CHAPTER 1

INTRODUCTION

1.1 Introduction

The title of the Thesis is “Study of Advertising strategies in the Telecom Industry and Role of Advertising in Building Brands and Brand Management“. Advertising increasingly has become an integral part of our lives. From the time we get up in the morning, the toothpaste we use, the soap used for bathing, the mode of transport used for commuting to work, to our workplace to our every waking moment, we are bombarded by advertising by every media possible. The marketers are using every possible way like the transit advertising, mobile advertising, internet advertising, interactive advertising combined with the traditional media like television, radio, newspapers, radio to communicate their marketing message.

They face an increasingly challenging task to stand out in the clutter to get their share of attention from the target audience. The clutter breaking advertisements are the ones which manage to touch the hearts of the target audience. These advertisements enjoy maximum recall value. Over a period of time, the visibility and recall ability of the advertisements result in building brand image. The main purpose and function of advertising is that it gives the consumers the right to choose. The consumer decides what he wants to wear, what he wants to eat, what programmes he wishes to see etc. Advertising provides an opportunity to the marketers to communicate the benefits of their product and influence the consumer to choose their product or service over the other competing brands. Advertising is the key to successful brand building. It has been observed that advertising is an
indispensable tool to brand management. In today competitive scenario, the survival of a brand in the consumer’s mind depends on effective advertising. Advertising constitutes the core element to successful brand building.

1.2 Background of the study:

1.2.1 Researcher’s Views: The researcher has been teaching Advertising and Marketing for the past 17 years. Advertising as a subject has always fascinated her. Particularly, intriguing is how the creative directors come up with new and innovative ideas every time to sell routine and mundane everyday things. It is easy to write lyrics and poems about beautiful things of life like beauty of a woman or enchanting places, but the challenge is to weave stories that capture the viewer’s interest on daily products like soap, toothpaste, hair oil and shampoos. Equally fascinating is the ability of the advertisers to capture the audience attention, arrest it and develop a desire to buy the product. People read newspapers and magazines for the articles, visit cinema halls to watch movies, listen to radio for music and watch television for the programmes. However, the advertiser’s skill and craftsmanship lies in how they grab the attention of the reader / listener / viewer in this borrowed time and make it so interesting that they are forced to suspend all their activity, get involved in their advertisements and create a desire to buy their products / services. Their skill also lies in their clever use of media. Every possible media has been explored and utilized from sky advertising, balloon advertising, kiosks, bus stops, buses, railway stations, internet…..the list of endless.

1.2.2 Overview of branding: With the dawning of complexities due to product and brand proliferation, excessive communication, attempts to create real and artificial differentiation and claiming and counter – claiming at the point of purchase leaves the buyer nothing but confused and frustrated. Negotiating this highly complex buying environment is a new emerging phenomenon of the post industrialized world. The excess of supply over demand has made the life of marketers miserable. The pressures to improve the bottom line and top line are causing the marketers to pull and deploy all kinds of ammunitions from their arsenals. In this context, brands and branding have assumed new significance. In branding the marketing sees salvation. On the
one hand, brands have emerged as new trusted compasses that help consumers spot the correct way through the dense and dangerous marketing jungle. Brand is the consumer’s formula to handle buying – an essential task or enjoyable task for survival. Brands are there because we want them. We may not expressly articulate the need for brands and even criticize them and call them ‘manipulative’ and in some cases ‘exploitative’. But the fact is that we need them. That’s what marketers know. Therefore, brands are created.

Brands draw their relevance from their ability to help consumers make effective and efficient choices. Brands equip consumers to efficiently wade through congested goods racks, bewildering variety, confusing product displays and claims and counter-claims, product specification wars and pressure selling tactics of the sales people. The traffic in most of the major cities is complex and dangerous, and so is shopping, choosing and buying. Brands are the devices that marketers have invented to help customers go into maddening malls and departmental stores and come out of them without losing sanity. Buyers want by locating and acquiring appropriate solutions for their needs. Brands come to their rescue. Each brand signifies a bundle of unique utility and satisfaction.

