CHAPTER-1
INTRODUCTION

ADVERTISING

Advertising is a measure of growth of civilization and a sign of striving of human race for betterment and perfection. The drive for survival and satisfaction and the limits of human endeavor have been succinctly summed up by Maslow in his holistic dynamic theory which brings together various schools of thought on the subject. (Maslow 1954). Advertising has both forward and backward linkages in the process of satisfaction across the entire spectrum of needs. The explicit function of advertising is to make the potential audience aware of the existing product, service or idea which would help them fulfil their felt needs and spell out the differential benefits in competitive situation. On advertising also lies the obligation of motivating prospects to strive for creation of resources for fulfilling new needs to aid reallocation of available resources. “Advertising is not merely directed at selling or for achieving the objective of gaining acceptance for a worthwhile idea or programme. It is also an instrument for developing basic motivations for creating resources for buying goods and services for generating favourable conditions for acceptance of an idea” (Mohan, 2002).

“As needs escalate, the consumer perceptions of products and services also change. Buyers attitude towards products may be determined not only by products manufactured in factories but also by what is added in form of packaging, services, advertising, customer advice, financing, warehousing and other things that people value” (Levitt and Theodors, 1969).

The word "advertising" is derived from the Latin word "advertere" which means "to turn the mind to". Broadly speaking advertising does turn the attention of the public to a product, a service, or an idea. Before the advent of newspapers, and magazines and the other advertising media, the only available media for advertisements were the sign-boards and town-criers\ The principal function of these early signs was to identify a merchant's place of business. In addition to being the first major form of advertising,
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even today, the sign-boards have continued to serve as an important advertising medium.

The simplest meaning issued by the Advertising Association is that "Advertising is the means of making known to public in order to buy goods or services; i.e., it is the means by which we make others know what we have to sell or what we want to buy (Jefkins, 1984).

Advertising is a non-personal communication of information usually paid for and usually convincing in nature, of products services or ideas by identified sponsors through various media; as described by Bovie Countland and Arens William that "Advertising presents the most persuasive selling message to the right prospects for the products or services at the lowest possible costs" (Bovie, 1982).

All forms of advertising communicate some message to a group of people. As a communication function, advertising had its beginning in ancient civilizations. Most historians believe that outdoor signs carved in clay and wood. Roman merchants used the first form of advertising. Since the population of those old days was unable to write and read, the signs were symbols of the goods for sale, such as a boot for a shoemaker shop. Advertising campaign is a planned program of action, which combines various methods to promote an organization, its product or services within the limits of budget.

Advertising may lead to increased sales which lead to mass productions. Therefore, for better choice of customers, to select products according to their need and budget; the information about products, their specifications, qualities and sometime even the price need to be advertised. Advertising leads to greater competition and therefore better quality and lower price and boost the sale on a large scale. It is a dynamic form of information for public in which business interests, creativity, consumer behaviour and high visibility, makes it particularly, open to criticism. Advertising is the cheapest and most effective way of making known goods or services in order to sell them. The apparent high cost of advertising is relatively small. However, we are at a turning
point as we move out of the industrial age into a fast approaching future of new technologies.

According to Richards and Curran (2002), “Advertising is a paid, mediated, form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future”. Advertising is looked upon as a major part of an overall promotional strategy by the marketers, while it is viewed as encompassing all forms of promotional communication by general public. Most advertising practitioners limit it to paid communications conveyed by a mass medium. Kotler (2006) defines advertising as “Advertising is any paid form of non-personal presentation of ideas, goods and services by an identified sponsor”. Victor (1984) says, “Advertising is any paid message presented in media by a paid sponsor.”

Advertising is any paid form of non-personal communication of information about products or ideas by an identified sponsor through some media to influence the consumer. According to Agticw and O'Brien (1964), advertisements are very powerful as it holds present customers against the inroads of competition, converts competitive users of advertiser's brand instead of asking for product by genuine name it also converts non-users of the product type to users of products with brand equity and makes steady customers out of occasional customers. Advertising consists of all the activities involved in presenting to a group, a non-personal, oral or visual, openly sponsored message regarding a product or service or idea. This message called an advertisement, is disseminated through one or more media and is paid for by the identified sponsor.

Advertisements sell more than just products; they present on idea of normalcy, who we are and who we should be. Advertisement is a major vehicle for presenting images and farming attitudes. The majority of advertisements incorporate young, beautiful, slender models to present their products and services, while individual advertisements may not be seen as a big issue.

As a form of commercial mass communication, advertising is intended to promote the sale of a product or service, or a message on behalf of an institution, organization, or candidate for political office. Historically, advertising can be found in cultures that
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existed thousands of years ago, but advertising only became a major industry in the 20th century. Today, the industry employs hundreds of thousands of people and influences the behavior and buying habits of billions of people. Advertising spending worldwide now exceeds $350 billion per year. In the United States alone about 6,000 advertising agencies help create and place advertisements in a variety of media, including newspapers, television, direct mail, radio, magazines, the internet and outdoor signs. Advertising is so commonplace in today’s world that an average person may encounter from 500 to 1,000 advertisements in a single day, according to some estimates (Microsoft Encarta Online Encyclopaedia, 2009).

