

AN EMPHIRICAL STUDY ON SURROGATE ADVERTISEMENTS: A PIONEERING TREND

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Abstract

'Many a small thing has been made large by the right kind of advertising'. Yes, advertisements have a strong influence in our life as they are informative and hence create awareness among the consumers. But some ads are accused of misleading & unhealthy products restoring themselves to prohibition from the media. But the massive investment of the companies has made them to reinstate to a new trend called "Surrogate Advertisements" emerging itself as a loophole challenge to the Government's action. This trend gathered momentum due to prohibition of such products (alcohol beverages, cigarettes & tobacco products) by law.

The current study was undertaken to explore the positive dimensions of surrogate advertisements & to investigate its influence on consumer buying decision thereby its impact on company's brands. Hence with this inspection the required data was collected from 108 respondents using a comprehensive open – ended questionnaire undergoing a judgmental sampling. Besides, to test the objectivity of the data collected Weighted Factor Method coupled with Ranking Method & Karl Pearson's Chi Squared test was used to arrive at possible suggestions required for the study.

Consequently, what seems relevant by the study is – "How the surrogate advertisements have become a pioneering trend in the current scenario?" & "How it has proven to be a boon for the marketers?" is the question what makes this study furthermore interesting.

Keywords: *Surrogate Advertising, Brand Image, Awareness, Tobacco & Alcoholic beverages, Familiarity.*

1. Introduction

Surrogate advertisements are those which are used to publicize those products banned by law as they are injurious to health. Different products witnessing such advertisements are alcohol beverages, tobacco products & Gutka advertising themselves as pan masalas.

There are a numerous reasons for companies to restore themselves to such advertisements. One of the most common among them is to circumvent a prohibition by law in several countries on direct advertisements of particular products besides its unhealthy.

Hence different techniques used to promote such brands might include, endorsing their products using public service announcements, advertising well established brand embedding such surrogate products or duplicating the brand image of one product extensively to promote another product of the same brand or if not the case, endorsing themselves as discharging some social obligation towards the society (Ex: Officers Choice – Alcohol).

Whereas the primary objective of the companies behind such prohibition is to compensate the losses occurred due to such prohibition.

“Sales of these surrogate items are not banned, yet advertising on the same has strictly been prohibited!”

2. Objectives Of The Study

The present research study was undertaken to fulfill the following objectives:

1. To know the consumer's familiarity & awareness towards surrogate advertisements.
2. To understand the impact of surrogate advertisements on the company's brands.
3. To find out the influence of surrogate ads on consumer buying decision.
4. To know the consumer perception towards surrogate ads & its products.

3. Significance Of The Study

The present research study is highly significant as it enables the companies to find the new ways to successfully promote their banned products.

Moreover the study also spotlights as to how the companies can use such new trend of surrogate advertisements as a successful marketing strategy to sell their prohibited products.

4. Research Gap

The research was undertaken to know that even the government has imposed a ban on the products which are probably not good in the interest of the community at large. How they are emerging themselves with a new dimension i.e., Surrogate Advertising?

The study also attempts to analyze the positive dimension of surrogate advertising even though such ads are against to advertising ethics.

5. Literature Review

Dr. Abhijeet Agashe, Ms. Harleen Vij in his article “*Ethical Issues in Surrogate Advertisement & its Impact on Brand Building*” indicated that ---- “Direct marketing of surrogate products are totally unethical and hence been prohibited by the government. But it’s the companies are now following the newest trend called the ‘surrogate advertisements’ i.e., marketing unethical products ethically”

Cable TV Act, 1995 - As a result, Zee and STAR stopped telecasting the advertisements. Aaj Tak and Sony soon followed suit. In addition, I&B Ministry hired a private monitoring agency to keep a watch on all advertisements for violations of the Act.

By August 2002, the *I&B Ministry* had banned 12 advertisements and leading satellite TV channels including Zee, Sony, STAR and Aaj Tak were issued show cause notices to explain their rationale behind carrying surrogate liquor advertisements.

Dr. S. G. Khawas Patil, Laxmikant S. Hurne in their article “*Surrogate Advertising: A Successful Marketing Strategy for Liquor, Whisky products*” indicates that – “Most of the companies experiencing the ban of their products are restoring themselves to the new concept called “Surrogate advertising. He also indicate that co’s are making huge profits by using such ads as a new weapon now-a-days”

Pradeep S. Mehta in his article “*Surrogate advertising — Needed, a spirited attack*” tell that – “The companies whose products are subjected to the prohibition are following a different way of promoting their products like ‘old wine’ in a ‘new bottle,’ or with a soft-drink label somehow they are duplicating the image of well established brand.”

