titled, “How T.V. Advertising Works: An Industry Response” dwells on providing an industry response to the award winning “How T.V. Advertising Works” research of Lodish et al. (1995). The author summarizes the results of 23 advertising versus no-advertising split-panel experiments conducted by Frito-Lay, Inc. over a four-year time frame, all within the snack foods category. The study powerfully replicates and modestly extends the findings of Lodish et al. demonstrating the practical utility of their conclusions. Cable, radio, and outdoor advertising were not manipulated as a part of this experiment.

Across four years of testing, 57% of television commercials (12 of 23 advertisements) demonstrated sizable volume increases among advertised households compared with a matched no-advertising control group. Across the 12 advertisements that drove sizable volume changes, the average gain in sales volume between the two experimental conditions was 15%.

Percentage of advertisements has shown significant volume increases over no-advertising control groups. Results are classified according to product and brand characteristics, that is, “base brand” advertising versus “news” advertising; big brands versus smaller brands. One additional finding deserves mention.
The sales volume effects of the advertisements tested, if they showed a sizable effect within the first year showed that effect within six months in every case.

These results also support the prior finding that the effects of advertising occur quickly. Of the 12 advertisements showing a significant sales effect sometime during the 12 months of the experiment, all but one showed that effect within the first three months of the beginning of the media plan.

*Harwit (1998)*\(^{16}\) studied the development patterns and policies of China's telecommunications industry. The study focuses on government policy and its implementation since the founding of the People's Republic of China. It also gives special attention to trends of the industry's spread to rural areas. A case study section then synthesizes the analysis of Chinese political strategies and focuses on regulations adopted for foreign investors seeking access to China's telecommunications operation.

Until the reform era began, for example, revenue from telecommunications operations was turned over to the central government and the industry received a set of percentage of the budget. Several of the major bureaucratic organizations played a role in this paper's case study on the recently formed China Unicom
Corporation. The study highlights the problems of ministerial rivalry, the overlapping jurisdictions of regulation and operation within the MPT and problems that foreign investors face in entering the operations part of the telecommunications sector.

By mid-1996, twelve months after their launch, Unicom's four operational mobile phone networks were collectively serving more than 35,000 subscribers; in mid-1997 the number stood at about 50,000 with a projected total of 150,000 by the year's end.

The Unicom case illustrates several important features of China's recent path toward telecommunications growth. First, the government does seem to recognize the importance of moving beyond the traditional “PTA” control scheme and allowing domestic competition. The PRC is also taking steps to allow foreign companies a greater role in fostering a more efficient communications network. Investment strategies have been sound and the urban-rural gap in communications abilities, though still extant, is narrowing. Social policy may also interfere in the industry's growth and recent restrictions on internet access and some political controls on its use may have a stifling effect on this latest communications tool. Despite these shortcomings, China has set itself on a course for continued growth on the telecommunication industry.
Von der Fehr and Kristin (1998) suggested that ‘persuasive advertising’ may affect consumer preferences. The analysis suggests that a positive relationship between equilibrium levels of advertising and (inherent) product substitutability is consistent only with advertising that “increases perceived product differences”.

What motivated their initial interest in this topic were the seemingly very high levels of advertising in some industries in which the degree of (inherent) product differentiation appears to be low. From this perspective, cases in which equilibrium levels of advertising are decreasing in the degree of product differentiation are of particular interest. Clearly, an important role of advertising (especially persuasive advertising) is to increase aggregate demand.

Their results suggest that in industries in which products are fairly similar, firms will aim their marketing and advertising efforts at heightening “perceived” product differences. Casual observation suggests that there may be some validity in this point; say, the soft drinks and beverages industries to differentiate the packaging of products and to focus on these
differences in advertising campaigns. Indeed, if the product does not lend itself to true differentiation, advertising becomes the necessary medium for influencing demand. This would suggest that advertising and differentiation are substitutes in some larger marketing decision.