Too often, advertising is seen in short-run terms, with the main emphasis on the current profit and loss statement. To improve results, management must view advertising as a capital investment with sales revenue generated like a stream over time. The key is to assess the customer-holdover or cumulative effect of the media campaign, based on analysis of a company’s past performance.

A few decades ago, when W.K. Kellogg was asked what was necessary to get into the cornflakes business, he replied: “To build production facilities, X million dollars; to get consumer acceptance, three times as much.” He clearly understood that advertising outlays to gain brand recognition were an integral part of the total investment needed to break into the business.

Advertising is not just valuable for new companies alone. It is even more important for well established businesses in order to develop customer loyalty and corporate image in short, to build an intangible capital asset called goodwill. This view is also held by antitrust economists, who generally are not favorably disposed to advertising. To them, brand franchise, created through heavy spending in mass media, is just as formidable a barrier to entry as the capital needed for buildings and machinery. Each piece of advertising influences sales today, and at the same time adds another brick to the structure of goodwill that increases business tomorrow. The key element is the customer-holdover effect. It can occur in two ways. Advertising may lead directly to sales; and many new buyers, being satisfied with the brand, may repeat the purchase. Or, the advertising stimulus, instead of winning fresh converts, may increase brand
usage per customer; and this habit may persist far into the future. Thus, in both cases the initial exposure affects present as well as future purchases. Proper evaluation procedures require that these later sales be credited somehow to the earlier exposure.

Most of the advertisements are designed to promote the sale of a particular product or service. However, some advertisements also intend to promote an idea or influence behavior, like encouraging people not to use illegal drugs or smoke cigarettes. These advertisements are commonly addressed as public service advertisements (PSAs). Some advertisements promote an institution, such as the Red Cross etc. and are known as institutional advertising. Their purpose is to encourage people to volunteer or donate money or services or simply to improve the image of the institution doing the advertising. Advertising is also used to promote political parties and candidates for political office. Political advertising has become a key component of electoral campaigns in many countries.

As quoted by Ball (1978), “Advertising enables consumers to exercise their right of free choice. Also, advertising is one of the most economic means by which a manufacturer or an institutional body can communicate to an audience, whether to sell a product or promote a cause of social welfare. Advertising can help in improving the economies of developed and developing countries as advertising stimulates increases in production and consequently generates more employment. It can help to stabilize the prices and thus lead to wide distribution and greater availability of goods and services”.

**Evolution of Advertising**

Advertising is the simplest method for conveying thoughts and messages, by one person to another. The man of ancient ages developed sounds and signs to convey their messages to other people. Thus, during the early civilization the message and knowledge was verbally conveyed to each other, with signs by hands and some sound from the throat (Farese, 1991).

In order to meet common demands and requirements, all human beings depend on others, which necessitated the invention of communication system. Later on, this
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method of communication was improved and people started conveying messages by words, ultimately shaping the words to sentences and finally developing the first language.

With the passage of time the art of signs by hands and eyes, face expression, pictorial symbols, sculptural expressions were followed immediately. Even today, different figures and shapes of animals in museums show the ideas and thoughts of primitive men in every society and civilization. Then, human communication was followed by traditions and legends of story-tellers, usually fictitious and over-coloured, which would create interest for the listeners.

Merchants, traders and other businessmen were also good story-tellers and used to praise products, material and manufactured goods of some parts of the world when they traveled to the other parts of the world. In this way they used to advertise the products/commodities which they could purchase at a low price from a country where it was being manufactured/produced and sell it in a country where they there was a demand for it or they had created its demand. In this way these merchants/traders could obtain maximum profit on their trading business. This was the first form of advertising as the story-tellers also highlighted the qualities and benefits of things to be used by kings, lords, and rich people. From here the interest of people in listening evolved the institution of Public Crier.

The evidence of advertisements has been found dating back to 3000 BC, among the Babylonians. Outdoor display typically an eye-catching sign painted on the wall of a building is one of the first known method of advertising. Many such signs have been uncovered by the Archaeologists, notably in the ruins of ancient Rome and Pompeii. An outdoor advertisement found in Rome indicates the offer of property for rent, and another found painted on a wall in Pompeii calls the attention of travellers to a saloon situated in another town.

In medieval times word-of-mouth praise of products gave rise to a simple but effective form of advertising, the use of so-called town criers. The criers were citizens who read public notices aloud and were also employed by merchants to shout the
praises of their wares. Later, they became familiar figures on the streets of colonial American settlements. The town criers were forerunners of the modern announcer who delivers radio and television commercials. (Microsoft Encarta Online Encyclopaedia, 2009)

Later, by the invention of movable-type writer, printing advertisements came into existence, which made the distribution of circulars and posters possible. The first printed advertisement to appear in English was in the form of a handbill which announced the sale of a prayer book. Two hundred years later, the first newspaper ad was published which offered a reward for the return of 12 stolen horses. The Boston News-Letter was the first regularly published newspaper in America, which began carrying ads in 1704, and after 25 years later the ads were made more readable by using large headlines. Due to the expanding economy in the 19th century, advertising grew alongside. Later, classified ads in newspapers became more popular, with small print messages promoting all kinds of goods. When radio stations began broadcasting in the early 1920s, the programs were aired without advertising. The first radio stations were established by radio equipment manufacturers and retailers offering programming to sell radios. However, many non-profit operators followed suit, such as schools, clubs, and civic groups (Machesney, 1999). The radio station owners soon realized they could earn more money by selling sponsorship rights to other businesses. In those days, each show was usually sponsored by a single business, in exchange for a brief mention of the sponsor at the beginning and end of the show. This practice was carried over to Television in late 1940’s and early 1950’s. The 1960s saw advertising transform into a modern, more scientific approach in which creativity was allowed to shine, producing unexpected messages that made advertisements more tempting to consumers’ eyes.

