CHAPTER I
INTRODUCTION

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
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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.

**Objective of the Study**

The present study has been undertaken to examine and evaluate the changing pattern of advertising in Indian automobile industries a case study of Maruti Udyog Ltd. Precisely the whole study aims at the following objectives.

1. To examine the detail of historical background of advertising in Indian car Industry.
2. To analyse the various promotional tools used by the automobile Industries.
3. To study the strategies and performance of Maruti Udyog Ltd.
4. To assess the impact of advertisement on the sales and market share of Maruti Udyog Ltd.
5. To suggest appropriate measures to streamline the advertising techniques and policies in order to improve the productivity and efficiency in the automobile industries.
Research Methodology

The present study is based on primary as well as secondary source of data. The secondary source of data includes relevant journals, periodicals and government publications. The data were also collected from various publications of the Maruti Udyog, Annual reports, Broachers, and Company-release Material. Fruitful information has also been collected from Society of Indian Automobile Manufacturer. Televisions and Radio have also helped to observe the recent pattern of advertising. During the course of this study the primary data were also gathered through interview and discussion with the car owners, concerned officials of Maruti Udyog Ltd. its authorised dealers and service stations situated in Delhi and Aligarh. Structured as well as un-structured questionnaire were used to collect the primary data. A copy of the structured questionnaire is reproduced in appendix. The questionnaire includes open-end and closed ended of questions.

The information thus collected has been analyse with the help of various statistical tools and techniques. These tools are trend analysis, regression coefficient and (T-test) to test significance relationship between the advertising budget and that of sales. At place the researcher has also taken the help of graphic presentation with the
application of these statistical tools at due places, an attempt has been made to maintain the objectivity of the thesis. On the basis of the trends and result drawn an endeavor is made to interpret and also make appropriate suggestions so that the present decade may prove to be a glorious to the chapter of company’s sales and market shares.

**Hypothesis**

Keeping in view the objectives of the study the following hypothesis has been developed for the verification and confirmation.

a. In view of the global competition the Maruti Udyog Ltd. has changed the pattern of advertising to attract the potential consumers.

b. Inspite of increasing sales the market share of MUL is reducing.

c. Increasing expenditure on advertising has positive impact on sales.

**Review of the Literature**

In the presence of the above objective of the research topic, the researcher has surveyed the bibliography of several Journals, Newspapers, Magazines, Annual reports of Maruti Udyog Ltd. and Dissertation available in the Maulana Azad Library, Faculty of Management Studies at Aligarh, Ratan Tata Library, Faculty of Management Studies, Society of Indian Automobile Manufacturer, Jawaharlal Nehru University (JNU), New Delhi etc.
Manendra Mohan's book entitled "Advertising Management Concepts and Cases" [2000], author made an emphasises on the certain knowledge of business environment and of the basic concept of the marketing management is obligatory in order to follow. Another important feature of the book is exemplication of the various advertising management principles by quoting a number of outstanding cases studies such as the cancer check cases, the waving case, etc. This book has wide coverage ranging from advertising in the socio-economic and cultural content, its futuristic aspect, its practical applicability and most importantly its Indian touch.

Frank Jefkins's book entitled "Advertising" [2000], where an attempt has been made to guide practically to an important business discipline. Advertising is above to all practical affairs. While marketing drives products and services towards the consumer, advertising helps to drive the consumer towards the product at the point of sale. Unless this happens, there can be no hope of making a profit from the product or achieving success for the business.

Rajeev Batra’s book entitled "Advertising Management" [2000], where in this book author had taken special care to add many more examples and case histories to make the presentation more application oriented. He also attempts to provide an exciting picture of the rapidly
changing place of advertising and ad agencies in the total context of marketing communications.

William Wells' book entitled "Advertising Principles and Practice" [1998], in this book author has taken entirely the new chapter on the global advertising, in keeping with the increasing interest in managing a brand's global communications program in a way to optimally balance cost efficiencies with local marketing needs. In keeping with new perspective on how advertising fits into the bigger marketing communications picture and integrated marketing communications, covering that topic as well as sales promotions, direct marketing, public relation and other communication tools.

David A. Aaker / John G. Myers' book entitled "Advertising Management" [1983], the basic thrust of the book is to provide an approach to the management of advertising which is sophisticated, analytical and state-of-the-art and give relevant approach to planning, decision making and control. The focus is on decision-making, specifically those decisions involved with setting advertising objectives, creating advertising campaigns, developing media strategies, and measuring advertising results. This book draws upon and attempts to integrated three related disciplines, behavioural science and management science and marketing and advertising
research.

Colin Gilligan / Geoffrey Crowther’s book entitled “Advertising Management” [1983], where the author in this book highlighted the major issues where taken as institutions and decisions encountered by those who are involved in the management of advertising. It is aimed both at those who may eventually practice advertising and at those who intend to enter the rather wider field of marketing management and fined out the relationship between marketing and advertising.

Charles. J. Dirksen / Arthur Kroeger’s book entitled “Advertising Principles, Problems and Cases” [1978], where the author recognize the book to provide a more logical development of the subject from teaching point of view and to emphasise what advertising is, how it function and its advantages and disadvantages.

M. J. Rodge in article “Influence of Advertising of Consumers of Different Age Groups and Area” [1999], where the study has made to find out the effect of advertisement on different age groups from rural and urban areas and the impact of advertisement on people from rural and urban areas. The study also finds out the most effective media of advertisement used in this area.

