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Role of Advertising in National Development

“A satisfied customer is your best advertisement.”

National development is the responsibility of all individuals. Advertisement plays a very important role in bringing awareness to the masses.

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■ 15.1 General Advertising

Advertising plays a very crucial role in the National Development:

- It is a major component of the Promotion Mix.
- It is also the tool of communication and gives awareness to the masses.
- It enables the consumers to exercise their right of free choice.
- It is the most economical method of communicating to the consumer.
- It promotes social awareness by communications.
- It deters the public from indulging in anti-social activities and educates them about social issues.
- It communicates about family planning issues which are very crucial for our nation. It educates people about health hazards, and safety norms.
- It is a very powerful source of communication. It improves the economic development of our country.
- It stimulates production and brings in more employment.
- It helps in establishing prices and brings contentment to the public.
- It leads to wider distribution and makes goods available at the right time and at the right place.
- It is essential to marketing system and is its integral part.
- It promotes social and economic growth. It disseminates technology and creates favourable conditions for the acceptance of innovative approaches.
- It leads to greater sales growth for the firms spending more on advertising.
- It can help in lowering prices by reducing the cost of production and distribution and expanding the market.
- It encourages mass consumptions and leads to increase in production thereby lowering the prices.
- It encourages competition so that the customer is benefited. The firms which are forced to undertake consumer research come out with better products for the consumer.

- It improves product quality through competition and induces firms to maintain quality as promised. It promotes the brands with the improvement in the quality so that the customer is satisfied.
- It makes people adopt new products and plays a greater role in diffusion of the message so that the product gets a boost and starts selling.
- Advertising leads to aggressive selling and makes people work harder which improves their living standards.

So far we have dealt with general aspects of advertising directed at the consumer but advertising also plays an important role in institutional advertising, building image of the organization and non-commercial advertising. It also leads to the development of the nation. We shall try to discuss them briefly.

■ 15.2 Institutional Advertising

The development of a nation is also dependant on the industries, their development and expansion. The industries have to be promoted and expanded and advertising can do this effectively. Industrial advertising emphasizes on the comparative advantage of the product and how well they meet the consumer needs.

- It persuades the manufacturers to buy high quality equipment and machines and adopt the latest technology to improve their products.
- It makes salesman more effective.
- It helps to keep the interest of the customer alive. When a company brings in new models and varieties of products for various sections of the society the advertising helps in diffusing the message to the consumers *e.g.*, Maruti Udyog Ltd. came out with 800 CC Model which was advertised and became very popular. Then came the Omni van, the Zen, the Alto, the Esteem, the Baleno, the Wagon R, Gypsy and now the Swift.

The advertising gives information to the public about the vehicles and which vehicle is meant for which class of people. In creating industrial advertisements, some themes are emphasized:

- Old established with long experience. Advertising in this case emphasizes the acceptability of the product by the consumer as well as the long experience that the company has had.
- **Research and development:** A lot of research goes in the making of the product. The research is continuous and adapts to the changes in economic behaviour.
- **Technical breakthrough:** When a new technology is introduced or a new innovation takes place advertisers promote their products. In case of cell phones it is a new breakthrough in communication technology and advertising plays an important role. **“Kar Lo Duniya Mutthi Mein”.**
- **Customer recommendation**—Or word of mouth. This leads to repeat purchases and this promotion is backed by advertising.
- **It highlights product differentiation**
“Not only a toothpaste but a mouthwash as well”.

Non-commercial Advertising also plays an important part in developing a nation. This type of advertising is undertaken by Govt. Departments like the Municipality, the departments concerned with health, social welfare, education, other non-profit organizations and organizations. This type of advertising covers immunization against diseases like Polio, Cancer etc. It also plays an important role in the:

1. Cleanliness of the city.
2. Avoiding encroachments on footpaths.
3. Rehabilitation of beggars and lepers.
4. Protection against rabies.

It is necessary to have the data on the behavioural characteristic of the target audience before it is possible to develop an appropriate message and to develop advertising effectively. The selection of media vehicle, its reach, frequency and other parameters must be clearly outlined. The advertisement should be carefully planned with creative strategy and proper execution.

Thus, we see that advertising plays a very important and crucial role in the development of a nation.