The late 1980s and early 1990s saw the introduction of cable television with numerous channels, wherein many channels pioneered the concept of the music videos, and ushered in a new type of advertising that is the consumer tunes in for the advertising message, rather than it being a by-product or afterthought. As cable and
satellite television became increasingly prevalent, specialty channels emerged, including channels entirely devoted to advertising.

FORMS OF ADVERTISING

Advertising can take a number of forms, including advocacy, comparative, cooperative, direct-mail, informational, institutional, outdoor, persuasive, product, reminder, point-of-purchase, and specialty advertising. The brief description is as under:

**Comparative Advertising:** Comparative advertising compares one brand directly or indirectly with one or more competing brands. This advertising technique is very common and is used by nearly every major industry, including airlines and automobile manufacturers. One drawback of comparative advertising is that customers have become more skeptical about claims made by a company about its competitors because accurate information has not always been provided, thus making the effectiveness of comparison advertising questionable. In addition, companies that engage in comparative advertising must be careful not to misinform the public about a competitor's product.

**Cooperative Advertising:** Cooperative advertising is a system that allows two parties to share advertising costs. Manufacturers and distributors, because of their shared interest in selling the product, usually use this cooperative advertising technique. An example might be when a soft-drink manufacturer and a local grocery store split the cost of advertising the manufacturer's soft drinks; both the manufacturer and the store benefit from increased store traffic and its associated sales. Cooperative advertising is especially appealing to small storeowners who, on their own, could not afford to advertise the product adequately.

**Advocacy Advertising:** Advocacy advertising is normally thought of as any advertisement, message, or public communication regarding economic, political, or social issues. The advertising campaign is designed to persuade public opinion regarding a specific issue important in the public arena. The ultimate goal of advocacy advertising usually relates to the passage of pending state or federal
legislation. Almost all nonprofit groups use some form of advocacy advertising to influence the public's attitude toward a particular issue.

**Direct-Mail Advertising:** Catalogues, flyers, letters, and postcards are just a few of the direct-mail advertising options. Direct-mail advertising has several advantages, including detail of information, personalization, selectivity, and speed. But while direct mail has advantages, it carries an expensive per-head price, is dependent on the appropriateness of the mailing list, and is resented by some customers, who consider it "junk mail."

**Informational Advertising:** In informational advertising, which is used when a new product is first being introduced, the emphasis is on promoting the product name, benefits, and possible uses. Car manufacturers used this strategy when sport utility vehicles (SUVs) were first introduced.

**Institutional Advertising:** Institutional advertising takes a much broader approach, concentrating on the benefits, concept, idea, or philosophy of a particular industry. Companies often use it to promote image-building activities, such as environmentally friendly business practices or new community-based programs that it sponsors. Institutional advertising is closely related to public relations, since both are interested in promoting a positive image of the company to the public. As an example, a company may develop an advertising theme around its practice of planting trees in areas where they have just been harvested. A theme of this nature keeps the company's name in a positive light with the general public because the replanting of trees is viewed positively by most people.

**Outdoor Advertising:** Billboards and messages painted on the side of buildings are common forms of outdoor advertising, which is often used when quick, simple ideas are being promoted. Since repetition is the key to successful promotion, outdoor advertising is most effective when located along heavily traveled city streets and when the product being promoted can be purchased locally. Only about one percent of advertising is conducted in this manner.
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**Persuasive Advertising:** Persuasive advertising is used after a product has been introduced to customers. The primary goal is for a company to build selective demand for its product. For example, automobile manufacturers often produce special advertisements promoting the safety features of their vehicles. This type of advertisement could allow automobile manufacturers to charge more for their products because of the perceived higher quality the safety features afford.

**Product Advertising:** Product advertising pertains to non-personal selling of a specific product. An example is a regular television commercial promoting a soft drink. The primary purpose of the advertisement is to promote the specific soft drink, not the entire soft-drink line of a company.

**Reminder Advertising:** Reminder advertising is used for products that have entered the mature stage of the product life cycle. The advertisements are simply designed to remind customers about the product and to maintain awareness. For example, detergent producers spend a considerable amount of money each year promoting their products to remind customers that their products are still available for sale.

**Point-of-Purchase Advertising:** Point-of-purchase advertising uses displays or other promotional items near the product that is being sold. The primary motivation is to attract customers to the display so that they will purchase the product. Stores are more likely to use point-of-purchase displays if they have help from the manufacturer in setting them up or if the manufacturer provides easy instructions on how to use the displays. Thus, promotional items from manufacturers who provide the best instructions or help are more likely to be used by the retail stores.

