ABSTRACT

Advertising these days is the king pin around which the whole gamut of economy clusters and the globe have come together. It is the prime catalyst for creating demands of goods and services. Earlier, considerable time of businessmen was spent in receiving oral or written orders and in their compliance. This meant very slow growth of commerce and economy. However, as society moved towards a consumer culture with its attendant globalisation and liberalisation, the pace of economic development picked up by leaps and bounds in all parts of the world. This is particularly true for the so-called developing countries, among whom India holds the pride of place. As in warfare, advertising today is one of the potent arsenals of marketing to build-up brands and to persuade and convince reluctant customer. With the help of it, producers may send their goods and services to the consumer’s doorstep. Thus, producers with optimistic outlook they may first create the demand for their products and then hope that it would become a habit with the targeted consumers.

Advertising is vital for the existence of media. Many popular newspapers and magazines would not have survived at all if it were not for advertising. As a powerful tool of effective communication,
advertising is focused to communicate, persuade, influence and finally lead to positive actions. Specially, in a democracy with a market economy, such communication is required, so that intelligent choices are made.

Advertisement is thus the source of information to the consumers about the products available in the market. In a competitive economy, manufacturers seek to persuade consumers through rational as well as emotional appeals to push forward their products. In early days, advertising, that depended mainly on word of mouth and only sometimes-on handbills, have now grown so big an industry that escape from it is almost impossible. Earlier, where only a few hundred rupee were required to be spent on advertising each product, today’s advertising is a million rupees affairs, ensuring many-folded benefits from the potential buyers. In practice, advertising benefits not only the producers, wholesalers and retailers but also the consumers in more ways than one. Actually it has become an economic force, a marketing tool and social process, all wrapped up in one.

As time rolled by, the society became more and more divers and the structure of its economy, increasingly complex. This necessitated advertising to be updated accordingly. For example, dissemination of information to guide consumer choice had to be
supplemented by other newly available means of advertising. In a society of relative affluence, the focus of economic activity shifted from need-based to non-essential items. As the productive capacity in many cases exceeded existing demands, the need for creating more sophisticated techniques of persuasive advertising, designed to stimulate unconscious desires, was realised. The tool of analytical research revealed that people would not buy an item, simply because a company urged them to “use only our products”. Instead, the companies had to advertise in some more attractive form that would appeal to the people by evoking their varied emotional responses. Only then the target audience would be expected to start buying their “dreams” that these companies try to sell through their innovative advertising. Thus, advertisements have become almost inevitable as an effective weapon in today’s war called Business.

The enterprise called brand marketing is like a game of chess. The objective is always to stay in a winning mode. While in chess, the pieces are used as soldiers of different ranks for waging the battle on the chessboard, marketers have to make use of their armoury of brand name, packaging, pricing, distribution and advertising in their “brand wars”. Modern day advertisements have evolved a lot, becoming more and more advanced, climbing
steeply from the written word to the use of present day electronic media (Television, Internet), wherein a magic world is created in the mind of the buyers with the help of computers. The new make believe techniques wield such magical power that they can hold the buyers spell bound for at least a few moments forcing them to forget everything about even themselves and be completely swayed away by the charm of the advertisement.

In India it may be recalled that the first car rolled out of Hindustan Motors way back in 1942. Since then, car production has increased by leaps and bounds in our country and become an exporter of cars. However the growth trend in the production of cars has varied in last three decades from just 1 percent in the decade 1970-80 to 21 percent in the decade 1990-2000. The major increase in the production of cars during these two decades was due to the entry of Maruti Udyog Ltd. and more favourable policy framework announced by the government. Untill the year 2000, the sales of cars witnessed to its zenith. However, 2001 and 2002 witnessed a difficult period for the Indian car industry due to an overall depressed sentiment in the economy; the co-operative bank crisis, bearish sentiments in the stock markets, Gujarat earthquake lack of accordance among the center, states and businessmen on VAT etc. The passenger car export in the eighties and early
nineties was very negligible. However the export scenario changed dramatically to increase from 89 cars in the year 1987 to 36741 cars in the year 2002, of which 90 percent was attributed to Maruti Udyog Ltd. It may be recalled that only last year, the number of new entrants in the passenger car rallies increase further.

The late eighties of the last century opened up a new chapter in the history of Indian automobile industry. A number of new automobile manufacturing units were incorporated for medium sized cars and light commercial vehicles. For example, Maruti Udyog Ltd. (MUL) was incorporated on 24th February 1981 under the Joint Venture Agreement (JVA) between the Government of India (GOI) and Suzuki Motor Corporation (SMC) of Japan. Actual production commenced in November 1983 and the first product (Maruti 800) was launched in 1984. Since then, the sale of Maruti cars shown an upward trend producing a mere 852 cars during 1983-84 and increasing it to 351949 cars during 2001-02. It is noteworthy that Suzuki's stake had risen from 26 percent in 1981 to 54.20 percent on 14th May, 2002 and Maruti Udyog Ltd. has now become the subsidiary company of Suzuki Motor Corporation. The Market share of Maruti Udyog Ltd. itself was 62.37 percent in 1990-91 that increased to 82.66 percent during 1997-98.
However it shown a downward trend since then. By the year 2001-02, its market share had come down to 58.16 percent. The cause behind the fall is mainly increasing competition by the foreign players, government policies, availability of easy finance etc. To offset this downward trend in its market share, the company has initiated new businesses like Auto Finance, Auto Insurance, Corporate Lease and Fleet Management, the latest being Pre-owned Car Business.

