Chapter Eleven

Findings and Suggestions
CONCLUSIONS AND FINDINGS

This chapter is devoted to approbation of hypotheses, impact of change in patterns of advertising, not only on advertising agencies and consumers, but also on marketing concept as a whole. Summary of findings and suggestions for better deliverance of final product by advertising agencies, as per the likes and dislikes, and demand of the consumers is enlisted below.

The present research study is based on two hypotheses-

(a) Rapid globalisation of economies and equally rapid technological advances has led to increased awareness and quality consciousness amongst the consumers, so there have emerged radical changes in advertising patterns.

(b) This change has also affected the organization and management of advertising agencies and there relationship with clients.

Above hypotheses have been formulated after a detailed analysis, and supported by the general findings of the research. Numerous observed facts during the research study confirmed these hypotheses.

It would be appropriate to mention that the researchers could not apply suitable statistical technique to confirm hypotheses for the following reasons

✓ All the consumers of the sample have not responded to the questionnaire properly, and problems were added to it when even those consumers which have responded have kept themselves away on crucial aspects.
✓ Many answers to the question were ambiguous so it was very difficult to derive any conclusion effectively.

✓ Data (information) regarding advertising agencies of the sample has also not been fully revealed by the agencies, due to reasons of secrecy, and fear of competitors.

Moreover as the topic is subjective its answers are bound to be subjective and individual based where different type of biases has crept in, thus for subjective and qualitative responses, uniformity and generalization on the aspect under investigation, which is an essential prerequisite to apply statistical technique could not be maintained.

Although the topic being subjective, yet the study revealed in-depth insights into the variegated aspects of change in organization and management and advertising agencies in India as well as changing overall scenario of advertising world regarding consumer durables.

It can be easily inferred from the conclusions of the study that rapid globalization and technological advances has brought in sea change not only in the methods and means of advertising but also there is a sea change in the aspirations of consumers also. However, it suffers from certain limitations which may effect the generalisations of the result.

SUMMARY OF FINDINGS

1. There will be growth of advertising as a business in India, as business organizations will have to depend heavily on advertising, in order to improve their competitive positions, in contrast to other marketing functions. Therefore, in devising and implementing advertising strategy, they will have to depend heavily on advertising
agencies. Advertising agencies are important institutions which provide services in dissemination of the intended message through various media, and facilitate in devising and implementing the communication strategy and thereby the advertising strategy of a business concern.

2. Technical changes in advertising and changes in media options will require advertising agencies to form functional association with one and another. After the influence of various multinationals, and joint ventures, the integration of capacities will hold the key to the survival of advertising agencies with the rapid growth of the electronic media, most agencies expect to maintain their frenetic growth and the total advertising expenditure is expected to increase dramatically. No wonder all the global players are eyeing India seriously, with existing partners hiking their equity in their Indian counterparts.

3. Most of the consumer durable goods manufacturing companies are in a highly competitive field, and engaged in advertising. Consumer durables are though not very frequently bought articles, yet they require heavy dose of advertisement, more so because, here advertisement has to create a positive attitude about the product, so whenever a buying decision is made it is influenced by the advertisement. The advertising here functions to establish a competitive advantage with substitute brands. Consumer durables are appliances which serve us for a long time. They are also advertised by making use of both emotional and rational appeals. Example, music systems, washing machines, air conditioners, micro-wave-ovens and refrigerators etc.
4. Due to the impact of globalization and rapid technological advances in almost all the walks of life not only products are being changed or upgraded but also their advertising techniques are going through a sea of change.

5. From the answers given by the sample population, it emerges that the most important consumers group belongs to income group of Rs. 5000 to Rs. 20,000 i.e. the middle segment of the society. This segment on an average covers almost 60% of the total purchases of the consumer durables. This middle income group is largest segment in India with good purchasing power, moreover, they are the ones most effected by what we call “demonstration effect” in Economics.

6. A very high percentage (64%) of respondents to a survey for their intention to purchase after going through an advertisement reveals that they go through an advertisement before the purchase, the majority of the respondents belonged to middle income group. (57 persons) 23% of the respondents answered in negative that they don’t go through an advertisement before making a purchase decision, thus, revealing that advertisements are not the only criteria for the purchases. This goes to show that though advertisement attract consumers in a big way and advertisement does help in forming some kind of positive opinion about the products advertised, yet an advertisement is not the sole factor responsible for buying decisions.

7. Broadcast media was found to be most popular media (41%) for influencing purchase decisions. This is in line with revolution in
broadcast media i.e. increase in number of channels on television and increase in reach of these electronic media, emergence of new media like Internet etc. With the advent of so many programmes, serving to every segment of the society, with high TRP rating consumers have started to devote greater time to these media with fair amount of regularity. Survey reveals that 39% of the respondents attend to their favorite media on daily basis.