**Specialty Advertising:** Specialty advertising is a form of sales promotion designed to increase public recognition of a company's name. A company can have its name put on a variety of items, such as caps, glassware, gym bags, jackets, key chains, and pens. The value of specialty advertising varies depending on how long the items used in the effort last. Most companies are successful in achieving their goals for increasing public recognition and sales through these efforts.
Advertising Effectiveness

Advertising is an investment involving huge sum of money besides lot of energy, creativity and time. The stake is really high. If an advertising campaign fails to achieve desired impact, the mistakes become too costly for both the advertiser and the agency. Thus, it becomes logical for the advertiser to check the effectiveness of advertising. The measuring of advertising effectiveness shows how effective and successful a particular campaign has been. The effects of advertising should be isolated from those of other promotional and marketing activities to measure its effectiveness.

The measurable factors like readership, consumer opinion, belief or disbelief, recall, attention, comprehension, attitude, etc. are taken into consideration for the purpose of measuring effectiveness. To achieve optimum sales, this is the ultimate purpose of advertising. Positive relationships are, therefore, established between these factors and sales. Copy testing before and after use is done with reference to customers. Consumers under an advertising research programme determine the best read and highly rated advertisements. All advertising is not designed to lead directly to sales. For example, some advertising may be aiming for long-term brand-image building. Whether it is designed for short-term or long-term purposes, advertising’s effectiveness lies in its capability to help stimulate or maintain sales (Eachambadi, 1994; Mantrala et al., 1992; Naik et al., 1998; Vidale and Wolfe, 1957).

Thus, advertising is frequently used as an independent variable in explaining changes in sales (Lilien, 1994). According to Abraham and Lodish (1990), however, “a real and important issue in advertising effectiveness is the incremental sales of a product over and above those that would have happened without the advertising or promotion.” The short-term advertising resulting in a sustained high level of sales portrays the fact that the company is getting the most out of advertising.

Although advertising managers have long considered the idea that advertising’s impact on sales can persist longer than the current period (Clarke, 1976), many of them still assume that advertising’s effect on sales is short term. They also hold that,
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in all cases, more and longer uses of advertising are better than less and shorter uses of it, whether or not advertising is directly boosting sales (Jones and Philip, 1992). Abraham and Lodish (1990) suggest that, “as a result, much advertising is wasted, largely due to the lack of measures that can show the manager the impact of short-term advertising on long-term sales”.

For advertising to be effective it is necessary to set the objectives in advance against which achievements can be compared. The methods of analyzing and evaluating progress towards the objectives can be established. One also needs to view the way in which advertising works, and what it can achieve for a given product.

Hedges (1998) identified four different levels at which advertising can operate. In the first level, the customer is made conscious about the advertisement. In the second level, the information about the brand like its existence, functions etc. are revealed in the advertisement; further advertising associates the brand with moods, feelings, emotional colors etc. which turn out to be important in understanding the perception of the brand and its affect in particular situations and at the lowest level, advertising creates a sense of acquaintance that is a feeling that the brand is around.

The advertising effectiveness is measured in light of sales and communication objectives. The two important aspects of measuring effectiveness of advertisements are:

**Measuring sales:** It is a realistic approach to the assessment of advertising effectiveness. It is very useful tool where advertising is the predominant contributor to sales, when sales response is immediate and when internal and external factors affecting sales response are held constant or are ineffective. But advertising is not the only contributory factor to sales. Measuring its effectiveness, therefore, in terms of sales only is not very logical or scientific. Nevertheless, this is the only realistic approach to the measurement of the effectiveness of advertising.

**Measuring communication effects:** It is measuring advertising effectiveness by how much the communication process has been useful in motivating
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consumers. This approach is considered more economical and easy because communication effects can be measured by research, opinion, mathematical models etc. The communication objectives, i.e. establishing brand awareness, improving recall, increasing brand recognition, bringing about an attitude change, etc., can be measured because these are realistic (Chunnawala and Sethia, 1994). According to Lucas and Stewart (1962), a meaningful measurement of effectiveness of advertising will be possible only by disaggregating the total area to be covered and relating it to various stages of processing and preparation of advertising and to the hierarchy of its possible effects. The authors recommended the application of the research techniques at four stages as mentioned below:

- Analysis of past advertising experience for an analytical framework.
- Surveys of buyer behaviour and consumer preferences in developing advertising objectives and strategies.
- Pre-testing advertisements before their release.
- Post test research to test the reach and impact of advertising after its release.
- Improvement in effectiveness of advertising can be brought about by careful and considered changes introduced by combined efforts of an advertiser and advertising agency.

Functions of Advertising

As marketing tool, advertising serves several functions. It identifies products and differentiates it from others. It communicates information about the products, its features and its location of sale. It also induces consumers to try new products and to suggest reuse*. Moreover, it stimulates the distribution of a product as well as product use. Additionally, advertising builds value, brand preference, and loyalty. Finally, it lowers the overall cost of sale. Every advertiser should learn all of these functions in order to gain understanding or insight of roles of advertising in the business or market.
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- Advertising identifies products and differentiates them from others

The first basic functions of advertising is to identify product. It tells the audience what product or service each business wants to *sell* besides informing the audiences about the product; advertising differentiates one product from the others. The advertising of Dove Facial foam tells the audiences that the product presented is facial foam. The picture of "Dove" which is the kind of birds appears in the advertising also differentiate". "Dove facial foam" from other facial foam brands under the same particular lines in the market.

- Advertising communicates information about the product, Its features and its location of sale :

Once consumes recognize "Dove" the producer begins to tell them more about the "Dove Facial Foam", what special about it and where consumers can buy it. This is another basic function of advertising.

