

CHAPTER – I

CONCEPT AND HISTORY OF ADVERTISING

Meaning:

The term advertising is derived from the Latin word, '*advertere*' which means to turn attention towards a specific thing.¹ Advertising simply means a public announcement. But, nowadays, the functions of advertisements go beyond announcements as they persuade the prospective buyer, remind the existing buyers, create demand, brand preference and brand loyalty; apart from neutralising the effects of the advertisements of the competitors.

Advertising is aimed at a group of persons and not an individual. These groups of persons are not the general public; but the target audience who are also the potential customers. In advertising, unlike personal selling, immediate feedback cannot be taken. Thus, it is a paid form of non-personal way of communication with a group of target audience through mass media like television, newspapers, magazines, radio, internet et al.

Definitions:

1. American Marketing Association: Advertising is a paid form of non-personal presentation and promotion of goods, services or ideas by an identified sponsor.²
2. Philip Kotler: Advertising is a non-personal form of communication conducted through paid media under clear sponsorship.³
3. John J. Myers: Advertising is dissemination of information concerning an idea, service or product to compel action in accordance with the interest of the advertiser.⁴
4. John Kennedy: Advertising is the substitute of human salesman.⁵
5. David Ogilvy: Advertising means to develop favourable brand image to enlarge market share and to increase the profits of the organisation in the long run.⁶

Features of Advertising:

1. Paid form: Advertising is never free of cost. The company issuing an advertisement has to pay the media. The scale of payment depends on media-circulation, type of media and media-popularity. Advertisements appear in newspapers, radio and television because the

advertisers have purchased the space or time to communicate information to the target audience or, in other words, prospective customers.

2. Non-personal: Advertising has no face to face contact with the buyers; and as such it is called non-personal salesmanship. Here, the message is transmitted to the target audience with the help of mass media like newspapers, magazines, radio, television or internet; and not through direct inter-personal communication.

3. Promotion of ideas: Advertising is not only the promotion of goods and services, but also of ideas.

4. Identified sponsor: Advertising is done by an identified sponsor. The sponsor could be the producer or the trader. The identity of the sponsor is mentioned in the advertisement. This indicates that the advertisement attributes the source for the ideas and opinion it presents.

5. Influence buyer's behaviour: Advertisements influence the attitudes and behaviour of the buyers in favour of the advertised products or services.

6. Element of marketing mix: The four major elements of marketing mix are product, promotion, price and place. Advertising is an important part of 'promotion'. Without proper promotion, other elements of the marketing mix cannot achieve their desired objectives.

7. Promotion mix: Advertising is one of the four elements of promotion mix; the other three being personal selling, sales promotion and publicity. It is the most cost-effective method of promotion as it creates demand, stimulates sales and reaches the target audience quickly and effectively.

Advertising scene in India:

Mukesh and Ranju Trehan in their book, '*Advertising and Sales Management*' have very aptly elucidated the advertising scenario in India.³ Nowadays, producing the goods is easier than satisfying and attracting consumers. Many brands are available for almost every product in the market. Every company wants to increase its market share. Advertisers make a lot of effort to attract and persuade the prospective customers to purchase their products and services. Advertising has been recognised as an important tool of promotion; thereby making it a cost-effective tool of mass communication. Evidence of increasing importance of advertising is clearly reflected from the increase in advertising expenditure. Today, both the quality and quantity of advertisements have increased as we are exposed to so many of them

than at any point of time in the past. At present, the advertising industry ranks 5th amongst the big industries of the world; the first four industries being oil, automobiles, computers and electronics.³ The growth in both traditional and newer media has contributed significantly to the growth of advertising. Advertising industry has become very competitive; thus, making advertising a very respectable profession. The advertising industry in India has recorded a significant growth. Advertising spending which were just about Rs 49 crores in the year 1961, have increased to about Rs. 10,050 crores in the year 2001. In India advertising business is growing at the rate of about 35 percent per annum. But still, per capita spending on advertising is far below as compared to developed countries. Per capita advertising expenditure in India is merely \$9 against about \$80 in Singapore.

Main aspects of advertising scene in India:

Advertising scene in India can be summed up under the following headings:

1. Increase in advertising spending:

According to data available from 1961 to 2017, it has been noticed that advertising spending has recorded a significant growth in India. This is clear from the following table.