8. The other important media is press (popular among 29% of the respondents). Press as an opinion forming and information disseminating media has its own unique place, it becomes a very relevant media for advertisements of various consumer durables as written and read information is retained for a longer time. Moreover, press is such a media in which long and detailed information about the products can be easily disseminated to the knowledgeable and discerning consumer.

9. Consumers generally pay a lot of attention to advertisements and in fact, on a regular basis. When the consumer frequency of attending media was surveyed it was found that the most of the consumers attend to their favourite media on daily basis (39%) at the same time consumers attending on weekly or fortnightly basis was also in good percentage (weekly 22%, fortnightly 20%). Very few consumers were found to attend media on an hourly basis or monthly basis. It goes to show that with revolution in the entertainment industry, more in the field of electronic media, consumers devote a lot of time to it, and that too on a regular basis. To a question, “Is there any programme you watch on a daily basis?” 150 persons (62% ) responded in affirmative and even named a programme “Kaun banega crorepati” which they never miss.
10. Though, it is a general feeling amongst consumers that they do not pay much attention to the advertisements but the survey reveals that consciously or unconsciously people watch advertisements and are certainly influenced by them. Study reveals that 41%, a very high percentage, of consumers attend to advertisements on daily basis aired in their favourite media. It is thus quite clear that as popularity of different media is increasing, people are becoming more receptive to advertisements and directly or indirectly they are guided by these advertisements.

11. In this era of globalisation there has been tremendous increase in types of media, for example there are more than 50 channels on television airing so many popular soaps and programmes with high TRP ratings. All these have opened up new avenues for advertisements. With ever increasing reach of media, the reach of advertisements is also proportionately increasing. Now people are bound to go through the advertisements – "they can hate it or love it but no way can escape it" – Our survey indicates that advertisements definitely affect buying patterns of the consumers, as a high percentage- 64% of respondents, answered that they bought the product after viewing the advertisement and very low percentage i.e. 19% of respondents answered that they bought before viewing the advertisement.

12. For attending advertisement there are various factors involved but the most important is "on its own". In our survey 39% of the respondents went through advertisements on their own, in fact, it is a general trend that willingly or unwillingly people go through
advertisements while watching their popular programmes or going through their popular magazines or periodicals. But survey clearly indicates that a fair percentage of respondents i.e. 24% are influenced by suggestions of other persons belonging to their close circle, which helps in formation of a kind of positive attitude endorsement to a particular advertisement, it may be based on any kind of recommendation, for example, some celebrity or a unique theme. Thus research clearly points out that an advertisement should have a unique proposition to it so that it can attract consumers and can create a positive atmosphere about it, which eventually makes consumers to take notice of it.

13. To the question “Which advertisement attracted you the most” the general answer was diversified, some people were influenced by a particular music, by some kind of creativity, presence of some celebrity or a high-tech advertisement. Thus, it is very tough to determine what kinds of advertisements attract consumers the most, there can be no thumb-rule. But in general, it can be said that an advertisement should convey the inherent U.S.P. of the product with the best possible method.

14. Consumers are also well aware of the fact that the pattern of advertisements is changing rapidly, in answer to the above question, consumers answered that now-a-days, advertisements have become attractive and informative but at the same time they also complained that advertisements are creating a kind of euphoria about a particular product, which in fact does not exist. By simply bombarding the consumers with advertisements, manufacturers are selling even those products which are not as good as their advertisements claim.
15. Consumers are also well aware about the changes taking place in media. Most of the programmes, especially on broadcast media are sponsored by big corporate groups, hence these programmes are heavily dependent upon advertisements. Also the, survey revealed an increasing awareness amongst consumers for the newly emerging media, like Internet. Also the highly informative and creative advertisements on the net are attracting a large number of consumers.

16. Most advertising agencies are finding it difficult to identify popularity of TV and Radio programmes, particularly in a multichannel environment; and hence decide the media in which to place their clients ads for the best possible results.

17. Most of the advertising agencies are using highly advanced and innovative computerized models for media planning.

18. Agencies are making efforts to intensively use other media such as outdoor media like –hoardings and narrowcast media like – cable network.

19. There are a number of enactments, rules regulations affecting the advertising agencies, in particular, and the advertising industry in general. All these laws are not formally codified.

20. The growth in number of advertising agencies in India was gradual upto 1980. From 1980 onwards, the phenomenal growth of advertising agencies is registered both in numbers and size. There has been a sharp increase in numbers of the accredited agencies, whereas non-accredited agencies registered a steady increase in numbers.
21. Location of advertising agencies is affected largely by the location of advertisers, so most of the agencies are located in Bombay, Delhi, Madras, Calcutta, Bangalore, Ahmedabad, Hyderabad and Pune. Majority of the large advertising agencies are located in Bombay for the reasons Bombay is the business capital of India. Delhi has emerged as the second most important advertising center in India.