Rima Bharadwaj in her article “*Surrogate Advertisements: A New Judicial Concern*” analysis that – Indian government has always endeavored to curb or atleast restrict rampant advertisements of such products by appropriate legislations, orders and directives.

6. Usage Of Surrogates For Endorsing Diverse Brands

Considering the ill effects of cigarette, alcohol and tobacco products, the government has prohibited the advertisements of these products in the media. But sarcastically, brands have been promoted using surrogates thereby overcoming such proscription.

Here are a few examples:

Product Category	Brands	Surrogates
Tobacco	Rajnighanda	Kesar Pan Masala
	Goa Gutka	Pan Masala
	Pan Parag	Pan Masala
	Manikchand	Filmfare Awards
Cigarettes	Red & white Cigarettes	bravery award ceremony
	Gold Flake	Tennis Tournaments
	Wills Lifestyle	India Fashion Week, Lifestyle (textiles) showrooms, Indian Cricket Team/Matches
	Charms	Audiocassettes and CDs.
	Four Square white	water rafting& Gliding
	Wills Lifestyle	India Fashion Week, Lifestyle (textiles) showrooms, Indian Cricket Team/Matches
Alcohol Beverages	Seagram's	Music
	Mc Dowells	Water and Soda
	Bagpiper	Water, Soda, and Music – cassettes & CDs
	Red and White	Bravery Awards
	Bacardi	Music
	Kingfisher	Mineral Water and Calendars
	Wills Lifestyle	Apparels, Accessories
	White Mischief	Holidays
	Imperial Blue	Cassettes & CDs
	Smirnoff Vodka	Fruit Juices
	Royal Challenge	Golf Tournaments
	Aristocrat	Apple Juice
Officer's Choice	Social Obligation towards Society	

Table 1: Brand promotion via Surrogates

(Source: Article 'what is surrogate Advertising' posted by Arvind Ravikumar on Nov 28th, 2011 on Marketing faq)

7. Sampling Plan

Sampling Technique: Judgmental Sampling.

Sampling Type: Target audience comprises those respondents who were either literate or semi – illiterate & who are above the age group of 16 yrs.

Sampling Size: 108 Respondents

Sampling Area: Bangalore City

8. Research Methodology

The required data was captured and appropriately analysed by divided it into three different parts –

Part – A – Percentage Analysis was done to analyse the demographic profile of the respondents.

Part – B - Weighted Factor Method coupled with *Ranking Method* was used to know the factor having highest weightage thereby resulting in affirmative stance of the respondents towards surrogate ads.

Part – C – Karl Pearson's Chi squared test was used to test the objectivity of the Hypothesis framed & the statistical associations between the co's usage of new marketing strategy (i.e., surrogate ads) & its reported exposure with the positive outlook of the respondents towards this trend.

9. Data Analysis & Interpretation

PART – A

Demographic Factors	Category	No. of Respondents	Percentage (%)
Gender ¹	Male	108	100
Age	16 - 25 yrs	46	42.59
	26 - 35 yrs	38	35.18
	36 - 45 yrs	14	12.96
	46 yrs & Above	10	9.25
	Total	108	100
Educational Qualification	Illiterate	19	17.59
	SSLC	12	11.11
	PUC	21	19.44
	Under Graduate	33	30.55
	Post Graduate	23	21.29
	Total	108	100
Income (p.m)	Less than 5,000	08	7.40
	6,000 to 15,000	61	56.48
	16,000 to 30,000	17	15.74
	31,000 to 50,000	7	6.48
	Above 50,000	15	13.88
	Total	108	100

Table 2 - Demographic profile of the Respondents

Table 2 indicates that –

- (i) All 100% of the respondents are male.
- (ii) Majority of the respondents i.e., 42.59% are between the age group of 18 - 25 yrs, where as 35.18% fall into the category of 26 - 35 yrs, remaining are above the age group of 36 yrs.
- (iii) 30.55% of respondents are Under Graduates, 21.29% are Post Graduates where as 17.59%, 11.11% & 19.44% of respondents fall into the category of Illiterate, SSLC & PUC respectively.

¹ Only the male respondents were considered as samples for the study.

(iv) Among the 108 respondents, Majority of them i.e., 56.48% are earning their income between 6,000 to 15,000 pm, 15.74% between 16,000 to 30,000 whereas only minimal no. of respondents i.e. 7.40% earn less than 5,000 of income pm.

PART - B

The different variables are analysed on the basis of the factors attributed within the statement. Further the Weighted Factor Method is used to find the factor having highest loading / weightage in the insight of the consumers.