“Advertising brings prosperity to a nation by selling more, by creating employment opportunity and by bringing awareness to the public.”

CASES

■ Water Beds

A young M.B.A. Shyam Lal got an opportunity for a job in Sydney, Australia. The contract was for 2 years only. Shyam Lal did not want to stay in Australia, but wanted to start a business in India. He was based in Bombay and had earned enough money to start his own business in India. While in Australia he got very interested in water beds which were used by many households. He listed the advantages of the water beds:

- (a) Water beds were made of PVC mattress full of water.
- (b) The water needed to be changed once in six months.
- (c) The water could be heated in winters to keep warm.
- (d) It applied equal pressure on every points of the body.
- (e) This ensured healthy and comfortable sleep.
- (f) PVC used in water beds was of very high quality. It was sturdy and could stand considerable impact if children would play on it.
- (g) It would not damage or leak.
- (h) It was also used in hospitals and patients at home.

After enlisting these attributes of water beds Shyam Lal started manufacturing water beds and needed to communicate and convince customers of its use and advantages.

- (1) Suggest advertising strategies for this product.
- (2) After a few years, Shyam Lal made products specially for hospitals and patients and sold them for a low Rs. 1500, this led to greater sales and usage. What change in the strategies be then made for cheaper products?

■ Designing and Advertising Campaign

Modern Appliances a small company manufacturing household appliances like mixie, toasters, air conditioners, heaters, electric irons, hair dryers etc. The firm had to compete with established brands like Bajaj, Philips, Sumeet, Maharaja Whiteline, Singer etc. These brands had good features and were highly priced.

The average middle class Indian consumer is very conscious and would negotiate on prices and get the best value for money. If the consumer has faith in the local branded products and is saving 15 to 20% on the product they would opt for the local branded products.

The advantage that the modern appliances had was low cost of production and low distribution cost. This gave the modern appliances a number of options.

- (1) With the saving of cost of production it could give better discount to dealers and get them interested in pursuing its products. The company could use the *push strategy* for sales.

- (2) It could aim their advertising on the consumer and thereby make use of the *full strategy*.
- (3) The company could reduce its prices and adopt the *penetration strategy*.
- (4) It could also use other forms of advertising on promotion mix to sell its products.

Questions

1. Discuss its above case specially with reference to advertising and the situation that the company is in.
2. What advertising strategy should the company adopt?

■ Advertising (Perfume)

ALMATIN was a medium-sized company manufacturing perfumes and other allied products. The perfumes manufactured by them were oriental Indian perfumes like Hina, Shamama, Gulab, Motia, Rani, Chameli etc. These perfumes were packed in 2 gms, 5 gms and 10 gms. The range of these products was from Rs. 5000 to 60,000 per kg. They also had a range of hair oils, like Chameli, Amla, Gul and floral waters like Keora Jal and Gulab Jal as well.

Market

The company was in retail and wholesale business. There were done by their own show-rooms or by orders received by post. The market was spread in parts of U.P., Bihar, Andhra Pradesh Calcutta and other cities. Most of the customers were individual customers and retailers who would order goods through V.P.P. and get the consignments on payment from the post office. Another set of customers were the industrial users. These included Tobacco and Snuff manufacturers and sweet meat shops who would also buy in bulk. Since the Sandalwood oil (Chandan) is considered sacred and is used in rituals, there were another set of customers who bought the oriental perfumes because of its purity and non-alcoholic character.

The advertisement budget was allotted to Rs. 1 lakh only out of turnover of about 1 crore. The company was advertising in Magazines, Journals, Gift items like key chains, calendars, pens, purses etc. These were distributed to wholesalers and retailers. The company also had 4 salesmen, who would go to the wholesalers, retailers, industrial units and procure their orders. Their job was to consider the redressal of their complaints.

Although the company was making good profit but their sales had reached only a maturity level. They could not increase their sales further. They were willing to make some more investments in advertising.

The sales consisted of:

Individual	5%
Retailers and wholesalers	40%
Industrial units	50%
To temples, mosques and other sacred places	5%
	100%

Questions

1. How do you think the company should handle its advertising budget?
2. What should be the role of personal selling in this case?
3. How can advertising counter the threat posed by spray perfumes?