*Bajracharya (1998)* in his doctoral work titled, "Regulation of Unfair Advertising Practices in India and Nepal" investigated that advertising provides the consumers with the information they may use to make intelligent choice. If a little information is dangerous, misinformation can be disastrous. There is a consumer deception if choice is based on untruths, half-truths deceits and misleading comparisons.

The concept of unfair advertising in the Indian context has been defined in the Monopolistic and Restrictive Trade Practices (MRTP) Act, 1969.

The analysis undertaken by the researcher of prevailing legislative measures in the two countries has revealed that India is better equipped than Nepal in protecting consumers from the evil of unfair advertising practices. The relevant legislations in India are comprehensive, Nepalese legislations are fewer in number and are seriously lacking in comprehensiveness. The
review of cases of unfair advertising practices in India has revealed that consumers are the main victim of loss or injury from unfair advertising practices. However, in Nepal, not even a single case of advertising has been reported under any of the law Journals. Hence the prevalence of unfair advertising practices and consumer deception was studied on the basis of primary survey in Nepal.

*Verma* (1998)\(^{19}\) in his doctoral thesis titled, "Role And Effectiveness of Marketing in Indian Companies" investigated that marketing concept is at the heart of modern marketing thought. It has attracted a great deal of attention of academicians as well as business managers. The business managers are repeatedly urged to adopt and implement marketing ideas.

For a marketing-oriented company, the important components are: first, top management has an important role to play in the creation of marketing state of minds; second, marketing adoption requires integration and co-ordination at two levels. Finally, in order to make all this work, professional and executive skills of a high order must be utilized. Market orientation in any company may come in various forms and
degrees. Market-oriented is cost effective in spite of any possible short-term moderating effects of the environment.

The data generated in the study was used to discover the level of marketing orientation in different groups of Indian companies. The Indian companies were found to be 'stuck in the middle'. That is, they are neither highly marketing driven nor they are completely devoid of marketing. The consumer goods companies are likely to be more marketing-orientated than industrial marketing companies followed by the services marketing companies. On the other side, multinationals were found to be the most marketing-oriented followed by private and public sector companies. The multinationals seem to be well equipped to take on the challenges of liberalized marketing environment more than the other group.

Jain et al. (1999)20 in their research study carried out a segment level analysis on pricing patterns of cellular phones and phone calls. They explained that an explicit objective of the U.S. Federal Communications Commission (FCC) in the early stages of the cellular communications industry was that the presence of two licenses in each market would ensure competition, and thereby result in declining prices over time for both cellular
phones (handsets) and phone-calls. However, industry observers have noted that although the price of handsets has declined overtime, the price of the phone calls has not. They investigated this interesting pricing issue by modelling the market interaction between the providers of cellular services and also their interaction with customers using a game theoretic framework.

A critical assumption in the development of their model is that there exist segments of customers with different valuations, usage levels, and price sensitivities for cellular service. Empirically, they provided support for the existence of two customer segments (viz. Business and Personal) from both secondary data on industry usage and revenue, and primary data collected from a conjoint analysis study of cellular service customers. From the latter source, they established that the Business/Professional customers are more sensitive to prices of phone-calls than the personal segment.

One of their main analytical results is that a competitive structure can result in lower prices over time for the handset, but higher prices for the phone-calls, depending on production costs of the handset. They are thus able to provide a theoretical explanation for the observed price patterns for the handset and phone-calls.
Bhullar (2000) in her doctoral study made an investigation to find the relevance and effectiveness of portrayal of women in advertising in India. Advertising is an all-pervasive, forceful entity, slowly changing our lives. It is an integral part of every form of media, right from billboards to internet. Basically, advertising is a marketing tool. Advertisers have been charged with portraying women in narrow, out of date and disparaging fashion. The changing role of women in society has created a challenging task for advertisers, i.e., how to portray women in advertisements. Consumer surveys have consistently reported that younger, more highly educated and modern women are more critical of women’s role portrayal in ads. Two instruments by which women’s portrayal in ads may improve are self-regulation and legislation.