B.S. Hundal in article “Sex Portrayal in Advertising” [2001], where the author’s main emphasis had made to find out the reasons of
portrayal of sex in advertisement and impact of these advertisements on children and youth. The study also examines the effect of these advertisements on purchasing power of consumer.

A. Reddy\textsuperscript{10} in article "\textit{Effectiveness of T.V. Programmes Sponsorship}" [1995], an attempt had been made to assess the impact of T.V. sponsored programmes on viewers in terms of their recall levels for the company and product that sponsors by T.V. programmes, assessment of the impact of the nature of the programmes on the viewers sponsorship recall levels of viewers and to analysis whether multiple sponsorship of programmes is advantageous or not.

K. Sayulu\textsuperscript{11} in article "\textit{Socio-Economic Implication of Advertising: Need for regulation}" [1997], in this paper the main focus is on the negative implication of the advertising on socio-economic scenario and suggesting measures which are essential in the interest of not only consumer and the marketer but also of the society in general.

S. Sadar\textsuperscript{12} in article "\textit{Slogans- If Influence on Consumer Buying Behaviour}" [1997], in this paper author has concentrated on the impact of slogan on consumer buying behaviour and evaluates the amount of slogan recalls on the particular product line. It also study the rationalise percent of slogan recall on the market share of the product and study the impact of slogan on advertising in general.
A. Jaffarulla\textsuperscript{13} in article "Techniques to Measure Effectiveness of Advertising" [1996], in this article an author made an attempt to study the techniques to measure effectiveness of advertising. The techniques that tests were media audience measurements, physiological measurements, readership measurements, recall measurements, awareness measurements and attitude measurements.

C. H. Srinivas\textsuperscript{14} in article "Socio-Culture and Psychographic Dimension of Advertising" [1997], in this paper an attempt has made to find the socio-cultural and psychographics impact of advertisements on consumers. It also highlights the positive and negative impact of advertisement on social aspects of consumers.

P. Thiruvalluvar\textsuperscript{15} in article "Advertising Effectiveness - A Factor Analysis" [2000], in this paper an attempt has been made to know the variables that were responsible for advertising effectiveness. For this purpose an advertisement effectiveness scale was prepared.

M.C Macklin\textsuperscript{16} in article "Do children understand TV ads?" [1983], in this paper author emphasis on the young children that was able to point out commercials while viewing and they were able to pick out an advertised brand.

R. Langbourne and A. W. Thomas\textsuperscript{17} in article "children's commercials:creative development" [1983], in this paper the
researcher analysed the content of children's on television advertising and also find out the impact of the recent creative development in the commercial advertisement on children.

S. Rajpal in article "small, still beautiful" [2001], in this article the main emphasis is on the advertisement preference among the different automobile industries by the Indian consumer and it also reflect the purchasing behaviour of the Indian consumer."

B. Pande in article "most advertising is wasted" [2001], in this article the impact of the advertisement on the profitability of the company and also reflect the wastage of the advertisement.

A.Gupta in article "Psychographic Dimension and Advertising Effectiveness" [1999], in this paper the main focus is on the psychographic behaviour of the people relating to advertising and finding the relationship between psychographic and socio-cultural factor. It also studies the advertising effectiveness, targeting, decision, and writing effective advertisement and media decision.

There are so many articles, papers published on the various aspects of advertising and large number of papers has been presented in various seminars, symposium and conferences. Literatures are also available in various books of advertising as mention above. These literatures cover the general aspect of advertising. It is observed that
no such articles or research paper, books have covered the changing
pattern of advertising in Indian automobile Industry.

**Limitation**

Possible precautions and efforts were made to ensure the validity of the research. However, the study was limited in its scope. A work of the nature requires an extensive study of the available literature but the paucity of literature is a great handicap in this respect, the non-availability of statistical data and other information pertaining to the advertisement in the automobile industries in India has been a major handicap for the researchers. The data that are available are many times inaccurate, ambiguous and scattered and thus has to face innumerable difficulties in the collection, compilation and comparison of the data. The data has been used to analysis are confined to 12 years only. The present study is only confined to Maruti Udyog Ltd. The sample has been chosen on the basis of judgment and it may not be truly represented to all customers of automobiles users. Due to the non-availability of fund and time, the survey was conducted only at Aligarh and Delhi. Therefore, its finding may not hold true for the whole country.

Thus, the study has been carried on under several limitations, still researcher is confident that the conclusion drawn would be
fruitful and would be able to provide a useful base for the future working and growth of the company as well as the automobile industry in India.

**Design of the study**

Keeping in view the research methodology, hypothesis and objectives of the study, the whole study has been divided into eight chapters. The first chapter deals with the introduction of the study. The second chapter deals with an overview of advertising. In chapter third main emphasis is on the overall scenario of an automobile (car) industries in India. Chapter four highlights the promotional strategies of automobile industries. In fifth chapter the main focus is on the brief Profile of Maruti Udyog Ltd. In the sixth chapter an attempt has been made to analyse the Promotional Strategies of Maruti Udyog Ltd. In chapter seventh an attempt has been made to Analyse the Trends and Testing the Hypothesis. Finally in the last chapter the main findings of the study has been summed up and suggestions are offered for further improvement so as to increases the overall efficiency.