

## **“How far is it justified? A study on perception regarding morality of Surrogate Advertisements of Liquor”**

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### **Abstract**

Today we are surrounded by advertisements. Every day we are witnessing various new marketing ideas used by marketers to promote their product. What if we have restrictions on advertising any product? How company will target its customer? Same happened with liquor industry when government banned direct advertisement of liquor. Thus, the concept of ‘Surrogate Advertising’ emerged. This paper provides detailed information about perception towards surrogate advertisements of liquor in Rewa city. It examines the perception of viewers towards the concept of surrogate advertisements and various strategies adopted by marketers to advertise their banned products.

The research carried out by sending questionnaire to 200 respondents (viewers of Rewa city by convenient sampling method out of which 184 were selected for the study with a response rate of 92%. The results show that majority of respondents

are aware about the concept of surrogate advertisements and concept was perceived to be unethical by majority of the respondents, mostly by females.

### **Keywords**

Surrogate Advertising, Perception.

### **Introduction**

In today’s scenario word “Advertisements” needs no introduction. In our daily life we see thousands of advertisements be it on television or on print media or any form of outdoor media. Advertisements have become indispensable part of business. In fact the trend is such that if there is any business, it needs to advertise itself. Advertising is no longer a social waste as earlier perceptions. It is a necessary evil which is there to stay as it not only increases awareness about products but also enhances the choices for taking rational decisions for consumers (**Dodrajka, 2011**).

Simply stated advertising is all about communicating attribute of products and services to present and potential buyers. **William J. Stanton** defines, "Advertising consists of all the activities involved in presenting to an audience a non-personal, sponsor-identified, paid-for message about a product organization." According to **American Marketing Association** "advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor".

Advertising serves many benefits such as to inform public about the available products and helps in making rational decision also helps business firms to differentiate from competitor and assist in increasing sales. Such being the importance of advertisements, it would not be wrong to say that advertisements are the most powerful tool in the hands of the marketers.

But what happens when manufacturer's hands get tied by being denied by the right to advertise their product.

This happened in 1995 when information and broadcasting ministry imposed ban on airing of liquor and tobacco advertisements on television. The ban imposed under the Cable Network Rules, 1994, became effective from 6 October 2000. While advertising on Door-darshan had always been banned, the restriction on private channels denied an important channel of communication to the players in the industry. (**Reddy, 2006**). The Indian

Government has banned advertisements of these products on grounds that they seriously jeopardise the health of the consumers, especially youth. The idea is to stop advertising these products so as to reduce the demand arising out of increased publicity (**Goyal, 2009**).

The ban shook the entire liquor industry as television is one of the most powerful tools to communicate with the audience and this ban affected the industry adversely. Liquor and tobacco companies were striving hard to find solution to this problem and they found their solution in what is today better known as **Surrogate Advertising**.

Surrogate advertisements emerged as anchor to sinking liquor industry. Surrogate advertisement is a strategy to promote goods like liquor, tobacco and cigarettes, whose direct advertisement is banned in our country, by duplicating the brand image of another already established product of the same brand whether related or unrelated whose advertisement is not banned. When consumers look at these advertisements, they associate these with banned products. Hence, such products are indirectly advertised, and therefore, influence their behaviour.

Surrogate advertisements are basically used to influence brand recall they need not to make customers aware about any particular brand. Mere a jingle "OollaLaaLaaLaa Le Lo" can do

its task. Those who consume alcohol already have awareness they just need to be recalled of a particular brand.

Sponsoring sports or cultural events, owing IPL Team with the same brand name, advertisements using cassettes and CDs, mineral water are the most common form of surrogate advertisements used in India.

The biggest irony of the country like India is that the sales of these items are not banned yet advertising of the same has been strictly prohibited. If product is allowed to be sold in the free market then why this ban? If government is so concerned on refining the society by discouraging people from buying liquor, it should ban the product itself. But Government can never do this because liquor industry in India is very huge and is one of the biggest revenue generators in terms of taxes and duties.

### **Literature review**

**Rule 7(2) of the Cable Television Networks Rules Act 2001** says, “No broadcaster is permitted to show advertisement which promotes directly or indirectly the promotion of alcohol, liquor or other intoxicants”.

**Kent M. Lancaster and Alyse R. Lancaster** disregard that there is any difference in sales of tobacco and alcohol related products with or without advertising. They examined most of the published evidence

worldwide on the effects of overall advertising and of advertising bans on aggregate demand of cigarette and tobacco products. Based on their exhaustive research they argued that partial bans on advertising are likely to have a very little or no impact on the consumption of such products, the reason being a complete ban in advertising of such products itself did not had any impact on sales or aggregate demand of these products.