The findings of this research study and discussion reveal that women’s role portrayals were found to influence the success of advertising copy especially strongly when target audience is considered. Ads that are liked generate more positive attitude towards the brand as well as purchase intention, resulting in increase in sales.

The study concluded that advertisements depicting women influence their targets via perceptions regarding the role
illustration. Ads which are more liked are definitely more successful in inducing purchases than ads which are disliked. The kind of woman portrayal, i.e., successful in ads depends on the product being advertised and the segment of respondents being targeted. Portrayal of woman in non-sexy/ non-glamorous roles, namely, the role of a mother, working woman and that of a housewife, are more liked. Mother’s role, portrayal of a housewife is comparatively more liked by the older consumers. Further, men more than women like sexually suggestive illustrations, but that too only when they are relevant to the product being advertised and when such themes are used in moderation.

Oxley and Yeung (2001) in their paper titled, “E-Commerce Readiness: Institutional Environment and International Competitiveness” observed that despite its widely cited potential to transform global business, e-commerce is, as yet, predominantly a North American phenomenon. Estimates vary, but it is generally accepted that upwards of 75% of online transactions are confined within U.S. borders.

The most salient obstacle in the development of e-commerce in many countries is the lack of necessary physical infrastructure -
particularly household access to personal computers and a cost-effective telecommunications system.

In order to assess the significance of various aspects of e-commerce readiness in explaining the development of e-commerce in countries around the globe, the researchers assembled cross-sectional data for 62 countries on Internet usage and indicators of e-commerce activity and on three categories of explanatory variables: rule of law, payment channels and physical infrastructure.

A systematic cross-country analysis of e-commerce activity reveals that although physical infrastructure explains much of the variation in basic Internet use, e-commerce activity also depends significantly on a supportive institutional environment. Chief among the characteristics of such an environment are national respect for the “rule of law” and, secondarily, the availability of credible payment channels, such as credit cards. These results suggest that an institutional environment that facilitates the building of transactional integrity is critical to the development of e-commerce.

Mukund (2004) in his paper titled, “Calvin Klein’s Scandalous Advertising : Morality Vs. Money” observed that the
case deals with the controversial advertisement campaigns launched by the US based fashion house Calvin Klein from the late 1970s to 2003. It gives information about the designer’s evaluation over the decades into a successful businessman. The company’s entry and success in the jeans, underwear and fragrance business is examined. It critically analyzes two of the most controversial issues (the 1995 kiddie porn campaign and the 1999 advertisements for children’s underwear) and company’s continuing focus on generating sales through erotic advertisements. Klein knew the ‘pornographic movie audition style’ advertisements would generate controversy as usual.

Analysts felt that the most unsettling aspect of such controversies was that the party being wrong (children and teenagers in the advertisements as well as from the target customer segment) failed to understand that they were being exploited. In June 2003, leading advertising industry publication ‘Adweek’ released a list of the ten most offensive, tasteless and dumb advertisements of the 1990s. The top position was bagged by Calvin Klein’s 1995 ‘Kiddie Porn’ campaign.

Nikos and IOSif (2005)24 in their research work titled, "Perspectives of Mobile Advertising in Greek Market" have
investigated the way that advertising can succeed in Greece and under which circumstances can this happen. With the arrival of 3rd generation networks, an interesting mobile business service is mobile advertising. The question is how ready is the Greek market to welcome this new service and how Greek companies should position themselves in this new aspect. The objective of the particular research is the opinion of young subscribers of mobile operators about mobile advertising. In order to understand how mobile advertising works, it is useful to present a basic idea made in the past concerning this subject. The basic idea of the 5C (content, cross-media marketing, campaign management, customer database, carrier co-operation model shown as under adds value in m-advertising value chain.