Year	Advertising spending (Rs in crores)
1961	49 ³
1971	65 ³
1981	472 ³
1991	1545 ³
2001	10,050 ³
2011	27433 ⁷
2012	28854 ⁷
2013	32106 ⁷
2014	37405 ⁷
2015	49759 ⁸
2016	55672 ⁷
2017	61204 ⁷ (Projected)

The total advertising expenditure in India was merely Rs 49 crores in the year 1961 and this spending rose to Rs 55672 crores in the year 2016. GroupM, the leading global media management investment conglomerate, on 14 February 2017, released its biannual advertising expenditure report forecasting India's advertising investment to reach an estimated Rs. 61,204 crores in 2017. This represents a growth of 10% for the calendar year 2017 over the corresponding period in 2016. Spending on advertisement in India is increasing at the rate of about 35 per cent per annum.³

2. Growth in media:

All forms of Indian media have registered an impressive increase during the last few years. Internet has emerged as a media of the new millennium. With the growth rate in literacy in India, the number of readers of newspapers and magazines have registered a significant growth. With the increase in income levels and increase in television channels, the number of television viewers have increased significantly. Television, now, is recognised as the most powerful advertising media in India. The growth in cable television has created opportunity for small advertisers. Now, small advertisers can afford cable television advertisements to be shown in their local regions. With the growth in personal computers, internet advertising is also on the rise. At present media is facing the problem of clutter, that is, too much of advertising on the media.

3. Growth of advertising agencies:

The growth of advertising agencies has been accepted world-wide. Now-a-days, dependence on advertising agencies is increasing very fast. The number of ad-agencies in India has increased from 14 in the year 1939 to 862 (as registered with Indian Newspapers Society as of June 7, 2017). Many advertising agencies operating in India are now foreign-owned.

4. Legal regulations in advertising:

The government has passed various laws to regulate advertising and to protect the interest of the consumers in India. The main aim of these regulations is to check untruthful and misleading advertisements. (Refer Annexure - IV for the list of laws, rules and regulations that deal with advertisements.)

5. Professional bodies:

There are three professional bodies relating to advertising: i.e. the advertiser, the advertising agency and the media of advertising. The Indian Society of Advertisers (ISA) is the representative body of advertisers. The Advertising Agencies Association of India (AAAI)

represents advertising agencies. The Indian Newspaper Society (INS) is the representative organisation of newspapers and magazines and the Indian Broadcasting Society (IBS) represents the broadcasting companies. Similarly Advertising Club of India, Advertising Standards Council of India etc. are also working as professional bodies in the area of advertising. These organisations and associations protect the interest and dignity of advertisers, media owners, ad agencies and consumers at large.

6. Increase in market coverage:

Earlier advertising focussed only on the richer sections of the society, but now the area of advertising has expanded. Presently, it covers all the sections of the society viz. rich consumer group, middle class consumer group, poor consumer group, urban and rural consumer groups. Now, advertisers develop advertisements keeping in view the religious and cultural diversities, differences in lifestyle, income level, sex ratio, education level, differences in consumption pattern etc. Similarly, different advertisements are designed for attracting the attention of different age groups. Thus, advertising today focuses on all segments of the market.

7. Increasing trend of branded products:

The earlier Indian market was flooded with various unbranded and local products. But now the trend is towards branded products. The scope of advertising has increased with the increase in literacy rate, awareness and standard of living of the Indian people; thus a major section of people today have become brand-conscious.

8. Advertising of goods as well as of services:

Earlier advertisements focussed on physical goods; but now advertising of services is also very common. For example, advertisements of insurance companies, banking companies, tele-communication companies, tour and travel agencies, courier services, entertainment industries etc. are often seen in media.

9. Increasing non-commercial and classified advertising:

Earlier advertisements were issued mainly for commercial purposes. But, now non-commercial advertisements are also becoming very popular in India. Various social organisations, government bodies, political organisations today are seen issuing advertisements. For example, advertisements on awareness about various social issues and social problems like AIDS, female foeticide, drug addiction, girl-education etc. We also see advertisements that issue public notifications like the last date for filing income-tax return,

date for pulse polio drops etc. Similarly classified advertisements under specific headings are very common, for example, property for sale, tender notice, vehicles for sale, matrimonial, public appointments etc.

Origin and growth of advertising:

Dr. Shaila Bootwala, Dr. M.D. Lawrence and Prof. Sanjay R. Mali in their book, *'Advertising and sales management'* illustrates the history of advertising. They illustrate seven stages to study the progress of advertising over the centuries.¹

1. Ancient time – fifth century: Advertising as we know today, was not used till about two centuries ago. It has the longest history taking us back to the history of mankind and human civilisation. Advertising began with the discovery of the art of communication; with the earliest tool probably being the word of mouth. The use of advertising as a medium to transmit information dates as back as ancient Rome and Greece. Before the development of printing, signs and criers were used to disseminate information about goods or services; and also to impress their customers of the quality of their products. Merchants had symbols that told of their trade. Thus, a shop sign as a means for identifying the place of business is a relic of this time.

2. The Dark Age: 'The Dark Age' (465 AD to 800 AD) starts with the downfall of the Roman empire and the rule of Charlemagne. Trade suffered a setback during the fall of the Roman empire; thereby diminishing the commerce and trade routes. Not much about advertising is heard in this period. But that does not mean that advertising was not in use entirely. Public barkers equipped with horns and bells, hand executed signs and placards were used to attract the attention of the potential customers.