- Advertising induces customers to try new products and suggest reuse :

"Dove" advertising persuades consumers who never used "Dove" before to try using "Dove" as well as suggest those who already used "Dove" to use the product again by telling them that it takes sometimes to see the result of the product.

- Advertising stimulates the distribution of a product

As more people tried "Dove" and they liked them they requested "Dove". The more supermarkets and department stores stock the products of "Dove". It is not difficult to find the product of "Dove" from the supermarkets all over Thailand. That is because the result of advertising.

- Advertising increases product use

More and more of advertisements of "Dove" are launched on television in order to attract more customers or boost sales. Advertising plays the important role in
increasing the sales or product *use*. As people love the advertisements, they will buy or use product more.

- **Advertising builds value, brand preference and loyalty**

  Advertising plays crucial role in building value, brand preference, and loyalty- It Influences customers perceptions towards the products. As the customers' use the products for quite sometimes, they feel like the product is part of their lives. That suggests that they already developed brand preference and sense of belonging. Especially when they see the advertising of the product, they boost to their families and friends that they are using the particular brand of product and they are the loyal customers of that particular product.

- **Advertising lowers the overall cost of sales**

  Cost of sales is the amount of money you have to pay to get the product sold. The advertising can help reduce the cost of sales, as advertising reaches through mass media, many audiences or customers, imagine if Dove” have to promote its products by setting up booths at every supermarket, how much that will cost "Dove". Instead of doing such activity, "Dove" launched the advertising on television, which can reach more than a million viewers who watch television. By advertisement on television, "Dove" can save a lot of money in getting the products purchased. This is the most important function of advertising.

- **Economic impacts of advertising**

  Economically, advertising has altogether five effects. Effect on the value of products, effect on prices, effect on competition, effect on consumer demand, effect on consumer choice, and effect on the business cycle. These five effects of advertising are all connected, like the chain reaction. This chain reaction begins the moment the company launches the advertising. Now, let us look at all of the effects one by one.
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- **Effect on the value of products**

  Why do we prefer the product of a particular brand to some others brands? Why we tend to buy advertised products not unadvertised products? For example, more women prefer trendy brand name handbags, like Christian Dior than or Gucci than beautiful and cheap but unadvertised handbags in the market. This is because it is one of the advertising effects; advertising can add value to a product. Advertising can help building the positive image to the product. Even though the advertising does not speak directly about the quality of the product but it makes consumers feel good about the product and therefore want to buy or use the product. That is why we drink water like Nestle but not water of the unadvertised brand. Advertising also creates added value by educating customers about new uses for a product. For example Tuna promotes Tuna canned as a diet food, not just food. The advantage of the free market system is that consumers can select the values they want in the products they buy. For instance, if low price is important, they can buy inexpensive car like Toyota. On the other hand, if status and luxury are important, they can buy Mercedes or Jaguar. Customers sometimes need products to satisfy their psychological, emotional needs not functional needs. Advertising gives consumers the chance to satisfy to those needs.

- **Effect on prices**

  Advertising can either add or lower the prices of the products. When the company advertises one product, the company will surely have to include the cost of advertising into the price of the product. It is the consumer who actually paid for the advertising. For instance, all those brand name products are expensive as their companies spent huge amount for fashion show and advertising in promoting the products. Hence, these costs must be included in the prices per unit of the product. In contrast, advertising can lower the prices of the products also. Advertising is the element of the mass distribution system that allows many manufacturers to engage in mass production, which in turn lowers the unit cost of products. Therefore, the manufacture can save a lot of...
money, and these saving can then be passed on to the consumers in the form of low prices of the products.

- **Effect of competition**

  It is complained by some observers that advertising restrict the competition. Many small businesses are forced out of the market, as they cannot compete with those big businesses that have budgets for advertising their products, it is true that intense’ competition does reduce the number of businesses in an industry. Nonetheless, those businesses that are abolished by the competition are only those who did not serve the customers effectively. Anyway, there are many cases that by advertising, big companies have only limited effect on small businesses as no advertiser is large enough to the whole country. For instance, regional oil companies can compete effectively with national oil companies in the local level

- **Effect on consumer demand**

  It is still the question whether or not the advertising affects total demand of consumer. Many studies show that promotional activity does affect whole consumption, however they do not agree on the extent. Social, economic forces, as well as technological advances, the educational level of the population, increases in population and per capita Income, and revolutionary changes in lifestyle are more important. For instance. The demand for DVD players, cellular phones, and personal computers - expanded at a remarkable rate part of the expansion is because of advertising but another favorable part is market conditions. At the same time, advertisement has not helped overturning the decline in sales of some products, like manual typewriters. Advertising can help launching the new products by stimulating demand for class, in declining markets, In contrast advertising can only retard the rate of declining markets, they complete for each other's shares conquest sale.
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- Effects on consumer choice

For manufactures, making their products difference is the best way to beat their competitions. For example, look at the long list of cosmetic products, colors’, its qualifications used to attract customers. The shelves in the supermarket may have many brands of detergent. With the freedom to advertise the products, the business are encouraged to create new brands as well as improve old ones. Smaller brands may disappear for a time from the market one and a popular brand dominates the market. Nevertheless, the moment a better product is launched and advertised efficiency, the dominant brand may lose to the new, better product.