Various studies have found that time sensitiveness, personalization and location awareness are the key elements of successful mobile services, especially m-advertising. Basically, mobile advertising can be divided into two main categories: push (real time monitoring) and pull (location on the spot) advertising. An interesting result that m-advertising is starting to grow up in
Greece. Half of the sample, at least one time, received an advertising message. The researcher has followed four questions — loyalty, satisfaction, brand name recognition and competitiveness concerning the companies that are interested in using this mobile business service. The results encourage companies to use mobile advertising. More specifically, a mobile advertising campaign of a company will increase its customers’ loyalty (54%) and satisfaction (60%), will help its brand name recognition (77%), and its competitiveness (67%). Young people are more interested in movie-theatre advertisements (new movies, avant premiers, trailers etc.) and advertisements concerning music (new CDs, artists, video-clips etc.). On the other hand, they are less interested in shop-products’ advertisements. The preferred format of the received mobile advertisements is video by the 36 per cent of the sample, while 26 per cent of them prefer to receive these messages in image-sound format. The researcher has predicted that Mobile advertising will bring revolution in the market in Greece.

Blechar et al. (2005) in their paper titled, “The Role of Marketing in the Adoption of New Mobile Services: Is it Worth the Investment?” made an investigation that attitudes towards
services available through a new mobile portal were not only unchanged, but became less favourable despite increased exposure to these services including continuous mass-marketing efforts. The purpose of this article is two-fold. Firstly, it aims contributing towards existing technology acceptance literature by providing empirically motivated evidence of the potential influence of increased product knowledge gained through marketing. Secondly, it suggests that existing simple assumptions surrounding the use of mass-marketing communication as a method through which to positively influence technology adoption and diffusion may not be entirely justified in the case of complex technologies such as mobile services.

The results of the study explore the potential influence of an increase in product exposure and knowledge related to attitudes towards the adoption of new mobile services. The field study was conducted in Denmark. The overall research aim of the field study is to obtain deep insights concerning adoption processes and central factors influencing the incorporation of new mobile services into everyday life.

Study results indicate that many of the participants’ attitudes and intentions remained unchanged despite ongoing mass-marketing campaigns. This points out that the use of mass-
marketing efforts such as TV advertising may not necessarily have a positive influence on attitudes and intentions towards the adoption of new mobile services. While the results of this article do seem to indicate little to no change in attitudes and intentions despite an obvious prolonged exposure and mass-marketing campaigns, a direct causation cannot necessarily be assumed. Thus, there could have been other factors influencing participants' apparent consistent attitudes and intentions towards the services. For example, mobile services are not static and the diffusion is not certain. Therefore, the researchers caution that large scale marketing campaigns are preceded with large scale field experiments to assess the likelihood of success.

Khan and Chaturvedi (2006) studied the promotional strategies of mobile phone service providers in India. The Govt. of India’s decision to liberalize the telecom sector in 1994 transformed the entire telecom industry with many private companies entering into the sector. By the year 2000, stiff competition between the players in the cellular market prompted each player to formulate more novel strategies in order to retain their market share.

With the ever-increasing globalisation and expanding business activities, cellphones become a necessity for businesses. The younger generation also began to flaunt the cellphone as a
status symbol. Soon cellphones were being used not only as a tool for communication but also a source of entertainment.

In the year 2000, Airtel formulated an advertising campaign which was arguably the first of its kind from the cellular service sector. Airtel felt that celebrity endorsement was a suitable way to promote the brand and an effective tool for expanding market share, Magic Hai To Mumkin Hai (Everything is possible with ‘magic’). The year 2002, also saw the launch of BSNL’s cellular service. Being state owned, BSNL had the advantage of easy access to various regions. Festivals and special occasions were times when cellular service providers offered a range of schemes.

According to AdEx India* the cellular service industry figured at the 5th position in the list of Top 10 spenders in print and television advertising in 2004.