SI no.	Name of the Variables	Factors	Observed Values	Weights Assigned	Total Score	Ranking depending upon the factors with highest loading
1	Awareness	Familiar & aware of the concept of surrogate ads	35	0.3	10.5	II
		Unfamiliar with the name but aware of the concept	52	0.5	26	I
		Unfamiliar & Unaware of the concept	21	0.2 1	4.2 40.7	III
2	Reasons to restore to the newest trend of surrogate ads	To promote the co's banned product	22	0.2	4.4	III
		To build up the brand image	36	0.3	10.8	II
		To earn profit	50	0.5 1	25 40.2	I
3	Different ways to make surrogate ads attractive to viewers (consumers)	Usage of Celebrities / Personalities	44	0.3	13.2	II
		Brand Endorsement with Hi Fi Music	49	0.4	19.6	I
		Event Sponsorship	11	0.2	2.2	III
		Ads inclusive of Hazardous note i.e., (<i>Cigarette smoking is injurious to Health</i>)	04	0.1 1	0.4 35.4	IV
4	Appropriate media to telecast the surrogate ads	Television	45	0.3	13.5	I
		Radio	02	0.1	0.2	IV
		Newspaper	11	0.2	2.2	II
		Magazines	05	0.1	0.5	III
		Movies	45	0.3 1	13.5 29.9	I
5	Apt time to broadcast the	During News	05	0.1	0.5	IV
		During Serials	21	0.2	4.2	III

	surrogate ads	At the time of live cricket matches	58	0.4	23.2	I
		During Reality Shows	24	0.3 1	7.2 35.1	II
6	Viewers perception towards Surrogate advertisements	Entertaining	37	0.4	13.6	I
		Misguiding	19	0.1	1.9	IV
		Harmful to health	10	0.1	1	V
		Informative	23	0.2	4.6	II
		Provokes to result in higher consumption rate	22	0.2 1	4.4 25.5	III
7	Impact of surrogate ads on the rate of consumption	Increases consumption rate	88	0.8	70.4	I
		Decreases consumption rate	20	0.2 1	4 74.4	II

Table 3 - Evaluation Of The Factors

Table 3: Analysis of the diverse factors having more weightage / loading using Weighted Factor Method in the insight of the Respondents.

Above table indicates that –

1. Majority of the respondents are familiar with the concept of surrogate advertisements & hence show high level of awareness towards it.
2. Concealed ideas of the co's to make higher profits with the improvement in the brand image have made them to restore to the newest trend of surrogate ads.
3. Endorsement of surrogate products by the well-known celebs coupled with Hi Fi music inculcates impulsive behaviour in the consumer decision making process.
4. Manufacturers of surrogate products can use television as a suitable media to broadcast the surrogate ads; whereas it's during the live cricket matches or the reality shows that have proved to be the appropriate time to make their consumers watch such advertisements.
5. Viewers (consumers) have positive insight toward such ads as they perceive them to be highly entertaining & informative in nature.
6. Finally consumers feel that the trend of surrogate advertisements have positive impact on company sales resulting in increased consumption rate of their prohibited products.

PART – C

H₀ = Respondents are totally unfamiliar and unaware of the concept of surrogate advertisements.

H₁ = Respondents are familiar and are aware about the concept of surrogate advertisements.

Parameters	Factors	O	E	(O – E)	(O – E) ²	(O – E) ² / E
Familiarity & Awareness towards surrogate advertisements	Familiar & Aware of the concept	35	36	-1	1	0.027
	Unfamiliar with the name but aware of the concept	52	36	16	256	7.111
	Unfamiliar & Unaware of the concept	21	36	-15	225	6.25
Total		$\Sigma O = 108$	$\Sigma E = 108$			$\chi^2_{cal} = 13.388$

Table 4: Respondents level of awareness towards surrogate advertisements

The above table shows that respondents are familiar & hence show high level of awareness towards the concept of surrogate advertisements.

as $\chi^2_{cal} > \chi^2_{tab}$ (i.e., 13.388 > 5.991)

Hence, **H₀ is rejected** at 2 degree of freedom & 5% of level of significance.

H₀ = There is no such significant reasons for the companies to restore themselves to the trend of surrogate advertisements.

H₁ = There are some significant reasons for the companies to restore themselves to the trend of surrogate advertisements.