22. Affiliations of Indian agencies with foreign advertising agencies have now become an accepted practice as multinationals, generally, prefer their global brands to be handled by the same agency worldwide.

23. Indian advertising agencies are working hard to secure equity participation of foreign advertising agencies or mega groups. Mudra Communications through its division Mudra International has started a new trend of going abroad.

24. All the advertising agencies, with no exception, are engaged in serving their clients through advertisements in print media, irrespective of their size and age. Press billings for all the advertising agencies is more than billings for other media. Bombay region alone contribute 70.42 per cent and Bombay city stood at 67.31 per cent of the total press billings of ad-agencies. Press billings constitute 71.56 per cent of the total ad-revenue on the national scene.

25. Forty four percent agencies are engaged in TV advertising. That is to say, share of TV billings in the total ad-revenue is 20.65 per cent
and all the agencies are not using television as a medium for advertising.

26. Billings for other media, including Radio, of advertising amounts to only 7.79 per cent of the total ad-revenue on the national scene.

27. Agencies operating under the sole-proprietorship or partnership type of organization have limited financial resources which make them unsuitable to undertake a large size business operation. However, in case of private limited or public limited advertising agencies, inadequacy in getting the finances is not so serious.

28. All the advertising agencies use compensation system based on commission. The second most common system in India is the compensation based on service charge. The fee system is noticed only in cases where commission to the agencies is too large or not paid to the agency. There are very limited number of advertising agencies which have shifted from the commission based compensation system because of the restrictions imposed by publishers to pass on the commission to the advertiser.

29. Majority of the agencies are large or medium sized agencies. However, a notable shift in the size of advertising agencies, i.e., from small to medium and medium to large sized agencies is observed.

30. Advertising agencies continue to offer exciting and challenging career opportunities. These opportunities are as an account executive, copy writer, art director, research executive, media planner etc.
31. In almost all the cases, functioning of agencies is a one man show. Even in large agencies, it revolves around one or two persons. Nevertheless, agencies in Bombay region alone employ 60.72 per cent of total employees strength of agencies in India. The average number of employees for an Indian advertising agency works out to, practically around, 80.

32. Another important observation is that designations and titles in an agency do not necessarily reflect the relative position in the agency’s organizational structure.

33. Agencies differ significantly in having their own print and broadcast media production facilities and they, also, differ significantly in using various production methods/techniques for print and broadcast media. Most of the agencies (67 per cent) do not have their own print and broadcast media production units. The production activities are usually done by external suppliers. There are 17 per cent of agencies which have their own separate production departments and out of these only eight per cent agencies have studios. Another five per cent of agencies carry out production activities through their divisions and another 11 per cent of agencies carry out through their subsidiaries.

34. Agencies are turning towards providing full spectrum of services to their clients.

35. As regards, functions and services offered by advertising agencies to their clients, all the advertising agencies, irrespective of size, clients, location etc., offer two basic advertising services, namely
creative services (including art, copy, illustrations, layout, photography, printing and other production activities) and media services (including media planning, media contacts, media research and other media related activities) to all of their clients for print media advertising. While for TV and other (including radio) media advertising 45 and 62 per cent agencies respectively provide these two basic functions.

36. All the advertising agencies observe the Advertising Agency Service Standards, as prescribed by the Indian Newspapers Society.

37. The trend, as observed, is to provide more and more services to their clients. Also a shift is noticed from creative services to Marketing Services. This is done either by their own departments or through their divisions or subsidiaries or through merger of agencies in order to cater to the varying nature of client's marketing and advertising needs. Some of the areas are: Marketing and Advertising Research (3 per cent through divisions, 3 per cent through subsidiaries, 24 per cent through departments and remaining through independent research teams or by hiring services of market research agencies), Sales Promotion and Merchandising (14 per cent through a team of employees who are specialized in this activity and 12 per cent through divisions or subsidiaries), Public Relations and Publicity Campaigns (7 per cent through divisions or subsidiaries and 22 per cent through their PR departments), Direct Marketing (only 9 per cent through divisions or subsidiaries), Preparation and Reformulation of Marketing Plan (all the agencies) and Financial Advertising (six per cent).
38. When asked, “Do your clients come to your agency on their own-yes/no, if no, whether they come (i) through advertising (ii) through contact persons (iii) through associations’, most of the agencies (53 per cent) felt that clients come on their own. While 23 per cent of agencies get a new account without any effort i.e., either they come on their own or through personal contacts/contact persons and 24 per cent of agencies get a new account through advertising in trade associations’ publications, direct mailing, personal contacts or contact persons or through industry grapevine.