Chirayath (2006) in her research paper titled, "Brand Awareness and Consumer Buying Behaviour in GSM Mobile Sector" has attempted to find out the brand awareness and consumer buying behaviour with regard to GSM mobile of LG in Ranchi, the capital of Jharkhand. Revolution-India is expected to

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* AdEx India was a media monitoring body specializing in information pertaining to advertising expenditure.
have 100 million Global System for Mobile Communication (GSM) subscribers by 2007-08 as compared to 26 million subscribers as on March 2004, according to Global Mobile Suppliers Association (GSA). The study becomes more relevant and significant because LG is new to GSM phone sector. Chirayath conducted a study in 2003 with the following objectives:

(i) To find out the influence of media on consumer buying behaviour with regard to LG_GSM mobile phone,

(ii) To find out the buying behaviour of different segments of population based on income, age, occupation and education with regard to GSM mobile.

The study revealed that 50 per cent of the respondents purchased their handsets as suggested by their friends. Friends have influenced much more than TV and newspapers, hence reference buying is a predominant factor. An attempt was also made to know how various factors considered by cell phone users for purchasing their handsets are being ranked. Majority of the persons contacted have given preference to price factor.

Jain and Hundal (2006)\textsuperscript{28} in their research paper titled, "Factors Influencing the Adoption of Cell Phone Services in Rural Areas" indicated that there has been a phenomenal spurt in the
growth of tele-density in the country, with the evolution of new wireless technologies; but the gap between the urban tele-density and rural tele-density has been continuously increasing (TRAI, 2004). Various policy initiatives have been taken to reduce this widening gap, which in turn, will result in tremendous potential for growth in rural areas. While mobile phone usage in rural areas is rather an unexamined genre in academic literature, this explanatory study investigates the factors influencing the rural consumers’ buying behaviour in the mobile phone market.

Kesti and Ristola (2003) investigated consumer intentions to use different mobile services. To this end mobile services had been tested in a real, interactive situation by voluntary test users. The main findings of the study indicated that the perceptions users got from testing mobile services affect their intention to use those kinds or similar services in the future. The results also indicated that there are significant differences when examining two kinds of groups; low interest users and high interest users. The test users regarded the guidance services as the most important, followed by mobile advertisements and communication services.

The study brings out that consumer education is an integral part of rural marketing strategy. Due to the lack of knowledge and
education, they were unable to make use of their own mind and have to depend upon others. So apart from formal media like newspaper, television, radio, cinema and direct mail, rural-specific promotion methods like demonstrations, puppet shows, house-to-house campaigns, rural melas, dance programmes, etc. would be more useful in attracting the attention of rural consumers. While making the choice of mobile phone, rural consumer stresses on the convenience and assistance, price, features and influential person.

Chinnadurai and Kalpana (2006)\textsuperscript{29} in their research paper titled, “Promotional Strategies of Cellular Services: A Customer Perspective” investigated that major driver of social changes, which shapes the possibilities and conduct of business, is technology. Every business whether it is manufacturing or service faces large amount of problems in marketing their products in the modern business world. The main objective of this research is to study the customer awareness, customer ideas and preference about promotional tools.

If advertising has indirect impact, sales promotion has direct impact on consumer. Public relations and personal selling
are tools that may not provide direct impact but will bring a positive psychological reaction of consumers towards the product.

It is found that majority of the customers came to know about the cellular services through TV advertisements. The study also revealed that the sales promotion offer introduced by cellular companies have influenced the customers to purchase and avail cellular services. It is pertinent to note that as per the customers’ opinion, the promotional strategies of cellular companies are more sales-oriented rather than customer-oriented.

Like that of manufacturing organizations, service organizations also face problems of marketing. The service organizations including cellular companies have to use promotional strategies such as advertising, sales promotion, public relations and personal selling. The use of single promotional tool or combination of tools is normally determined by various factors such as market conditions, market forces, behavioural pattern of consumers, etc.

Radhakrishna and Ansari (2007)\textsuperscript{30} in their article titled, “Consumer Behaviour and Marketing Planning: A Case Study of Mobile Communication System in Delhi State” explored certain aspects of the consumer behaviour like pre-purchase activities of
selected Indian consumers of Mobile Cellular Phone Services and also the marketing planning of the service providers, i.e., the mobile cellular phone service providers or organizations dealing in the mobile telecommunication systems and services in Delhi State, viz. Essar and Airtel.