Parameters	Factors	O	E	(O – E)	(O – E) ²	(O – E) ² / E
Reasons to restore themselves surrogate advertisements.	To promote the banned products	22	36	-14	196	5.444
	To build up the brand image	36	36	0	0	0
	To earn huge profit	50	36	14	196	5.444
Total		$\Sigma O = 108$	$\Sigma E = 108$			$\chi^2_{cal} = 10.888$

Table 5: Reasons as to why the companies restore themselves to such surrogate advertisements

The above table shows that, companies have good no. of reasons as to why they restore to the trend of surrogate advertisements.

as $\chi^2_{cal} > \chi^2_{tab}$ (i.e., 10.888 > 5.991)

Hence, **H₁ is accepted** at 2 degree of freedom & 5% of level of significance.

H₀ = Consumers doesn't have any kind of inclination towards surrogate ads irrespective of the way of endorsement.

H₁ = Consumers are highly inclined towards surrogate ads provided ads are endorsed by well-known celebrities with Hi Fi music.

Parameters	Factors	O	E	(O – E)	(O – E) ²	(O – E) ² / E
Ways to make the surrogate ads attractive to the consumers	Usage of celebrities / Personalities	44	27	17	289	10.703
	Brand Endorsement with Hi Fi music	49	27	22	484	17.925
	Event Sponsorship	11	27	-16	256	9.481
	Ads inclusive of Hazardous note i.e., (Cigarette smoking is injurious to Health)	04	27	-23	529	9.592
Total		$\Sigma O = 108$	$\Sigma E = 108$			$\chi^2_{cal} = 47.701$

Table 6: Different ways to make the surrogate advertisements attractive to the viewers (consumers)

The above table shows that, Consumers are highly inclined towards surrogate ads provided such ads are endorsed by well-known celebrities coupled with Hi Fi music.

as $\chi^2_{cal} > \chi^2_{tab}$ (i.e., 47.701 > 7.815)

Hence, **H₀ is rejected** at 3 degree of freedom & 5% of level of significance.

H_0 = There is no positive correlation between the surrogate ads & the media used for its broadcasting.

H_1 = There is a positive correlation between the surrogate ads & the media used for its broadcasting.

Parameters	Factors	O	E	(O – E)	(O – E) ²	(O – E) ² / E
Appropriate media to telecast the surrogate advertisements	Television	45	21.6	23.4	547.56	25.35
	Radio	02	21.6	-19.6	384.16	17.78
	Newspaper	11	21.6	-10.6	112.36	5.201
	Magazines	05	21.6	-16.6	275.56	12.75
	Movies	45	21.6	23.4	547.56	25.35
Total		$\Sigma O = 108$	$\Sigma E = 108$			$\chi^2_{cal} = 86.449$

Table 7: Appropriate media to telecast the surrogate advertisements

The above table shows that, there is a positive correlation between the surrogate ads & the media used for its broadcasting.

as $\chi^2_{cal} > \chi^2_{tab}$ (i.e., 86.449 > 9.488)

Hence, H_0 is rejected at 4 degree of freedom & 5% of level of significance.

H_0 = There is no positive correlation between the time and the broadcasting the surrogate ads.

H_1 = There is a positive correlation between the time and the broadcasting the surrogate ads.

Parameters	Factors	O	E	(O – E)	(O – E) ²	(O – E) ² / E
Apt time to broadcast the surrogate advertisements	During News	05	27	-22	484	17.925
	During Serials	21	27	-6	36	1.333
	At the time of live cricket matches	58	27	31	961	35.59
	During Reality Shows	24	27	-3	9	0.333
Total		$\Sigma O = 108$	$\Sigma E = 108$			$\chi^2_{cal} = 55.181$

Table 8: Pertinent time to broadcast the surrogate advertisements

The above table shows that, there is a positive correlation between the time and the broadcasting the surrogate ads.

as $\chi^2_{cal} > \chi^2_{tab}$ (i.e., 55.181 > 7.815)

Hence, **Accept H_1** at 3 degree of freedom & 5% of level of significance.

H_0 = Viewers have negative perception towards surrogate ads i.e., they perceive that such ads are harmful in nature.

H_1 = Viewers have positive perception towards surrogate ads i.e., they perceive that such ads as entertaining, informative in nature.

Parameters	Factors	O	E	(O – E)	(O – E) ²	(O – E) ² / E
Viewers perception towards Surrogate Advertisements	Entertaining	34	21.6	12.4	153.76	7.118
	Misguiding	19	21.6	-2.6	6.76	0.312
	Harmful to health	10	21.6	-11.6	134.56	6.229
	Informative	23	21.6	1.4	1.96	0.090
	Stimulate higher consumption rate	22	21.6	0.4	0.16	0.007
Total		$\sum O = 108$	$\sum E = 108$			$\chi^2_{cal} = 13.756$

Table 9: Viewers perception towards Surrogate Advertisements

The above table shows that, viewers have positive perception towards surrogate ads & hence perceive such ads as entertaining, informative in nature.

as $\chi^2_{cal} > \chi^2_{tab}$ (i.e., 13.756 > 9.488)

Hence, H_0 is rejected at 4 degree of freedom & 5% of level of significance.