39. As regards, problems being faced by advertising agencies, some of the important findings are given as under:

✓ Financial resources are severely strained for most of the agencies.

✓ Nearly all the agencies face the problem in different magnitudes of employees turnover or flight.

✓ “Findings committed manpower” and “to obtain broadguage account executives who are well versed in advertising functions and skillful in understanding and thereby accordingly handling the account problems and needs”.

✓ Introduction of new technical terms pose another problem in translating the advertisement copy.

✓ Most of the executive feel that poor quality of newsprint and magazines paper do not help in bringing out the desired results of the advertisement copy.

✓ Most of the executive feel clients, generally, select agencies on the basis of non professional criteria.
✓ Multiplicity of objectives, sometimes, create conflicts.

✓ Advertising agencies face difficulties in enforcing the legal requirements.

40. Changing role of advertising agencies will eminently affect the functioning and organization of ad-agencies.

41. Majority of ad-agencies feel that the role of agency is to help the advertiser in implementing his marketing objectives through advertising strategies co-ordinated with other promotional strategies. Advertising agencies must fulfill the responsibilities towards the advertiser, customer and at large towards the society.

SUGGESTIONS

1. The world is fast becoming a global market place and thereby requires agencies to reshape their policies and practices. This in turn requires Indian agencies to concentrate on the opportunities of the rural market and to develop strategies to make themselves internationally skilled and competitive.

2. In face of globalisation, advertising agencies should be careful in using the foreign advertisements for the products when handling a multinational account.

3. Newspapers and periodical publishers should replace the old and obsolete printing technology and should make attempts to acquire good quality of papers.

4. Advertising is used mainly for commercial purposes. Advertising agencies should make efforts to motivate business organizations to
undertake non-commercial advertising, as a part of their social responsibility, for social causes and public services like health, literacy, dowry, drug addiction etc. in order to draw the attention of the public on matters of social concern.

5. Agencies should make intensive efforts to trap the video channel as this media option will gain more popularity in near future.

6. In the area of media planning advertising agencies should use linear programming models through computers, as done by the R.K. Swamy/BBDO Advertising Private limited.

7. Subsidiaries/Divisions of advertising agencies should work synergistically with their agencies and in no way should work which will generate conflicts, as they are primarily meant to consolidate business and improve market share.

8. Numerous legal measures have been undertaken to prevent abuse of advertising. However, much more is left to be done, particularly, in the following areas by ways of single and codified enactment:

   (a) Definition of ‘unfair’, ‘deceptive’, ‘false’, and ‘misleading’ advertising in unobscure and clear terms.

   (b) Substantiation of claims should be made a statutory requirement.

   (c) Compensation plan to the aggrieved party for any adverse effect.

   (d) Responsibility for the abuse be fixed on the advertiser and in no case on the media owner and the advertising agencies.
Besides the legal measures from the government, the trade and professional associations of media owners, advertisers and advertising agencies should advocate the philosophy of self-discipline and self-regulatory system.

9. Advertising agencies, through their associations, should make strong enough representation to the Government to declare advertising as an industry.

10. Increasing restrictions being imposed by Stock Exchange Board of India (SEBI) makes the task of production of advertisements for public issues more difficult. Therefore SEBI should clearly define the do’s and don’t’s for advertising agencies in this regard. Role portayal by women, comparative advertising (which is quite common abroad and almost non-existent in India and advertising based on it had helped advertisers to win the marketing wars) and celebrity endorsements.

11. Advertising strategies should be applied after taking into consideration, the social and legal implications (like false or misleading endorsements and comparisons, that may adversely affect the audience) meant for protecting the consumers from any abuse of advertising.

12. In the face of globalization, to overcome cultural, competitive and executional problems, creative work should be done by the Indian agencies and the advertising appeals, slogans, themes, etc. should be made to match the Indian environment. However, the global team of the advertiser or his international advertising agents may be assigned with the task of creating a model which provides attributes, striking features and benefits of the products/services.
13. Agencies should develop a unique selling proposition for the client’s products/services keeping in view the relevance to a particular marketing situation.

14. For delivering better end products i.e. better advertisements as per the likes and dislikes of the audience, the agencies should concentrate on developing familiarity with certain product categories, and thereafter handle advertising campaigns of clients manufacturing those products only.

15. The information and knowledge level of the consumers has increased sharply, and the age of knowledge and information has dawned. Hence for the advertisements to be accepted by the audience, they should be eye catching, but not frivolous, because the audience of today is not ignorant, and hence would prefer quality, information laden advertisements.

16. For production of quality advertisements, the agencies should attempt to serve the client on a case to case basis, rather than industry wide basis for the reasons of variations in conditions.