In specific terms, the objectives of the study include to examine:

(i) The relative importance of the particular information sources used;

(ii) The differences between the users and non-users of information in the search process; and

(iii) The evaluative criteria used in making the final choice; and the discriminating factors between urban and semi-urban population in terms of the evaluative criteria and other selected variables.

Principal component analysis and factor analysis have been used to identify factors involved in the purchase decisions. Discriminate analysis is used to discriminate between urban and semi-urban population with reference to selected variables. Since, India is a very big country and is the second largest country in the world and because of the limitations of mobility and time constraints and Delhi being a metropolitan city and Capital of
India, it has a good scope for the growth of cellular market and also the number of consumers of cellular phone services is more. The author limited the study to Delhi State only. The scope of the study is determined; firstly, by the sample of 550 consumers which represents a cross-section of the total population. Secondly, the study focused attention on the three categories of information sources as in the consumer behaviour as used by Newmann and Staelin. The three categories are:

(1) **Personal Source of Information**: This source includes friends, relatives, neighbours, personal observation, etc.

(2) **Commercial Source**: This source includes advertisements through mass media.

(3) **Retail Outlet Source**: This source includes shop visits, retail outlets and salesman tasks.

*Biwalkar (2007)*[^1] in her article titled, “Advertising : Think Again” investigated that in the past few years, the ad-arena has undergone a sea change. The means of communication have expanded and multiplied. In this hyper productive market, a new product is launched almost every day. This change and rise in awareness among consumers is witnessed across all socio-economic strata, regions and towns. The Indian advertising sector

[^1]: Biwalkar (2007)
has had a flat growth rate of 10-12 per cent per annum in the past two years. According to Ad Ex India, ad spend was Rs. 16,300 crore as compared to the previous years Rs. 13,200 crore. It’s a race that everyone runs. If the consumer is sprinting, media and technology follow at a close dash.

Observers are of the view that managing advertising in a dynamic world is far more complex than doing so in a constant one. “Agencies are still following the old fashioned creative model run by yesterday’s mindsets”, says Josy Pauls, national creative director of J. Walter Thompson (JWT).

Talented people are the fulcrum of any creative process. If medium is the message, the industry may well keep checking its inbox for mail from the new technologies. The last century tested and expanded the limits of the advertising world; the new century may change it beyond recognition. The challenge before the Indian advertising industry is what it is supposed to do routinely everyday; rethink. It seems advertising indeed needs quite a few young Turks.

investigated that India is one of the fastest growing telecommunication market of the twenty-first century. The user base was about 36 million in the year 2004 (Dholkia et al., 2005). According to the Human Development Report, 2000, the contribution of services to the GDP was 45%.

During the year 2005, the composition of telephones underwent a significant change. As on November 30, 2005 the mobile phones including WLL (726.85 lakh) have already surpassed the fixed line phones (479.88 lakh). The number of telephones increased from 77.94 million in May 2004 to over 120.67 million in November 2005 thereby registering a growth rate of 54.82% during this period and tele-density touched at 10.87 per cent from 7.15 per cent in May 2004. Simultaneously, in line with Government policy, the share of private sector has also been continuously increasing.

This study provides mind-opening thoughts and opens up vistas for the mobile service providers to gain momentum and technological breakthrough in such a way so that this should be able to reach the common man of the country.

It is also seen that there is a lack of co-ordination between service providers, handset manufacturers and customers. The service providers, content and application providers, handset
manufacturers and technology providers do not work in coordination to develop compatible products. For example, there were battles between Vodafone (service-provider) and Nokia (Mobile phone manufacturer) to control phone specifications. (Funk, 2004).

However, the co-ordination between service providers and mobile phone manufacturers plays an important role in satisfying needs of mobile phone users.

The results of this consumer survey provide that "economy" is the most influencing factor for mobile subscribers. Any fall or rise in tariffs directly effects mobile usage as majority of the consumers (88%) accept that they will talk more if call charges decline.
References

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