3. Thirteenth century: During this age, advertising signs gained maximum use. Criers for the taverns were so numerous in Paris in this century that they formed a union and were chartered by King Philip Augustus. The giving of free samples started during this era by these criers.

4. Fifteenth century: In the year 1438 Johann Gutenberg invented the casting moveable type and printed the Bible in 1456. This discovery in the west is the first leap in the field of advertising. New methods of advertising, like printed posters, handbills and pamphlets, were then made available.

5. Sixteenth and seventeenth century: This was the time when the techniques of printing evolved and larger number of newspapers were introduced; although some of them were like newsletters. The early advertisements in these newspapers were more like announcements made by the importers of new products in England; for example advertisements of coffee (1652), Chocolates (1657) and tea (1658) were introduced through newspaper advertisements. The earlier advertisements in the newspapers were for books and marriage offers. Initially, advertisement in newspapers was that of 'pioneering advertising' in nature. England saw the face of competitive advertising much later in 18th century.

6. Eighteenth and nineteenth century: This period witnessed the birth and blossoming of competitive advertising. Around the year 1840, several newspapers were selling space in New York. The age old principle of '*Caveat Emptor*' (the principle that the buyer should check the quality of goods before buying) ruled the transactions. Nineteenth century was marked with the introduction of the concept of 'brand advertising'. This is the period when 'point of purchase' advertising became popular.

7. Twentieth century: The twentieth century saw the discovery of the radio, television and satellite communication. The world had become a global village; thereby giving an immense boost to the advertising sector. Advertising can be viewed and heard across the length and breadth of the world. Information technology and mass communication has developed to such an extent that no business can run without advertising. The success and failure of a business largely depends on its advertising strategy.

Thus, the advertising industry that started with barkers eventually culminated into a very powerful mass media of communication. It is an industry at the very core of all businesses; and something without which no business can exist today.

Another classification of the history of advertising states that it might be divided into six periods or stages as follows:⁴

1. Pre-printing period: In this period (prior to the fifteenth century) the town criers were means of advertising. The government provided them with charters and the organised themselves in a sort of union.

2. Early printing period: This was the period (from the fifteenth century to about 1840) when the printing press was invented and there was a renaissance of learning; and the combination

meant much to advertising business as it had led to the large scale production of advertisements for wide distribution.

3. Period of expansion: United States witnessed vast changes in the advertising business in this period (from 1840 to 1900). The newspaper publishers and printers handled the advertising by selling space to procure money for their growth and survival.

4. Period of consolidation (from 1900 to 1925): United States saw a protest for misleading and untruthful advertising in 1911. The Curtis Publishing Company, Printers, Ink. Inc and other companies led the fight. Advertising world witnessed a remarkable development in the year 1920 with the advent of radio.

5. Period of scientific development: The period (from 1925 to 1945) witnessed the application of scientific methods in resolving advertising related problems. Observation, recording and classification of facts started to begin through scientific devices for testing the strategies for sales effectiveness. This dependence on science substituted the philosophical yardstick of performance with a more scientific one.

6. Period of business and social integration: This period (post war from 1945 to the present) witnessed prosperity and development in the advertising industry; which was further boosted in 1950s with the invention of television.

The growth and popularity of the television medium brought about revolutionary changes in the advertising industry.

Om Gupta, in the book, ‘Advertising in India: Trends and impact’ classified the history of advertising into two types: Prior to industrialization and Post industrialization.⁵

1. Prior to Industrialisation:

Om Gupta writes that advertising is dated back to Christian era. One of the first known methods of advertising was outdoor signs that would be painted on the wall of a building and were usually very eye-catching.

Ancient Egyptians and Greeks sensed the benefits of product promotion. Archaeologists have found ‘signs’ in the ruins of ancient Rome and Pompeii. Others claim that prehistoric cave paintings were a form of advertising. But it is true that advertising has been around for as

long as there had been goods to sell and a medium to promote them – from the crier in the street to the handbill tacked on the tree.

Advertising as we know today began during the last quarter of the nineteenth century. Advertising agencies were relatively unknown then and, those that existed, had ill-defined responsibilities.

During the past century, large American manufacturers have played an important role in developing the profession of advertising. But in earlier years, it was United Kingdom that took the leadership in terms and creativity.

In the United Kingdom, the first advertising agent was probably one William Taylor, who opened an office in London's Warwick Square in the year 1786. The firm was later known as Taylor & Newton; and it acted as an advertising sales representative for printers – several of whom had launched newspapers to promote their trade.

Advertising was a well established practice in the late colonial and early democratic periods in America, but these advertisements were neither as appealing to the eye nor as cleverly crafted as were their counterparts in England. The type was so illegible that Benjamin Franklin once observed: "If you ever have any secrets that you wish to be well kept, get them printed in the papers."⁵

Moreover, the United States was a predominantly rural nation. With a sparse, predominantly rural population, and without an efficient system of transportation and communication, the country had neither the need for nor the means of concerned national advertising campaigns. Historian Lewin Antherton observed that "in general, the early advertising was dreary, matter of fact reading, served a limited purpose and was completely devoid of...customer appeal...one advertisement was like all others."⁵ Advertising took a leap forward, of course, with the appearance of the printing press and movable type- an invention credited to German Johannes Gutenberg in the year 1447.