1.2.3 Perspective on Brand Management: Brands are also the ends for marketers, for their creation drives and for bottom –line and top –line performances. Branding is the superior route to value creation and wealth generation. Recollect in your memory an instance when you wanted to reach a friend’s house to meet him or her and the address did not have an identification number but the locality was mentioned. It is no great feat to find an unnumbered in a colony of similar unnumbered houses. The feat is when you find an unnumbered house in a colony of similar unnumbered houses, especially when there is nobody to guide you, they could not be trusted. Brands in the modern marketing world come to customers like numbered houses – the solutions to specific needs and wants – which make life easy and simple.

1.2.4. A brief overview of the Telecom Industry: The telecom industry has constantly been in the spotlight. The top brands are advertising heavily in order to compete with one another to win over the customer. Take for instance, India’s glamour weds sports extravaganza the IPL (Indian premier League). Not only are the teams competing with each other, it is also a battleground for the telecom companies. The slew of advertising campaigns launched during the
IPL seasons make for as much fierce competition between the telecom brands as much as on the cricket field.

Amid blaring horns and screaming fans, telecom companies run a tournament of their in branding and recall during Indian Premier League, introducing new characters, products and ideas in the advertisements to get maximum eyeballs.

Both Vodafone and Idea Cellular launch new campaigns every year while Bharti Airtel works on their existing campaign. Typically, top mobile phone operators spend everywhere between one-tenth and a quarter of their annual advertising budget during IPL that lasts for almost two months.

Vodafone tops the list, having been an on-ground and broadcast partner for the tournament since 2008. For, three consecutive years they had the hugely and immensely popular ‘ZooZoos’ campaign. Competing with it is Idea Cellular’s “An Idea can change your life”. The company spends a quarter of its advertising budget on their IPL campaign. Smaller peers like Aircel too launch a new campaign to pick up brownie points in the telecom market. Bharti Airtel, India’s largest telecom company does not do a special campaign for IPL.

The Vodafone ZooZoo campaign in 2009, during the second season of the IPL, was what kicked-started the campaign competition. The ZooZoos, that were originally introduced to promote value added services including stock market alerts and international roaming, was expanded to the super ZooZoo in 2011 when companies were launching third generation, 3G, services. The ZooZoos became so popular that Vodafone was even able to sell merchandise around the campaign, expanding it from something pushed to viewers to something that created demand.

Bharti Airtel, which stuck to star endorsements, mostly failed to match Vodafone’ZooZos’ and Idea Cellular’s “What an idea, Sirji” campaigns. Its successful “Har ek friend zaroori hota hai” campaign last year was launched after the IPL season.
1.2.5 A brief outline of the advertising strategies of the top players in the Telecom market.

(1) Top of the rung is the Vodafone advertising:

i. The IPL 1 2008 featured their ‘Little things you do for Me, Happy to Help’ – two school kids looking out for each other.

ii. IPL 2 - 2009 – ‘Zoo Zoos ‘The brand introduced the popular animated characters to promote their VAS – Value added services.

iii. IPL 3- 2010 – ‘Zoo Zoos 2 ‘Another series of successful advertisements.

iv. IPL 4 2012 – ‘Super Zoo Zoos ‘Commercials featured super hero Zoo Zoo catching bullets, travelling to space to promote 3 G service.

v. IPL 5 2012 – ‘Internet is fun ‘. Features scenes in Prague with an English commentator.

2) The Idea Campaigns:

i. IPL 2 2009 – ‘Talk to your favorite cricketers’ – It featured Sachin Tendulkar, Zaheer Khan and Harbhajan along with Idea brand ambassador Abhishek Bachchan.

ii. IPL 3- 2010 – ‘Idea On glee Cricket ‘The campaign had more than 40 TVCs featuring cricketers like Sehwag, and Abhishek Bachchan.

iii. IPL 4 2011 – ‘Get Idea 3 G’ .The campaign had more than 40 TVCs featuring Idea brand ambassadors Abishek Bachchan and Mahesh Babu in triple roles, launched Idea 3 G Services.

iv. IPL 5 2012 – ‘An Idea can change your after-life’. Features Abhishek Bachchan in heaven, offering 3 G services and apps that use the Internet.

3) The Airtel campaigns:

i. IPL 1 2008 – ‘Madhavan – Vidya Balan ad’ Campaign promoted roaming services
ii. IPL 2 2009 – ‘Saif – Kareena ad ‘The advertisement promoted Dish TV.

iii. IPL 3 2010 - Saif and Madhavan ads are repeated

iv. IPL 4 2011 – Ads promoting 3 G services ‘ Har ek friend zaroori hota hai’ campaign started soon after this.

v. IPL 5 2012 – Airtel Money – Advertisements promoting mobile money transfer.