Categories of Advertising

- Print Advertising

The print media has always been a popular advertising medium. Advertising products via use of newspapers or magazines is a common practice. In addition to this, the print media also offers options like promotional brochures and fliers for advertising purposes. Often the newspapers and the magazines sell the advertising space according to the area occupied by the advertisement, the position of the advertisement (front page/middle page), as well as the readership of the publications. For example, the cost of an advertisement in a relatively new and less popular newspaper would be far less than placing an advertisement in a popular newspaper with a high readership. The price of print ads also depend on the supplement in which they appear, for example an advertisement in the glossy supplement costs way higher than that in the newspaper supplement which uses a mediocre quality paper (Dertouzos and Garber, 2006).

- Outdoor Advertising

Outdoor advertising is also a much admired form of advertising, which makes use of several tools and techniques to attract the customers outdoors. The most common examples of outdoor advertising are billboards, kiosks, and also several
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events and tradeshows organized by the company. The billboard advertising is though very popular; however it has to be really abrupt and catchy in order to grab the attention of the passers by. The kiosks not only provide an easy outlet for the company products but also make for an effective advertising tool to promote the company’s products. Organizing several events or sponsoring those makes for an excellent advertising opportunity. The company can organize trade fairs, or even exhibitions for advertising their products. If not this, the company can organize several events that are closely associated with their field. For instance a company that manufactures sports utilities can sponsor a sports tournament to advertise its products (Eachambadi, 1994).

• Broadcast Advertising

Broadcast advertising is a very popular advertising medium that constitutes of several branches like television, radio or the Internet. Television advertisements have been very popular ever since they have been introduced. The cost of television advertising often depends on the duration of the advertisement, the time of broadcast (prime time/peak time), and of course the popularity of the television channel on which the advertisement is going to be broadcasted. The radio might have lost its charm owing to the new age media however the radio remains to be the choice of small-scale advertisers. The radio jingles have been very popular advertising media and have a large impact on the audience, which is evident in the fact that many people still remember and enjoy the popular radio jingles (Machesney Robert, 1999).

• Covert Advertising

Covert advertising is a unique kind of advertising in which a product or a particular brand is incorporated in some entertainment and media channels like movies, television shows or even sports. There is no commercial in the entertainment but the brand or the product is subtly showcased in the entertainment show (Millman, 2005).
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- **Surrogate Advertising**

Surrogate advertising is prominently seen in cases where advertising a particular product is banned by law. Advertisement for products like cigarettes or alcohol which are injurious to health are prohibited by law in several countries and hence these companies have to come up with several other products that might have the same brand name and indirectly remind people of the cigarettes or beer bottles of the same brand. Common examples include Fosters and Kingfisher beer brands, which are often seen to promote their brand with the help of surrogate advertising (James and Steven, 2006).

- **Public Service Advertising**

Public service advertising is a technique that makes use of advertising as an effective communication medium to convey socially relevant messages about important matters and social welfare causes like AIDS, energy conservation, political integrity, deforestation, illiteracy, poverty and so on. Today, public service advertising has been increasingly used in a non-commercial fashion in several countries across the world in order to promote various social causes. In some countries, the radio and television stations are granted on the basis of a fixed amount of Public service advertisements aired by the channel (Lotte and Flemming, 2002).

- **FMCGs Advertising**

Fast Moving Consumer Goods (FMCGs), also known as Consumer Packaged Goods (CPGs), are products that have a quick turnover, and relatively low cost. Consumers generally put less thought into the purchase of FMCGs than they do for other products. Though the absolute profit made on FMCGs products is relatively small, they generally sell in large numbers and so the cumulative profit on such products can be large. Examples of FMCGs generally includes a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, teeth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, bulbs, batteries, paper products and plastic
goods. FMCGs may also include pharmaceuticals, consumer electronics, packaged food products and drinks, although these are often categorized separately.

The Indian FMCGs sector is the fourth largest sector in the economy with a total market size in excess of US$ 13.1 billion. It has a strong MNC presence and is characterised by a well-established distribution network, intense competition between the organised and unorganised segments and low operational cost. Availability of key raw materials, cheaper labour costs and presence across the entire value chain gives India a competitive advantage. The FMCG market is set to treble from US$ 11.6 billion in 2003 to US$ 33.4 billion in 2015. Penetration level as well as per capita consumption in most product categories like jams, toothpaste, skin care, hair wash etc. in India is low indicating the untapped market potential. Burgeoning Indian population, particularly the middle class and the rural segments, presents an opportunity to makers of branded products to convert consumers to branded products. Growth is also likely to come from consumer 'upgrading' in the matured product categories. With 200 million people expected to shift to processed and packaged food by 2010, India needs around US$ 28 billion of investment in the food-processing industry (IBEF Report, 2006).

“From the investors’ perspective, Fast Moving Consumer Goods (FMCGs) sector is the source of high and stable return, and there has been enormous growth in market size over the last decade. FMCGs are low priced and widely distributed”. Toiletries, detergents and beverages are examples for FMCGs (Kotler & Armstrong, 1999). Among FMCGs, cosmetics and toiletry has the highest profitability, and this sector happens to have highest selling costs and advertising expenses (both as percentages of net sales). The growth of this sector is highly dependent on brand promotion.

FMCG products can be thought of in contrast with consumer durables, which are generally replaced less than once a year (e.g. kitchen appliances). Three of the largest and best known examples of Fast Moving Consumer Goods companies are Nestlé, Unilever and Procter & Gamble. Examples of FMCGs are soft drinks,
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tissue paper, and chocolate bars. Examples of FMCG brands are Coca-Cola, Kleenex, Pepsi and the Mars Bar.

The various characteristics of Indian FMCG Industry are discussed below, out of which some features are common across countries whereas some are unique in Indian context:

- **Heavy launch Costs:** The entire launch process goes through series of processes such as product development, market research, test marketing, promotion and brand building. The requirement of huge cash outflow in form of launch cost is as high as 50-100 percent of the revenues.

- **Unorganized Markets:** Around 60 percent of the Indian FMCG sector is unorganised due to the presence of factors like low entry barriers in terms of low brand awareness, low capital investments, and low fiscal incentives from government.

- **Distribution Network:** FMCG industry in India distributes their products to around ten lakh retail outlets, which calls for a sound, efficient logistics and multi-tiered distribution network.

- **Consumption Capacity:** The rural demand is not as steady as urban demand, mainly due to the determination of rural income levels by vagaries of monsoon.

Organisations tapping rural markets have to create the capacity to consume at the bottom of the pyramid markets to convert people below poverty line into consumer market.

- **Brand Building:** Major Indian consumer product companies have sound presence throughout Indian market with their strong brands. The leading companies make considerable investment in R&D to sharpen and maintain their edge in the business.
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- **Rise of Regional Brands**: Regional brands these days are taking on well known established brands by pursuing geographical or need based flanking strategies. In geographical attacks the challengers identify regions not represented by dominant brands, where as in need based attacks, they serve the unfulfilled demand of the market (Dogra and Ghuman, 2008).

- **Celebrity Advertising**

  Although the audience is getting smarter and smarter and the modern day consumer getting immune to the exaggerated claims made in a majority of advertisements, there exist a section of advertisers that still bank upon celebrities and their popularity for advertising their products. Using celebrities for advertising involves signing up celebrities for advertising campaigns, which consist of all sorts of advertising including, television ads or even print advertisements (Alexra, et al., 1998).

- **Television Advertising**

  Television is often called ”king" of the advertising media, since a majority of people spend more hours watching TV per day in comparison to any other medium. Television uses the combination of sight, color, sound and motion to create an effect. TV has proved its credible power in influencing human behavior repeatedly. The Television Advertisement is a form of advertising in which goods, services, organizations, ideas, etc. are promoted via the medium of television. Advertising on television can give a product or service instant reliability and reputation. Different segments of the society can be captured by scheduling the time for advertisements, as for example, children can be reached during cartoon programming, farmers during the morning agricultural reports and housewives during the afternoon soap operas. TV offers the greatest possibility for creative advertising by taking the audience anywhere and shows them almost anything through the magic of a camera. TV audience is divided into very large segments, and television enables to reach a larger, yet, more diverse audience (Way, 1984).
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Most of the television commercials are produced by an outside advertising agency and the airtime is purchased from a television channel. The first ever television advertisement was broadcasted in the United States in 1941, wherein, the Bulova Watch company paid $9 to New York City NBC affiliate WNBT (now WNBC) for a 20-second spot aired before a baseball game between the Brooklyn Dodgers and Philadelphia Phillies. It simply displayed a Bulova watch over a map of the U.S., with a voiceover of the company's slogan "America runs on Bulova time" (Walker and Robert, 1941).

The vast majority of television advertisements today consist of brief advertising spots, ranging in length from a few seconds to several minutes. Advertisements of this sort have been used to sell every product imaginable over the years, from household products to goods and services, to political campaigns. Many television advertisements feature catchy jingles (songs or melodies) or catch-phrases that generate sustained appeal, which may remain in the minds of television viewers long after the span of the advertising campaign.

Many studies and theories have been presented to explain the phenomenal success of television as entertainment media. The psychologist Geoffrey Beattie in his paper “Making Thought Visible: The New Psychology of Body Language" suggests that the success of television might be the result of an evolutionary process of our brain, which favoured media combining sound and video. Professor Robert Kubey wrote an article in the magazine “Scientific American” trying to prove that television is addictive. Not backed by any statistic or study, it is believed that part of television’s success is the fact that it requires low level of attention; it is not uncommon to see people fall asleep in front of the screen. It is also likely that television would not have been so successful if it would have come equipped of a keyboard instead of buttons to change the channel. Many viewers complain that the latest remote controls are too difficult to use, and often devices seem to forget what really viewers want, the same that has helped TV to become one of the most well accepted media of our times: simplicity.
Newer generations are certainly more acquainted to technology and might be able to benefit from an increased number of functionalities; however, in the entertainment world this concept will always play a fundamental role. The ‘shared experience’ of television advertising can also help boost brand awareness since it becomes part of the collective consciousness. The value of television advertisement lies often not only in the advertisement itself, but in the fact people talk about it with friends and colleagues. Another indirect benefit of television advertising is the degree of trustworthiness companies reach for the only fact of doing television advertisements, and often this has positive effects on the distribution chain since retailers are likely to give bigger orders and better use them only to change the channels and volume. The growing importance of television as advertising media has led to the only reasonably reliable measurement system within the industry, which even more consolidated the predominant position of television among the different mass media channels. As a result television advertising is often seen as the safe option, as one planner once said ‘No one ever got fired for recommending TV’.

Advertising is multi dimensional and has manifold aims to achieve. Leiss et al. (1986) believe advertising to be the most important social, economic and cultural institution in society – ‘a communication activity through which social change is mediated’. Chunawalla and Sethia (1987) have described it as a form of mass communication, a powerful marketing tool, a means of financing the mass media, an instrument of business management, a field of employment, a profession, a social institution and a component of eco system. In simple words, according to ASCI (Advertising Standards Council of India), an ad is defined as “any paid form of communication addressed to the public or a section of it, the purpose of which is to influence the opinions or behaviour of those to whom it is addressed”.

Advertisers have chosen TV as the predominant medium for reaching consumers to market their products for long. Dorr (1986) noted that TV is not only the most important medium of advertising but is also the most important source of information and recreation for the masses. TV’s superiority over other mediums of
advertising is due to its tri-sensory appeal; auditory, visual and kinaesthetic that influences mental faculties more piquantly than any other media and its effects are enduring and everlasting (Archana, 1988). According to Oates et al. (2003), advertising aimed at children may not be exclusively transmitted via TV, but still TV is the most visible medium of advertising. Mc Neal and Ji (1999) found that children gave highest rank to ‘TV’ as a new product information source out of enlisted various sources (like parents, store visits, peers etc.), with parents scoring second place.

TV has become a more effective socializing agent in comparison to peers and teachers due to children’s extensive TV viewing (Huston-Stein and Wright, 1989). TV not only forms a part of family system but a part many can no longer imagine living without. It constitutes an important experiential component of a child’s development. TV competes with family, school, peers, religious institutions and society to provide role models and information that affect children’s beliefs, values, behaviour, attitude and lifestyle (Winick and Winick, 1979; Rogge, 1986; Verma and Larson, 2002). TV is a permanent fixture in the lives of children nowadays. The TV set is as familiar as the faces of their family members – sometimes even more so. It entertains, informs and most importantly, keeps children company.

Before proceeding with our analysis of TV advertising’s impact over children, it is important to discuss some of the major changes in TV viewing options. These changes also shape advertising viewing patterns. There has been a rapid spread in TV programming, along with a concomitant growth in TV advertising. TV as a technology has changed the manner of conveying ideas to the people. Commercialization of TV in India TV was introduced in India in 1959 as a public service function of government with a motive to educate rather than to entertain. The first ad that appeared on “Doordarshan” was in 1976, but the era of commercialization of Indian TV began with the prime time sponsored serial in 1984. However, along with the aim of commercial revenue, the entertainment was kept socially meaningful and under government vigil. Indian viewers had access
to only one national channel, “Doordarshan” with limited broadcast hours till
cable TV in early eighties and satellite TV in June 1991 invaded their lives. The
policy of economic liberalization of the then Congress Government in the country
affected the electronic media considerably.

Reactively, “Doordarshan” brought many changes like increasing prime time slots
for sponsored programmes, introduction of afternoon entertainment slots, new
entertainment based channel “DD2” launched etc. So, it was almost that overnight
India’s TV experience went into abrupt metamorphosis, from a single channel
phase to multiple channels. Commenting on this S.S. Gill, a former secretary of
Ministry of Information and Broadcasting wrote in a newspaper (‘The Times of
India’, March 7, 1994) that instead of setting high benchmarks of excellence and
taste, national channel was aping those channels which should be emulating its
high standards. He added that first these private company channels corrupt
people’s taste by exposing them to excessive violence and sex, and then they
argue that this is ‘viewers’ choice’. Almost all European countries experimented
with broadcasting in similar manner like in India, but in America broadcasting has
always been a commercial proposition.

Over a longer period of time, the TV set has become a permanent fixture in all
upper and middle class households, and it is not uncommon even in the poorer
society of urban areas and rural households (Shah & D’Souza, 2008). The
physical coverage of television is 82.5 percent of the country’s total population.
Television programmes reach to nearly 90 percent population of which 500
million Indians (nearly fifty percent of population) watch television regularly as
per statistics of Doordarshan and other researchers (Saxena, 2005). The television
is the source of product information for 42 percent of Indians, which is highest
among all media devices. Public television channel like Doordarshan in India
reaches more than 90 percent of the country’s Broadcasting has always been
obsessed with ratings there; no channel affords to take risk in quality
programming, or to serve national interest in public affairs. Since sixties, many
Indian governments’ appointed committees recommended autonomy of electronic
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media, economic self sufficiency and commercial broadcasting as followed world over mostly. But it was only in February 1995 that Supreme Court of India held that government monopoly of airwaves was unconstitutional as it is against the fundamental right of freedom to speech. However, the history of broadcasting suggests that commercial viability of media while benefiting advertising industry proves detrimental in encouraging socially relevant and quality based programming. Mander (1978) comments that since the survival of all electronic media in America depends upon advertising, it is obvious that a minority of population (those who own corporate houses) determine which newspapers, magazines, radio channels and TV channels continue to exist. Also, as opined by Halberstam (1979), that starved of ad revenue media is doomed to die as advertising is the lifeblood of the media; it’s key to survival.