S. H. H. Kazmi and Satish K Batra, in their book, '*Advertising And Sales Promotion*' writes that it was only after nearly forty years of the invention of the movable type that the first known printed advertisement in English language appeared. William Caxton of London printed the first advertisement; which was a handbill of rules that was put on the Church doors for the guidance of the clergy at Easter.⁶

The first advertisement in any language to be printed on a circulated sheet appeared in a German news pamphlet in about 1525. It was an advertisement that advocated the virtues of a mysterious drug.

The first printed newspaper in England– ‘The Weekly News of London’ came out in 1622; but, it was only in 1625, that the first advertisement was printed in one of the English newspapers.

The first printed advertisement – about a reward for the capture of a thief – appeared in 1704 in America in the ‘Boston Newsletter’.

By the middle of 17th century, advertisements in the form of announcements appeared in England’s weekly newspapers that were called ‘Mercuries’. The first of coffee advertisements appeared in 1652, followed by chocolate in 1657 and tea in 1658.

There were advances in American advertising in the larger cities during the 1820s and 1830s with improvements in the printing technology and a change in advertising philosophy.

James Gordon Bennett, Sr., the ‘New York Herald’ and other New York penny press newspapers prided themselves on speaking directly to mass public in understandable and accessible terms, and they wanted their advertising to have the same appeal.

In 1848, Bennett began changing the Herald’s advertising every day, turning them into news, just like the editorial matter. The precursors of advertising agencies also date from this period.

By the 1840s, Volney B. Palmer was listing his ‘coal and advertising’ agency in New York City’s Business Directory. The very description of the business – ‘Coal and advertising’ – illustrates how undifferentiated advertising was in those days.

Maurice J Mandell, in the book ‘*Advertising*’ writes that Palmer was the first advertising agent who established an office in Philadelphia. For a fee, he worked as an agent for newspapers. He sold space to advertisers; and helped them in media selection. He did not provide any creative or planning services to the clients.⁹

Modern advertising really began in the 1880s, when new methods of manufacturing led to greatly increased output and decreased costs for the producers of consumer goods.

Prior to the 1880s, the American marketing system had been characterised by an intricate set of wholesalers, jobbers and other middlemen whose most important function was to buy in large lots and sell in smaller ones. In this age, the wholesaler was the king but, in the new era of 1880s, the importance of the packaged goods manufacturer greatly increased. What manufacturers could package in their own plant, they could brand. What they could brand, they could advertise. What they could distribute nationally, they could advertise nationally.

Daniel A. Pope has written, “This necessitated the growth of advertising agencies and dictated their activities” and also “tipped the balance in advertising from information to persuasion.”⁷

John E. Powers, in the late 1880s, emerged as a great copywriter. His approach was – no catchy headlines, no brag, no pressure. J. Walter Thompson, a young advertising Executive at that time but, destined to become the inventor of modern advertising agency, signed an exclusive contract with twenty-five best American magazines; and had an impressive list of advertisers. Albert Lasker (father of modern advertising) and Claude C. Hopkins got together in the last decade of the 19th century and introduced the inclusion of ‘record of results’ in professional advertising business and ‘reason why’ approach to advertising copy respectively.

Later the ‘reason why’ approach of Hopkins was challenged by Theodore F. McManus of General Motors. McManus believed in producing impressionistic copy by incorporating original art, creative layouts and elegant writing to create a positive image of the company and its products.

The list of achievements in the field of advertising in the nineteenth century would be incomplete if we do not mention the advertising agency – Lord and Thomas. John N. Ingham, in the book, *‘Biographical Dictionary of American Business Leaders’* writes that the agency had been founded by Daniel M. Lord and Ambrose L. Thomas in 1872 and in 1898 had \$800,000 billings. The firm had two remarkable copywriters – Claude C. Hopkins and John E. Kennedy.¹⁰ Hopkins was particularly good at understanding the consumer and how advertising should be integrated in the total marketing effort. Kennedy was known to have believed that advertising was ‘salesmanship in print’; and tried to provide a reason why customers should buy the advertised products.

John McDonough and Karen Egolf, in their book, *The Advertising Age Encyclopedia of Advertising* writes that Lord and Thomas, under the influence of Kennedy, was also responsible for introducing the 'Hard-Sell' strategy in advertising; a concept later copied by numerous other advertising agencies. Lord and Thomas was also the pioneer in developing the concept of 'brand images'.¹¹

National advertisers provided the media and advertising agencies with a new set of clients whose standards of conduct were far higher than those preceding them. The most widely advertised consumer products through most of the nineteenth century had been patent medicines for which their advertisers made extravagantly false claims. As late as 1893, according to Pope, more than half of sample of over a hundred firms, spending more than fifty thousand dollars annually on advertising, were patent medicine manufacturers, whose advertisements were often of the 'cancer cure' variety.⁹ But the new companies depended upon repeated purchase behaviour and thus, to build a bond of trust with the consumer, they had to eschew blatant falsehoods.