■ Advertising for Pears Soap

The Soap market in India is very large and basically it is divided in 2 segments, the popular segment and the premium segment. The popular soap consists of cheaper soaps including Lifebuoy, Lux, Hamam, Rexona, Jai etc., and contain about 85% of the market. The premium soaps are Cinthol, known as deodorant soap, Mysore Sandal, soap for its exclusive perfume and ethnic character and its different shape and packing, Margo as an Ayurvedic soap, Neko as a medical soap and Pears as a special brand of soap.

Characteristics and Image

The advertising of Pears, which is manufactured by HLL, done by Lintas and Pears had only 2% share of the total market and 10% of the premium soap market. It had built its reputation through years of advertising. It provides a bundle of satisfaction to the consumers:

- (a) It was transparent—you could see through it.
- (b) Mild and pure.
- (c) Contained Glycerine which was useful for skin in winters.
- (d) It was difficult to manufacture.
- (e) Some considered it as a foreign soap. It was in short supply for some time.
- (f) It was considered as a special soap.
- (g) Some thought that it was only for babies.
- (h) Mostly the advertisement was aimed at mothers, children and little babies.
- (i) The price was high.

This led to its exclusivity and most of the customers were from upper or upper middle classes. The HLL then asked their advertising agency Lintas to design and campaign to boost the sales. As number of suggestions had come up during research and discussion:

- (a) The sale of Pears could be increased by either persuading the present consumers to buy more or make new customers.
- (b) Most of the customers were using it in winters only. They could be persuaded to use Pears throughout the year.

The Company was advised to offer a reason for purchase. So, the company was asked to create an appeal on the past strength of Pears. So, they looked back on the past advertising Ads. The earlier ads were aimed at sweet girls well dressed with the caption.

- (a) "Waiting to be beautiful lady." It gave the image of its being a children's soap.
- (b) Then came the Ad. emphasising its translucent characteristics. "A soap so pure you can see through it."
- (c) Pears soap keeps your complexion and skin young."
- (d) "Meet the soap with nothing to hide except your age."
- (e) "Pears makes you look younger and glycerine gives it the extra glow."
- (f) "Young skin can be yours as long as you use Pears" or "It is the Kiss of Youth."
- (h) "The bath with Pears is a "young bath."
- (i) "Mrs. Dubey has an 18 years old daughter and skin just as young."

Questions

These were the options suggested for advertising

1. Count on the different creative approaches presented by the agency.
2. Can you suggest a mixture of these Ads and why?

As the youth men are also very beauty conscious and visit beauty parlours for facial and other beauty Ads. Can you suggest other creative approaches for men and general use for everybody?

■ Tobacco

M.K.B. Products, a chewing, tobacco company, was concerned about falling sales in recent years. The reasons of falling sales were:

- (i) the ban on tobacco products in various States of India.
- (ii) Very high excise duties levied on this product.
- (iii) The publicity by the Govt. and other agencies against the use of tobacco.

Although this product is a very high source of revenue to the government, but due to its injurious effects the demand of the product is going down. The government could not put total ban on it.

This product known as tobacco is used in some form or the other in all parts and States of India. Tobacco is also a source of income for tobacco growers or farmers whose main earning is from the cultivation of tobacco. A whole lot of people are involved in its growing, transportation, warehousing, manufacturing, distribution of finished products and its sales. This product is giving employment to many and revenue to government.

M.K.B. Products was concerned about declining sales and effective advertising and had to specify on the package "Tobacco is injurious to health". They thought of giving a discount on their product to increase their sales. So they planned the discount as under:

Present price 1000 per case	1,50,00,000	
Present sales = 15000 cases per year	1,50,00,000	
The gross profit was 30%	Profit	45,00,000
New price after discount = 900	180,00,000	
	(-)	3,00,000
New sales target = 20000 cases per year	<u>177,00,000</u>	× 30%
Estimated cost of this communication promotion = 3,00,000	53,10,000	G.P.
	<u>53,70,000</u>	

Questions

1. How much is the company gaining or losing by this promotion?
2. What are your recommendations for increasing the sales?

Hint: Use social marketing message on containers.