The Telecom Industry has also seen iconic competition like the ones between its two leading players Bharti Airtel and Reliance Communication spanning a decade from 2002 to 2012:

2002 .......... Voice Telephony

1. Bharti started in 1995, but it was crawling. And then, Reliance made a big and bold entry: undercutting on tariffs (40 paisa per minute versus Rs 2) and handsets (Rs 501 vs. Rs 6000 onwards).

2. Bharti was a fledgling company then, while Reliance was, well Reliance: supreme in size, sweep and scale.

3. Bharti and other GSM operators contested in courts the change of license rules that allowed reliance to enter mobile telephony.

4. Bharti’s ability to construct a consumer business that needed less capital and Reliance’s inability to win over the consumer with its low – cost pricing strategy.

Now 2012 .......... 4G Broadband
1) Reliance is the sole operator with an all-India license. Bharti only has 4 circles, but it will be the first to start 4G services and it is hoping to widen coverage through tie-ups and buyouts.

2) Reliance is still Reliance: It is planning a bang. But it is yet to prove itself in any consumer business, which Bharti has done in telecom.

3) Both of Bharti’s moves to expand coverage are policy tangles: 3G, and by extension 4G, roaming pacts are in courts: and Qualcomm, whose licenses Bharti wanted to buy initially was initially disqualified on a technicality.

4) Auction of a new spectrum band that is reportedly thrice as efficient as what they currently have. For Bharti, it’s mostly buying anew; for Reliance, it means buying the same thing twice.

Thus, we can conclude that as far the Telecom Industry is concerned; it is advertising which can make / mar the existence of the Service Provider.

1.3 **Objectives of the Study:**

1) To study the mobile services scenario in India.

2) To evaluate the need for strong advertising back-up for creating awareness of the service providers among the masses.

3) To understand the life-cycle of service providers from inception to its present status.

4) To elaborate the advertising strategies to combat competition between close competitors.

5) To briefly describe, the consumers’ perspective, the impact of the brand building exercise on its targeted audience.

6) To suggest future advertising trends for the telecom service providers.
1.4 Glossary of Technical Terms used

1.4.1. Definition of Advertising: “Advertising is non-personal presentation of ideas, goods or services by an identified sponsor.”

American Marketing Association

“Every advertisement should be thought of as a contribution to the complex symbol which is the Brand Image.”1 (Here, first of the secondary source and the details of this reference need be given at the end of the chapter

“Every advertisement is not a onetime shot, but a long term investment in building the total personality of the Brand.”

1.4.2. What is “Advertising”? 

Advertising is defined in Webster’s dictionary “ as the action of calling something to the attention of the public especially by paid announcements, to call public attention by emphasizing desirable qualities so as to arouse a desire to buy or patronize : promote.”

Advertising is a mass mediated- communication. For communication to be classified as advertising it must be:

1) Paid for,

2) Delivered to an audience via mass media, and

3) Be attempting to persuade.

In order to persuade, or to be effective the advertisement must communicate to the audience the message it wants to relay. If for example, the advertisement is trying to sell a particular product than it must persuade the audience that for whatever functional or emotional reason they need to purchase the product.
Not only must the advertisement effectively communicate the desired message, but the individual audience must be willing to “buy into” the desired message. In other words, for the advertisement to be effective, the communication must be sent and received. Advertising is a two way communication process.

The individual recipient is capable of interpreting the advertisement any way he / she wants. The individual should realize that they have the ability and the power to interpret the advertisement any way they so choose. They can either / accept the message, ignore the message or rally against the message. As a matter of fact, the consumer has more power than they often realize to dictate what is communicated and what is not.

1.4.3. Brand Personification: Robert T. Blanchad of Proctor & Gamble had this to say about brands in his ‘parting essay’ dated July 1999,

A brand is the personification of a product, service or even an entire company. Like any person, a brand has a physical ‘body’ in P & G’s case, the products and / or services it provides. Also, like a person, a brand has a name, a personality, character, and a reputation. Like a person, you can respect, like and even love a brand. You can think of it as a deep personal friend or merely an acquaintance. You can view it as dependable or undependable; principled or opportunistic; caring or capricious. Just as you like to be around certain people and not others, so also do you like to be with certain brands and not others? Also, like a person, a brand must mature and change its product over time. But its character and core beliefs shouldn’t change. Neither should its fundamental personality and outlook on life. People have character……so do brands. A person’s character flows from his / her integrity; the ability to deliver under pressure, the willingness to do what is right rather than what is expedient. You judge a person’s character by his / her past performance and the way he / she thinks and acts in both good and bad times, and especially bad. The same is true of brands.