For the consumer product market, advertising became the marketing analogy to assembly-line production techniques. It was systematised mass salesmanship, which became a key weapon in the arsenal of companies seeking to create and build brands.

With the new mix of advertising, clients and the new conception of advertising came a host of changes in the trade that sharply differentiated the 20th century practice from the previous era. Among the most important changes were those in the areas of copywriting, research and source of compensation.

Through most of the nineteenth century, the principal function of the nation's advertising agencies was to buy space in publications at wholesale rate and sell it to advertisers at retail. In 1892, the 'N.W. Ayer and Son Agency' in Philadelphia hired its first full-time copywriter to write the advertisement itself.

Soon after, Albert Davis Lasker of the Chicago agency of 'Lord and Thomas' greatly boosted the prestige of the copywriting function within the agency. He founded the 'reason why' school, which held that an advertising had to give the customer a specific reason (perhaps the most accurate description would be 'rational sounding excuse') to purchase a product. This approach contrasted with the bulk of previous copy, which had often consisted of an announcement accompanied by disconnected and incredible claims to excellence.

Modern business corporations and advertising agencies make a major effort to research the projected and actual impact of their advertising. Research at agencies dates back to 1879, when Ayer undertook its first such project.

Since then agencies, their clients and independent market research firms- often assisted by marketing academicians and economists- have spent large sums to determine advertising's effectiveness.

Advertising agencies have always been intermediaries between advertisers and the mass media. During much of the nineteenth century, it was unclear whom the agency represented. Was it primarily a seller of media space or a seller of a manufacturer's product? In the twentieth century, the answer had been the latter. Agencies sell products by buying space or time and compensated by manufacturers.

The most visible change in advertising in the past hundred years has resulted from the new technology of broadcasting.

Initially, many thought that advertising over the 'ether' would never be accepted by the public because it would constitute an obnoxious intrusion into the home of the owner of the radio set. And even if it did not prove unacceptable on grounds of taste, many felt that radio advertising should be prohibited as a matter of public policy.

Herbert Hoover, when he was Secretary of Commerce, said at a conference on Radio in 1922 that it was inconceivable that we should allow so great a possibility for service to be drowned in advertising chatter.

By the end of the decade, however, advertisers and their agents had come to realise radio's possibilities. With its drama and immediacy, radio could convey their message directly to the consumer who would not need to purchase a publication or even be literate.

2. Post-Industrialisation:

Advertising got into its stride with the Industrial Revolution – aided and abetted by the rise of the newspapers as a mass medium. Advances in technology meant consumer goods could be produced and packaged on a previously un-dreamed of scale. This encouraged local manufacturers to seek far flung new markets. In order to etch the names and virtues of their products into memories of the target customers, they branded their goods – and thus the concept of 'brand advertising' started.

In Britain, one of the most prominent clients of the day was ‘A&F Pears’, makers of Pears’ soap. The company’s success was assured by Thomas J. Barrett who joined the firm in 1862. He successfully secured one of the first celebrity endorsements from actress Lillie Langtry and also convinced the popular artist Sir John Everett Millais to sell him a painting of a young boy gazing at rising soap bubbles. He further persuaded Millais to add a bar of Pears’ soap to the scene. Thus, quite easily ‘bubbles’ became one of the earliest advertising icons, and set the tone for a highly successful campaign.

In his book, ‘*A complete guide to advertising* (1984)’, Torin Douglas¹² recounts: ‘Firms such as ‘Cadbury and Fry’ started packaging their products, not simply to protect them and preserve their quality, but also to establish their quality by the use of the company’s own name. Instead of leaving it to the retailer to determine which company’s product a customer would buy, they began to build their own relationship with the customers.’

Douglas highlights two other crucial factors in the rise of British advertising. ‘The Education Act of 1870 in Britain provided elementary education for all, and this, combined with the abolition of tax on newspapers that had taken place 15 years before, led to a huge increase in the numbers of newspapers produced and sold. For the first time, advertisers had a mass-circulation press in which to promote their goods.’¹⁰

History of television advertising:

The United States witnessed an exceptional degree of commercialisation of television in 1950s. Because of their access to more air-time, the American advertisers could promote commercial messages to wide market segments (including children). Through television, advertisers get their products endorsed by celebrities along with a clear demonstration of the same.