The Tobacco is manufactured in various varieties:

- (a) Traditional black chewing tobacco (Kali Patti) (Mild quality).
- (b) Scented Saffron Tobacco (Zafrani Patti).
- (c) Gutka, chewing tobacco.
- (d) Pan Masala with tobacco.
- (e) Gujrati Patti.
- (f) Khaini, the lower quality tobacco.
- (g) Many others as well

These products vary from very mild to very strong flavour. Some use injurious materials and others use pure spices, like Kali Mirch (black pepper), cardomom, nutmeg, dalchini, gum etc.

M.K.B. Products claimed to be using these pure spices and was least injurious.

■ Gogomos and Co.

This is a case of a young graduate entrepreneur, Nizamuddin, about 45 years who inspired by the success of Odomos (a mosquito repellent) came up with an idea to launch a similar product and he tried several brand names, but as he wanted a name to convey some meaning to his brand he finally chose the name GOGOMOS, a mosquito repellent cream to be applied on hands and face. He started with a humble beginning by manufacturing a paste with the base of citronella oil which is an effective mosquito repellent herbal product. This was the period when the EMD or the Electric Mosquito Destroyers were not invented and most people were using mosquito repellent coils which emit smoke which was their major drawback.

Research

A small research was conducted by the entrepreneur to find out the dissatisfaction felt by the mosquito coil users. The study also tried to elicit information on the established brands in the same category.

Findings

- (1) He found out that the coil was extensively used but the target customers were dissatisfied with the smoke and the ash that were left behind.
- (2) There were a lot of breakages in the coils which could not be reused and a considerable amount was wasted.
- (3) The target customers were parents, school going children, other members of the household and those living in rural areas which were infested with mosquitos. They were interested in driving away mosquito and enjoy a peaceful sleep.
- (4) It had become a habit with the household and children and for parties held in the evening in the lawns.
- (5) The Cream was considered a far better option especially for babies.

Market Opportunity

- (a) Existed because of low pricing of the product.
- (b) It was found safer.
- (c) It could be easily washed off the hands and the face of the users.

Strategy

The product was manufactured in Lucknow as the entrepreneur was living in Luknow and wanted start there locally by general merchants and small stores. The response was good and was sold in attractive collapsible tubes. It was later tried in adjoining smaller towns like Barabanki, Sitapur, Hardoi, Malihabad and Unnao, Rai Bareili. The first time the sales were good but as the product could not be supplied regularly it lost its sale and by that time the stocks replenished and people forgot the name.

Although the company had 5 salesmen going around and distribute the sales there was a very small advertising budget and most of the awareness was brought only by word of mouth and pamphlets distributed to dealers and through banners.

Another drawback for the company was that E.M.D. were launched like Good Knight, All Out. The advertising budget of these brands was very high and was backed by the big Corporation. Their product launch was also good. These E.M.D.s replaced the Repellent cream and GOGOMOS died a sudden death.

Questions

1. Where do you think the Co. went wrong?
2. If you were the Head what action would you take to keep it alive?
3. What innovative strategy would you use?

Hints:

1. Lack of finances.
2. Advantages of herbal product.
3. Effective in open area as well. E.M.D. was effective only in closed spaces.
4. Innovation of similar Mats as Good Knight to keep the Co. alive.

■ Diabetes Eradication

Diabetes is a very common and a dangerous illness. It is widespread in India. Diabetes was an illness of older and middle-aged persons. It is now being found in youth and children as well. This illness is grave that erodes and weakens all the organs of the body. It can have its effect on the weakening of eyesight, weakening of lungs, weakening of liver and so on.

Diabetes has to be controlled by low-calorie diet. Most Indians are fond of sweets and their intake consists of oily and greasy food and snacks. The diabetes patients are growing by leaps and bounds and the medical world is very concerned about this. The main factors leading to diabetes are:

- Excessive intake of sugar.
- Excessive intake of greasy food.
- Too much obesity.
- Too little exercise.
- Too much intake of fruits like bananas, mangoes, watermelon, leechi etc.

The medication for most Indian is quite expensive. To check the diabetes count by glucometer at least two times a day, by accu-check or one touch strip, is expensive. The Insulin taken twice a day is also beyond the pocket of many. The tablets are cheaper but they are not suited for many patients whose diabetes cannot be kept under control.

The society is very concerned about the spread of diabetes. However, still some segments of society are unaware of this disease and need to be educated. As a manager of social marketing, how will you take up this issue and the Media that you will use to bring awareness to the masses by designing a campaign?