H_0 = Surrogate advertisements doesn't result in increased consumption of banned products.

H_1 = Surrogate advertisements have a positive impact on the sale & rate of consumption of banned products.

Parameters	Factors	O	E	(O – E)	(O – E) ²	(O – E) ² / E
Impact of surrogate ads on the rate of consumption of banned products	Increases consumption rate	88	54	34	1156	21.407
	Decreases consumption rate	20	54	-34	1156	21.407
Total		$\Sigma O = 108$	$\Sigma E = 108$			$\chi^2_{cal} = 42.814$

Table 10: Impact of surrogate ads on the rate of consumption of banned products

The above table shows that, Surrogate advertisements have a positive impact on the sale & consumption of banned products.

as $\chi^2_{cal} > \chi^2_{tab}$ (i.e., 42.814 > 3.841)

Hence, H_1 is accepted at 1 degree of freedom & 5% of level of significance.

10. Findings

Surrogate advertisements are not only misleading, but also prove to be a successful marketing strategy for the marketers in today's economic scenario. In the light of this fact, the following observations were made:

- I. Surrogate ads on television are equally unconscionable, as they have been telecasted indirectly with the help of products, events or other sponsorship programmes.
- II. Even though the consumers lack the level of awareness they have high level of familiarity with the concept of surrogate advertisements.
- III. Concealed ideas of the co's to make higher profits with the improvement in the brand image have made them to restore to the newest trend of surrogate ads.
- IV. Endorsement of surrogate products by the well-known celebs coupled with Hi Fi music inculcates impulsive behaviour in the consumer decision making process.
- V. Manufacturers of surrogate products can use television as a suitable media to broadcast the surrogate ads; whereas it's during the live cricket matches or the reality shows that have proved to be the appropriate time to make their consumers watch such advertisements.

- VI. Viewers (consumers) have positive insight toward such ads as they perceive them to be highly entertaining & informative in nature.
- VII. Finally consumers feel that the trend of surrogate advertisements have positive impact on company sales resulting in increased consumption rate of their prohibited products.

Examples of well known brands who have attained success with the usage of surrogate advertisements	Manikchand Gutka products
	King, Gold Flake , Wills Cigarettes of ITC company Limited
	Kingfisher beer of United Breweries Group
	Royal challenge Whisky products etc.

- VIII. Surprisingly, respondents are not against to the trend of surrogate ads, as they think that such ads may increase the consumption rate of prohibited products but finally the decision to consume such products lies in the hands of the consumers.

11. Suggestions

- I. Indian government has always endeavored to curb or atleast restrict rampant advertisements of such products by appropriate legislations, orders and directives, Hence marketers should be cautious enough when they restore themselves to such trend of surrogate ads.
- II. There is nothing illegal in the opening or promoting of such products in the society provided the marketer doesn't violate the regulations of the govt. framed in the interest of the general public.
- III. Marketers should see that surrogate ads are more informative rather than they persuade the consumers to result in high consumption i.e., their intension should be to promote their banned products but not to harm the health of its consumers.
- IV. Marketers can endorse their alcohol beverage as well as their cigarettes brands but not for the Gukta products as the Cable Television Act, 1995 doesn't allow for that.
- V. Measures may also be considered to ensure that brand names or logos of tobacco products & alcohol beverages are not visible; as such brands support even international events also.
- VI. Creating a consumer awareness programme to make them knowledgeable enough to understand the marketing gimmicks of the well known brands.
- VII. Marketers can improve the quality of their prohibited products so that they don't have a severe impact on the health of its consumers.

Hence, everything is fair until they are done with the good intension.

12. Conclusion

Pros & Cons of surrogate advertising are just like a two sides of a coin. The trend followed by such ads could prove to be boon for big and established players as they result in higher brand recall value, thereby helping them to push their banned products further. At the same time, smaller companies and new entrants would find it difficult to establish themselves in the changed scenario.

Though this upcoming trend is not healthy for the young consumers & others in the interest of the health of the community; Surrogate ads have proved themselves a strapping& successful marketing strategy for the forbidden goods today. Surrogate marketing at best fetch huge profit to the marketers, but leads customer to the water! Hence it's left to the customers whether to accept this or not.

"Let's gear our advertising to sell goods, but let's recognize also that advertising has a broad social responsibility." - Leo Burnett

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