Norman J. Medoff and Barbara Kaye in their book, ‘*Electronic Media: Then, Now, and Later*’ writes that the public got its first glimpse of television at the 1939 New York World Fair but the World War II interrupted television set production and programme transmission; stalling television’s adoption by consumers until three years after the war. In 1948 the economy was booming and American consumers became very enthusiastic about television.¹³

At first, television advertising was based largely on radio’s sponsorship model. Advertisers and their agencies produced sponsored programmes. However, television programmes were

much more expensive than radio programmes; and agencies and advertisers found themselves spending thousands of dollars each week. 'The Kudner Agency' spent about \$8000 per week for 'Texaco Star Theatre' (1948-53) and 'Frigidaire' spent about \$100,000 for each 'Bob Hope' special it sponsored. The high cost of television sponsorship kept all; but a few, of the largest advertisers off the air. It soon became apparent that the model for television advertising had to change.

NBC television Executive Pat Weaver extended William Paley's idea of selling ad time within radio programmes to television; and came up with what is called as magazine style of television advertising; also known as spot or participation advertising. Weaver realised that television could make more money by selling time within and between programmes to several sponsors than relying on only one sponsor to bear the entire cost. His idea was similar to placement of advertisements between magazine articles. With Weaver's plan, advertisers found it more convenient to buy one-minute spots than the entire 15 or 30 minutes programme. Affordable airtime brought even the lesser known advertisers to television for the first time; and brought a revolution in the television advertising industry.

'The Bulova Watch Company' was the first advertiser to venture to television. On July 1, 1941 'Bulova' paid \$9 to a New York City television station for a 20 second ad that aired during a baseball game.

Throughout the 1960s, most television commercials were sold in 60-seconds units known as 'spots'. Spots brought in tough competition among advertisers as they were struggling for the audience's attention. As such they had to come up with creative ways to make their products and brands stand out from the others. Slogans, jingles and catchy phrases thus made their way into the commercials.

Television advertising took a new turn in 1971 after the US Federal Government banned commercials featuring tobacco products. Cigarette companies had been among television's largest advertisers; but, the ban had left broadcasters scrambling to fill unsold ad time. Television networks realised that there were companies who could not buy airtime in 60-seconds block; but were willing to buy 30-seconds units. This arrangement was profitable for the television networks as well as they could earn more money through two 30-seconds slots than one 60-seconds one.

Norman J. Medoff and Barbara Kaye in their book, '*Electronic Media: Then, Now, and Later*' also writes about the gradual variation in television advertisement spots. In 1965, about 70% of all commercials were 60 seconds in length. Four years after the 1971 ban on tobacco commercials, only 11% of commercials were of 60 seconds and the rest were 30-seconds spots. By 1985, almost 90% were of 30-seconds spots. Throughout the 1980s, the length of commercials began to vary from 10, 15, 20 and 45 seconds spots. The 15-seconds spots gradually got the fascination of the advertisers and by 1990s they accounted for one-third of all commercials and by 2008 about four out of ten spots were of 15-seconds in length. Although very rare, but, sponsorship advertisements still occur. For example, the 'Ford Motor Company' was the sole sponsor of the movie 'Schindler's List' when it made its television debut in 1997 and in the early 2000s, 'Kleenex' sponsored movies such as 'An Officer And A Gentleman' and 'Steel Magnolias'.¹¹

History of advertising in India:

Kruti Shah and Alan D'Souza, in their book, '*Advertising and promotion*', gave a detailed analysis of the history of advertising in India. The primitive history of advertising can be dated back to the beginning of civilisation with word of mouth advertising by hawkers. Harappa and Mohenjo-Daro indicated names, similar to present day trademarks, engraved on excavated metal, stone or earthen wares. Thus, wall paintings or stone engravings indicate an early tool for advertising.

Religious propagation was probably the earliest objective for advertising. Emperor Ashoka, between 563 and 232 B.C, had set up pillar and rock edicts (form of outdoor advertising) to spread the messages of Buddha. The paintings in the Ajanta, Amravati and Sanchi cave temples can be compared to indoor visual communication.

Until the advent of British rule in India, advertising was not a business agenda. The reasons were that India was the unique example of domestic commercial activities. India was in 'Village Economy' stage in the pre-British era where the relations between the producers and consumers were direct. The producers of the local markets displayed their wares by shouting and giving samples for promoting their trade; and as such there was no special need for advertising.

British settlement and ruling brought about certain changes in our country. British needed advertising efforts to popularize their goods, particularly the luxury goods. The first printing

press was established by the Portuguese in 1556, which was used exclusively for printing Christian literature. It was only in 1780 that the first Indian newspaper started, namely the 'Bengal Gazette' in Calcutta. By 1786, there were four weekly newspapers and a few monthlies published from Calcutta. It was in the 'Bengal Journal' that all the government advertisements of that period were printed. 'The Courier' which was published from Bombay during that period also contained advertisement in various Indian languages, namely Marathi, Gujarati, Konkani, Urdu and Kannada. In 1791, 'The Government Gazette' was started in which all the government advertisements in different provincial languages were printed. Though the first newspaper in an Indian language started in 1833, it took a pretty longer time to put advertisements in Indian languages newspaper. There were no advertising agencies; but, the newspapers had provided the services of space selling.

The eighteenth century saw the advent of 'classified advertising' in India. Initially advertisements were imported from the studios of England; but, later indigenous newspaper studios were developed in India which brought together copywriters, visualizers, illustrators and various other creative artistes.

A lot of British retailers and medicine manufacturers comprised the major clientele for these studios. Retailers advertised their imported products in the form of lists. The success of this advertising format led to the growth of 'mail-order advertising' wherein retailers published thick catalogues of their products carrying information and promotional offers.

Commercial advertising in India commenced in 1905 with the establishment of 'B. Dattaram and Co.' – the first advertising agency in the country. The pre-independence era saw a rather slow growth in the Indian advertising scenario.

Newspaper circulation increased during the First World War with the growing interest among the readers in news of the war. Newspaper advertising got a fillip when the Indian market was flooded with foreign goods in the post war period as much space was booked for advertising. The British and the American agencies posed tough competition for domestic agencies; eventually leading to their failure. The Indian agencies saw potential in advertising business as a rich source of earning and employment.

'Tats Publicity' (1918), started by a Bombay based British army officer, was the first professional modern advertising agency, followed by D. Jekey More's agency (1929) and the 'Thompson Advertising Agency' (early 1930's).¹² Indian advertising got another break during

the 'Swadeshi Movement' as it led to the popularisation of Indian goods against the imported ones through widespread advertising.

The Indian advertising scenario has had many changing phases. The pre-independence advertisements were mostly about goods, clothes hotels, restaurants, cars and luxury items as the target audience were mainly the British in India, the royal families and the upper class elite strata of the society. It was only after the abolition of the princely order post-independence that the middle class caught the attention of advertisers. Advertising agencies flourished from 14 in 1914 to 45 agencies in 1944. However, the gross income was just Rs. 5 crore; indicating the slow growth of the business in the country. The other reasons for the slow growth were the lack of industrialization, limited market and lack of competition.¹⁴

The first full-fledged Indian advertising agency was set up in 1934 – 'The Sista Advertising And Publicity Services'.¹⁵ The increased competition demanded a thorough improvement in the quality of advertising work and services. To improve the art-work and copy illustration, Indian agencies used to send their employees abroad for a special training. 'The All India Radio' started broadcasting various programmes in 1936. In 1939, 'The Indian And Eastern Newspaper Society' was founded to protect and promote the legitimate interests of the newspapers and to deal collectively with the government, agencies and the advertisers.

Advertising during those days got a fillip; with media becoming more organised and also with the formation of media syndicates. With India becoming a note-worthy market for products, advertisements for many multinational products like 'Lux' and 'Horlicks' were Indianised.¹²

'The Indian Languages Newspapers Association' was formed in 1941 to deal with the problems of Indian language newspapers. The political and economic scene underwent a sweeping change by the end of the Second World War. Consequently, the scarcity conditions prevailing in the Indian economy gave much impetus to the growth and development of light and small industries. In 1945, 'The Association of Advertising Agencies of India' (A.A.A.I) was formed to raise the standard of advertising and regulation of advertising practices through a code of conduct. The Audit Bureau of Circulations of India (A.B.C.I) was started in 1948 on the lines of 'The A.B.C' of America. In 1952, 'The Indian society of Advertisers' was formed in 1952, to promote the interests of advertisers so as to raise the standard of Indian advertising. After independence, the Five Year Plans were implemented and several factories and large - scale projects have emerged and this marked the beginning of the

'Golden Age' of advertising in India. Advertisements in the Indian Print media achieved a considerable importance only from the beginning of the twentieth century. Educational development and the popularization of media had also contributed much to the expansion in the field of advertising in India. 'The Advertisers' Club of Bombay' was started in 1954 and such clubs had emerged later in all the metropolitan cities in India. The telecasting of programmes through television had commenced in India on 15th September 1959 at Delhi. Besides these, there are some other forms of publicity used by the advertisers, which include the use of short films, slide shows, messages on the radio and in television. Television advertising has become as popular today in India, as it is in other parts of the world. Film advertising in India has attained popularity among both the advertisers and the consumers because the advertisers can advertise their products even in the remotest corners of the country using cinema theatres as the medium.

The 1960s saw an upsurge of creativity in Indian advertising industry. This was inspired by the transformation of advertising at the international level into a more modern scientific approach. The creative 'Volkswagen' campaigns promoted the concept of 'positioning' or 'unique selling proposition' internationally. 'ITC' in India made records with its 1963 slogan 'Made for each other' for 'Wills' cigarettes.¹⁶ Similarly, in 1964, Lifebuoy's 'Tandurusti ki raksha' (protection of health) campaign was very successful. In 1967, Amul hit the jackpot with its hoarding campaign featuring the polka-dot-dressed moppet that entertained viewers with her topic-based humour. The campaign finds a mention in the Guinness Book of World Records as the longest running outdoor campaigns.