To sum up, the characteristics of a brand are:

a) Is a personification of a product, service or even an entire company?

b) Has a name, a personality, character and a reputation like a person, which can be liked or even loved.
c) It matures with time, but its character and core beliefs shouldn’t.

d) It is judged like a person on its past performance and the way it acts / thinks in both good times and bad times.

1.4.4 Positioning Defined

Positioning starts with a product. A piece of merchandise, Service, a company, an institution, or even a person, perhaps yourself! But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.

Positioning involves the name, price, package, the advertisements and the brand ambassador which are distinct from other products to secure a worthwhile position in the prospect’s mind.

Positioning is also the first body of thought that comes to grips with the problems of getting heard in our over communicated society.

1.5. The Broad Objective

1) This study is to elucidate the role of advertising in building brands.

2) One of the most vibrant and in the news is the massively active advertising campaigns in the telecom industry.

3) Fierce competition in this industry leads to aggressive advertising campaigns. What is also interesting is they are constantly reinventing themselves in their one-upmanship on one another.

4) As a consumer, we are constantly being wooed by mobile service companies. They are constantly vying for our attention even at the cost of sending a promotional message every one hour.

5) It is imperative for them to use such aggressive methods in the current scenario of cut-throat competition with each service offering better facilities, better schemes at competitive rates.
1.5.1 Significance of the Study: As a study it shows the role of advertising which is absolutely essential to connect with the consumers. To sustain themselves in the minds of the target consumers, to make sure they don’t shift their loyalty from one service to another. In a bid to outdo one another they even offer lower and lower rates with every need of the consumer being satisfied.

Promotional offers being splashed across advertising campaigns have become the order of the day. Advertising plays a key role in influencing the consumer’s decision in continuing the Service provider or switching to another service provider. No one can deny the omnipresent status of advertising keeping the consumers abreast of latest offers and schemes.

This study is for specific strategies used by mobile service companies for their brand building exercise on their targeted audience.

1.6 The Hypothesis of the study is “Mobile services need a strong advertising back-up for sustaining fierce competition.“

The Study attempts to elaborate the perspectives from the point of view of:

1.6.1 Advertising Agency Perspective: The advertising agency conceptualizes and conceives the advertising campaigns. The creative departments design the advertising campaigns. Strategic Planners detail out the strategy that the advertising campaign aims to achieve in terms of brand positioning. The study focuses on the specific areas like:

a) Idea behind the concept.

b) Theme of the campaign.

c) Detailed analysis of the advertising campaign from its inception till its current scenario.

1.6.2 Client Perspective: The study focuses on the client’s perspective in terms of the objectives of the client. It looks into the desired positioning the client strives to achieve in the minds of the target consumer. The top management and senior personnel strategize to create and maintain the brand image in the minds of the target consumer.
1.6.3. Media Perspective: In today’s highly competitive scenario, media plays a very important role in communicating the advertising message to the target audience. Media is omnipresent in all spheres of life, with new possibilities being explored every day. Television is the most popular medium, followed by print, outdoor and radio. The Marketing directors of the television channels, newspapers and radio stations plan their strategies in such a way that the advertisements which are aired / appear at prime time generate maximum possible viewership / readership. Media plays an extremely important role in communicating the advertising message to the target audience.

1.6.4. Consumer Perspective: It also describes the consumers perspective’s at being inundated with so many offers, each more competitive than the other. It voices the opinions of consumers at the clutter of advertisements each service provider is churning out to become a market leader.

The study traces and details the brand from the consumer’s point of view from a cross section of consumers. What the brand was, it’s changing face and how it is perceived as of today. The study focuses on the following aspects:

a) Target Audience.

b) Market segmentation.

c) Media Selection.

d) Image of the brand in the consumer’s mind.

e) Positioning of the brand as against the other brands in the market.
Sources:


