

Surrogate advertising and its impact on the mind



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Brand experts define it as the leveraging on the existing brand equity, while agencies call it an exercise to create awareness and brand recall of products on the negative list, the government on the other hand comes down heavily on the intriguing concept of surrogate advertising. The anti-tobacco lobby is going strong worldwide and the list of negative products in every country is on a rise.

“ Surrogate advertising is a reflection of the hypocritical society that we live in. We consider some products good enough to be sold but not good enough to be advertised. A marketer has to sell his product, and will find means to promote it. I don't blame him.”

- Pushpinder Singh

Senior Creative Director (O & M)

The use of surrogate advertising in India can be traced back to 1995 when the Cable Television Act 1995 was enforced which stated - “ No advertisement shall be permitted which promotes directly or indirectly, production, sale or consumption of cigarettes, tobacco products, wine, alcohol, liquor or other intoxicants”. This ban on advertising of such products leads to the emergence of surrogate advertising in India in a big way. A surrogate advertisement is generally understood as - “ the one in which a different product is promoted using an already established brand name. Such advertisements or sponsorship helps in contributing to brand recall. The different products shown and used in the advertisement are called ‘ Surrogates’. Surrogate could either resemble the original product or could be

a totally different product, but using the established brand of an original product”.

However, the concept of surrogate advertising at that time was not something new to the world as United Kingdom was facing the same from problem with advertising and marketing of such products from a very long time. The same trends were followed in India and the market was flooded by surrogate products of established brands of the so called ‘ negative products’ and their promotions. Some of the noticeable examples of surrogates in India are Gilbeys water, Mcdowells Soda, Bacardi Audio Cds, Red and White bravery awards and Royal Challenge Sports equipments.

Since then, every year marketeers of these brands have been spending humongous amount of money in manufacturing and promoting surrogates. According to Allan Colaco, Secretary General, Advertising Standards Council of India (ASCI), surrogate ads formed 5 per cent of the total Indian advertising industry, which stands at Rs 21, 000 crore (approx \$4. 5 billion), as per the Pitch Madison Media Advertising Outlook (2009). In other words, over a thousand crore rupees spent by marketeers annually, without even showing the actual product to the receivers. This statistic amazes me as there are no specific tools to evaluate the success of a surrogate campaign, but still a large amount of money is being spent on the same year on year. Though a lot of studies have been done as to what surrogate advertising is and how it should be done, whether it is ethically correct or it is a monster in a mask but there is no major work done aiming at measuring the impact of surrogate advertising on the minds of consumers.

Therefore this study aims at examining the viability of the money spent in this type of advertising and to check if surrogate advertising creates any tangible impact on the minds of consumers and whether or not it helps in increasing sales of a particular brand over the other.

Literature Review

The literature on surrogate advertising and its impact is very scanty as this problem has originated very recently and is confined to countries where advertising of such harmful products is banned by the government or the regulatory body.

The basic question that needs to be answered is whether advertising make any material impact in the sales of alcohol or tobacco products. Kent M. Lancaster and Alyse R. Lancaster disregard that there is any difference in sales of tobacco and alcohol related products with or without advertising. They examined most of the published evidence worldwide on the effects of overall advertising and of advertising bans on aggregate demand of cigarette and tobacco products. Based on their exhaustive research they argued that partial bans on advertising are likely to have a very little or no impact on the consumption of such products, the reason being a complete ban in advertising of such products itself did not had any impact on sales or aggregate demand of these products.

However, on the other hand, Saffer and Frank in their study established a correlation between ban on tobacco advertising and the reduction in tobacco consumption. They concluded that a comprehensive set of tobacco advertising bans can reduce its consumption and that a partial ban will have

a very little or no effect on its consumption. Advertising of tobacco and alcohol products is public health issue if they increase the consumption of these products. Public health advocates also assert the same point of view.

Mehta (2003) is of the opinion that Surrogate advertising is not only misleading, but also presents false and dishonest information in many cases. It has a very negative effect on the markets as a whole. With so much widespread of surrogate advertising and its ill effects, it's time to tackle the problem and stringent regulatory measures should be in place to curb such practice.

Chander and Sharma in 2006, tried to study the perception of people towards surrogate advertising by using a statistical tool factor analysis. The results of their research were surprising as they found out that the in general, the perceptions that govern the attitude of people towards these advertisements is much on the negative side rather than being on the positive side. They neither liked the advertisements nor the favoured them. A large proportion of the respondents felt that surrogate advertising is anti social as it tries to promote the product that is generally considered as harmful for the society, it promotes wrong impressions and tries to fool the customer insulting customer intelligence, leads to moral degradation and is deceptive. However a few respondents took surrogate advertisements as a way of fair practice, entertaining and associated it with modern life style. A set of respondents were completely unaware of the phenomena of surrogate advertising while a few others were confused about the same. This research led to the conclusion that whatsoever may be the positive perceptions

revealed, still a lot of people perceived surrogate advertising as negative, unethical and immoral.

Sally and Jane also did a very interesting study on advertising of alcohol. They divided their study into two sections. In the first section the researcher establishes the hypothesis that alcohol advertising is the ultimate driver for overall consumption and that advertising alone leads to the expansion of markets. In the other section the authors first identify the key correlates of the alcohol consumption in the UK and then quantified them. They built separate econometric models for young people between 18-24 years and for those over 25, in order to consider the claim that alcohol advertising is aimed at increasing consumption among youths. They concluded that consumption of alcohol among the age group 18-24 years is correlated with trade promotions and the increasing trend for in-home drinking. On the other hand consumption of alcohol among 25 years and above is related to pricing issues, price being a factor for both price by competing categories as well as the general price level of alcohol as a commodity. However, no conclusions could be drawn to prove any sort of statistical relationship between alcohol advertising and its consumption for either age group.

Rutter Jeni and D'Souza Culora Tania in their work " Tobacco advertising law puts all brand at risk" (2004) tried to understand how companies could accidentally find themselves into trouble if their trademark or brand is deemed to promote the negative products because it is identical or similar to a brand known for the negative product. They answered various questions looking at all the possible implications for non-tobacco companies of the Tobacco Advertising and Promotion Directive.

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Formulation of objectives

The study aims to provide answers to the following questions:

To enlist the various perceptual factors that affects the attitude of consumers towards the surrogate advertisement and in turn the product.

To understand whether the advertising of surrogate of the same brand leads to the recall of original product?

Research Methodology

The whole research will be divided in two parts i. e. the secondary research and the primary research to generate insights about surrogate advertising.

Secondary Research framework

A qualitative exploratory research of existing practices in the field of surrogate advertising, their motive and the evaluation criteria used to measure the success of such advertising.

Primary Research framework

The research will be conducted on the people from of Mumbai, Delhi and Ahmedabad. The method employed will be interviews with people who are exposed to surrogate advertising. I plan to take 10 in-depth interviews which will be the part of my qualitative research to generate insights. However to evaluate the validity and weightage of the insights generated, there will be questionnaires that will be filled by 120 respondents. The respondents for both the qualitative and the quantitative research will include both, the consumers as well as the non-consumers of the products whose advertising

is banned. The classification of the respondents sample is given in the table below.

Age Group

No. Of Respondents

City

Gender

15-24

30

Delhi - 40

Male - 80

24-34

30

Mumbai - 40

Female - 40

34-44

30

Ahmedabad - 40

> 44

30

I also plan to interview people from the liquor and the tobacco industry. As far as possible, I shall try and interview Heads of Marketing or Brand managers in the concerned company. If at all, they are not available I shall try and get information from others in the company at key positions who are involved in decision making regarding advertising strategies. The companies I will be looking for interviews are -

United Breweries

Radico Khaitan

ITC

With these people who are at key positions of these organisations, I do not think that a questionnaire would be a good idea, so I plan to get information in a more informal way about the importance and logic of surrogate advertising. Also, what kind of techniques they employ to evaluate the return on investment in surrogate advertising.

Plan of Data Analysis:

The interview responses from the respondents shall be compiled and also the trends from the survey of various respondents will be tabulated. Also the information from the survey as well as interview from both - the respondents as well as the industry experts will be analysed to gather trends and factors influencing the release of surrogate advertising as well as the factors influencing the behaviour and perceptions of consumers who are exposed to such advertising. Based on the information on the attributes related to the <https://assignbuster.com/surrogate-advertising-and-its-impact-on-the-mind/>

surrogate advertising, an Importance-Performance matrix shall be tabulated which analyses customer perceptions and importance ratings. The quadrants of the matrix shall give an indicative division of attributes which have to be maintained, deemphasised and those which have to be improved. This classification can help formulate marketing activities and communication design for the marketers of those negative products.

Need for the study:

Advertising is a broad, sensitive and a very diverse subject. Its effect extends from the society to the business, from economics to education. In a country like India, a large portion of the income of population is spent on harmful products like cigarettes and alcohol which in the long run is leading to a lot of health hazards. According to the International Wine and Spirit Board, a liquor industry publication - "there will be a jump in the number of people reaching the legal drinking age of 25 within next few years", in such a case the problem of health hazard is growing and growing at a rather fast pace. The consumption of liquor and cigarettes is increasing every year worldwide. The government is continuously spending a humongous amount of money in order to curb the consumption of such products and doing its best to ban all sorts of advertising and promotion related to such products. On the other hand the advertisers of tobacco and liquor, are continuously spending a huge amount of money in order to create awareness about their brand through whatever means possible. Billions of rupees spent every year on advertising of a product where the advertiser is not even allowed to flash the name of the product.

Surrogate advertising has always been under controversies. Critics try to associate it with fraud, immorality and manipulation and health hazards. Most of these debates and research that are conducted about surrogate advertising fails to include those who ultimately serve as the most vital authority to judge the pros and cons of it i. e. the consumers. The understanding of consumer is very important for all kinds of research associated with surrogate advertising. It's the consumer who ultimately decides whether to act upon being exposed to a particular type of advertising or not. Thus, I have undertaken this study to address the deficiency of research in the field of surrogate advertising by exploring the minds of consumers, their perceptions about this kind of advertising and their response to it. This study is just not another research work in the pool of works that give a moral judgement on the controversial nature of the issue, but focuses on significant, yet largely ignored issue confined to this practice i. e. its impact on the minds of consumers.