Radio advertising has been introduced by the 'Vividh Bharti' (All-India Radio) at Bombay from 1st November 1967.¹⁷ This pilot project was started with commercials being put over low power 'Vividh Bharati' transmitters at Bombay, Poona and Nagpur. It gained widespread popularity among the traders and industrialists.

The year 1976-77 was a turning point in the history of Indian advertising. It was in this year that 'The Doordarshan' (DD) started accepting advertisements. Commercial advertising on television was introduced in a small way on 1st January 1976 and the revenue from commercial advertising has shot up at an astronomical rate leading to a flood of sponsored programmes and the opening of a second channel in Delhi and Bombay. The first burst of public sector advertising was in the 1980s; but, what catapulted the industry on to a higher plank was the landmark launch of colour television on August 15th 1982. Colour printing in

newspapers and magazines also brought about a new hue to their readability. To proclaim the serious role of advertising in competitive scenarios, the Advertising Standards Council of India (ASCI) was born. The 1980's also witnessed the first round of sponsored television programming.

The Indian advertising industry has come a long way from Rs.100 million industry (1955) to Rs.1600 million (1978) to Rs.50,000 million (1999). Satellite television has phenomenally influenced the style and substance of advertising. Globalisation, privatization and liberalization have created both challenges and opportunities for advertising with the increase of fierce competition.

The concept of market research in advertising was pioneered by 'Hindustan Lever' in rural India. 'Hindustan Thompson Associates (HTA) and 'Lintas' followed the trend. The total advertising turnover in 1994-95 was of Rs.775 crores; wherein Doordarshan had a share of Rs. 400 crore, Rs. 200 crores was advertised on the network and the remaining Rs.175 crores on the the satellite channels.¹⁸

Online advertising is has also gained momentum after globalisation in India. India's online advertising revenues increased from \$2.5 million (1999) to \$150 million (2003).¹⁴

With the advancements in colour processing and printing technology, the Indian advertisers were successful in bringing out advertisements of international standards in various print media.

An analysis of the growth of advertising industry in India from the year 1985 to 2003 shows that the industry has shown a steady growth from Rs.580 crores (1985) to 15000 crores (2003).¹⁹

Lynne Ciochetto, in her book, '*Globalisation and advertising in emerging economies: Brazil, Russia, India and China*' summarizes the impact of globalisation on Indian television advertising.²⁰ In the early 1990s, there was a massive expansion in advertising in India when the government relaxed the regulations on foreign company advertising on Indian television. The advertising of foreign products on television was not permitted until 1994. At the same time there was a proliferation of television channels including satellite channels. Quoting various sources, Ciochetto mentioned that advertising expenditure increased from \$415 in 1992 to \$1748 million in 2001 with a slight dip in 1998 with the Asian economic crisis. The

advertising industry further expanded since 2000 and advertising expenditure in 2006 was at \$4.1 billion.

Ciochetto mentions that the advertising in India was dominated by Indian agencies until the 1990s because of government limitations on foreign ownership. By 1992-93, 11 out of 20 Indian agencies were affiliated with multinational agencies. By 1999, there were about 400 advertising agencies in India and 15 of the top 20 advertising agencies in India had affiliations or joint ventures with foreign agencies.

With the proliferation of television channels after the liberalisation and globalisation policies of the 1990s, a steady growth in television advertising was also noticed. The first foreign companies to move in were the fast moving consumer goods like personal products, cigarettes, soft drinks and pharmaceuticals. Further, the rising disposable income levels were reflected in the increased advertising for consumer durables. In 1993, 75 per cent of television advertisements were for five major groups of products: toiletries and detergents, cold drinks, food products, cosmetics and health products.

Post globalisation, advertising in India has largely been dominated by the foreign companies. The competition further increased with these foreign companies taking over the local brands. Fierce competition was witnessed in the three key product categories: soap, detergents and soft-drinks; with Procter & Gamble, Unilever (HLL) and Colgate Palmolive competition in the soaps and detergent front while Coca-Cola and Pepsi taking the soft-drink industry by storm.

Ciochetto, successfully elucidating on the impact of advertising on the culture of India, states that the expansion of advertising contributes to the processes of social and cultural change that have accompanied the accelerated globalisation of the economy since the 1990s. Post liberalisation, advertising has contributed to cultural change through the introduction of new values like individualism and intensification of other values like materialism and consumerism; thereby diminishing key values of the society. It has been alleged that such trend has led to the undermining of traditional habits and behaviours, creation of new wants and desires and the re-formulation of cultural values and beliefs. In 1980, UNESCO compiled a report, documenting key values promoted through advertising which included consumerism, materialism, individualism, hedonism, sexuality apart from stereotyping body types and gender roles.

Today, advertising is once again on the crossroads. Innovations like guerrilla marketing are underway which includes interactive advertising where the viewers can interact with the advertiser and respond to the messages, staged encounters of products in public places, narrowcast of advertisements on 'Direct To Home' screens, transmission of messages on small screens of hand held devices; and more. While its form may change; advertising is here to stay.¹⁶

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