Promotion is the major component of a company’s total marketing mix along with product planning, pricing and distribution. In developing a promotional campaign, company establishes the campaign goal as to aim at consumers of their product, segmenting the market according to their product or services which itself depends upon available funds and objectives. The factors that influence the promotional mix are the amount of money available for promotion, the nature of the market, the nature of the product and the stages of the product’s life cycle. Generally the automobiles advertising goals is to build-up the organisation’s image, long term build up of a particular brand, information dissemination about sales, service or events and advocacy of a particular cause. The automobile industry has therefore, divided its target market on the basis of income groups,
behavioural aspects, life styles, purchasing power and age group. The advertising messages used by the automobile industries are based on emotional as well as rational appeal in order to attract the target customers. Recently a drastic change has been noticed in the presentation of such advertisements. Earlier the main emphasis was on the vehicle's performance and attributes but now the advertiser has prefers to include the emotional appeal as well so as to catch the imagination of the consumer. Traditionally, that were used for the advertisement of the automobile industry banked upon newspapers and magazines as its advertising media; but with the development of technology the recent advertisement media are billboards, neon signs television and internet.

Earlier, where MUL projected the Maruti 800 car as an economical car whereas in the recent past, the main emphasis has been on its low operational cost, minimal maintenance and updated technology. Same is the case with Omni; earlier the main focus was on its spaciousness whereas now, the main emphasis is given to its fuel-efficiency, low maintenance and versatility. Likewise, in case of Maruti Esteem, luxuriousness of the vehicle was highlighted earlier whereas in the recent years, the advertising message reflects the vehicle's quality, economy, value and performance. On the other hand in case of Gypsy, the
earlier advertising message reflected the vehicle’s toughness; but in the recent advertising messages, the emotional appeal has been preferred and it is projected as the off-road vehicle which gives joy and pride while driving.

With the mounting of so many international automobiles manufacture hitting the Indian market, the Maruti Udyog Ltd. has introduced different variants in their brand profile to compete in the market. Their different brands are Zen, Alto, Wagon R, Versa, Baleno and Baleno Altura. In the recent advertising messages, these brands are projected as comfortable, powerful, multi-activity-vehicle, luxurious and stylish vehicle respectively.

The recent advertising used in the newspapers appeals to the emotions of the prospective buyers. For example, a recent headline used in the newspapers is “3 times in a raw”, which reflects the fact that Maruti Suzuki received the No.1 nameplate thrice for customer satisfaction in the J.D. Power Asia Pacific study conducted during the years, 2000, 2001 and 2002. Another headline used in advertisements reads as “The competition has been shooting itself hoarse about being No.1 unfortunately, customers believe otherwise”. This indicates that Maruti Suzuki received No. 1 position in customer satisfaction and remain No.1 in its sales, service, performance, spare and range.
It is noteworthy that emotional appeals are the main part of advertising these days. This applies not only to the car industry but also to almost every other industry. However, it has been felt that emotional appeal is effective for products of daily use and small items. Whereas purchasing a car involves large amount of money. For items like a car, the buyer thinks rationally and so MUL should focus on rational rather than emotional appeal. This, in fact, is the trend adopted by other car manufacturers.

However in this study it has been observed that though this is true for the domestic market, MUL does not undertake any advertising campaign in the international market, which is the potential hub of car manufacturers. It has also been felt that car purchasers belong mainly to the upper middle class or upper class people in India, whereas presently MUL does not bother to undertake aggressive promotional campaign through internet sites although it is no secret that they are very familiar and therefore, used to internet.

The present study also reveals that although the advertising budget has been increased but sales were not increased proportionality. So, it may be said that wrongly conceived advertisements would result in wastage of money. So, an over all assessment is required to check such a wastage. Needless to
emphasise that the advertisement should not only be effective but also have clear objective to ensure its effectiveness.

Finally, few suggestions have been offered that may bring an overall improvement in its sales and market share.

Increased competition in today’s global market place has led to a tendency among the marketers to copy their rival brands, because it forces brands to constantly improve upon their functionality. The strategy normally is that the company has got to up-stage all the time with new formulations and theories or advertising stories. Across the world, successful brands make major improvements in every three years. The secret behind building great brands is the combination of functionality and the added value. “Functionality is provided by the scientists and added values are provided by the advertiser. Thus, MUL should adopt the trends that are being followed in the market.

MUL should begin to re-examine their dealer relationship and pricing strategies. The company shall have to rethink in terms of a new customer focus and provide better financing and servicing schemes.

In the present competitive age, MUL should focus its advertising message on television, which receives and retains the attention of a large chunk of the audience. Through this media
company can express its message more efficiently than through any other media. While delivering the advertising message, MUL should focus mainly on young people in their advertisements, as they are the potential buyers of the near future.

MUL should also provide special incentive schemes to the workforce at dealer stations or service stations. These people wield considerable influence on those already enchanted by the product, due to frequent contact. Additionally, they are the persons approached by and consulted for sound advice by prospective buyers.