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

**Pradeep S. Mehta** in his article, “**Surrogate advertising- Needed a Spirited Attack**” calls the phenomenon of surrogate advertising as the practise of selling ‘old wine’ in a ‘new bottle,’ because the purpose of advertising liquor products completes within the boundary of laws.

**Ruchi Gupta (2011)** Surrogate Advertising helps the companies in dodging the Government and the law. A different picture altogether runs backstage where the companies may not pose to be rule breakers but cleverly wind the laws to their

convenience. The inherent drawback of the application of legal system, bureaucracy, greasing of palms, is overcome and enable the companies to achieve their objectives thereby bypassing the legal machineries. The liquor industry is the main player in this game.

**Varalaxmi.T.** in her study “**An empirical study on surrogate advertisements: A pioneering trend**” found that consumers lack the level of awareness about surrogate advertisements but they have high level of familiarity with the concept of surrogate advertisements. She also found that surrogate products endorsed by well-known celebrities coupled with great music leads to purchase decision. Marketers can use television as a suitable media to broadcast the surrogate advertisements, during live cricket and reality shows are the appropriate time where consumers watch these advertisements. According to her study viewers have positive attitude towards surrogate advertisements and they perceive such advertisements as highly entertaining and informative in nature. Finally consumers feel that the trend of surrogate advertisements have positive impact on company sales resulting in increased consumption rate of their prohibited products.

**Chander and Sharma (2006)** examined the perceptions of consumers towards surrogate adver-

tising by using factor analysis. They found that, in general, the perceptions that govern the attitude of respondents towards surrogate advertisements are much on the negative side rather than being positive, i.e., they do not favour such advertisements. Most of the respondents feel that the phenomena of surrogate advertising is antisocial, leads to moral degradation, promotes wrong impressions, insults consumer intelligence, promotes sexuality and is deceptive in nature. The only positive perception observed for the phenomena is that a few respondents take such advertisements as fair business practice, entertaining, and associate it with high life style. There is also a group of respondents who are either not aware of or are confused about the practice of surrogate advertising. It was found that whatsoever may be the positive perceptions revealed, still, the majority of the people perceive the phenomenon of surrogate advertising as negative for the society, immoral and unethical which gives a clear indication for the consumer activists and ASCI to raise their voice against the menace of such unethical practice.

## **Objectives**

1. To understand the respondents perception regarding morality of surrogate advertisements.

2. To find out the viewers' opinion regarding banning of surrogate advertisements

## **Hypotheses**

On the basis of the literature reviewed and above objectives the following hypotheses were formulated:

- H1. There is no significant difference in the respondent's perception regarding morality of surrogate advertisements with respect to their gender.
- H2. There is no significant difference in the respondent's opinion towards banning of advertisements of alcohol with respect to their gender.

## **Research Methodology**

This research is based on primary data, which is collected through a structured questionnaire administered to 200 respondents of Rewa city of Madhya Pradesh, on convenience basis. Pie charts and Bar charts have been used to represent the data. While percentage, Chi-Square Test have been used for data interpretation and hypothesis testing.

## **Results and Discussions**

### **1. Perception towards Surrogate Advertisements**

To understand the respondent's perception towards surrogate advertisements the question regard-

ing the morality of surrogate advertisements were asked to respondents, Nearly **24 %** of total respondents were of the opinion that surrogate advertisements are ethical in nature while **33 %** of total respondents were of the opinion that surrogate advertisements are unethical, false and misleading. It was alarming to note that majority of respondents i.e. nearly **43 %** of total respondents were unable to form any opinion in this regard.

From this category there is a silent support for alcohol advertisements to be ethical as review of literature suggest viewers have positive attitude towards surrogate advertisements and they perceive such advertisements as highly entertaining and informative in nature **Chander and Sharma (2006)**.

It was presumed that there is no significant difference in the respondent's perception regarding morality of surrogate advertisements with respect to their gender, and it was found that majority of the male respondents were of the opinion that surrogate advertisements are ethical whereas female respondents were having contradictory views regarding the same, in their opinion surrogate advertisements are unethical. Here it should be noted that maximum respondents have no opinion regarding the morality of the surrogate advertisements. It is possible if respondents would have given choice only for yes or no their

opinion could have been obtained with much certainty. However studies shows that the respondents on the whole, were inclined more towards the negative side, for the surrogate advertising, and they consider it to be an unethical practice (Subhaschander, 2007).

**Table 1: Perception towards Surrogate Advertisements**

			Gender of respondents		Total
			Male	Female	
In your opinion surrogate advertisements are	Ethical	Count	36	9	45
		Expected Count	23.5	21.5	45.0
	Unethical	Count	29	31	60
		Expected Count	31.3	28.7	60.0
	No opinion	Count	31	48	79
		Expected Count	41.2	37.8	79.0
Total		Count	96	88	184
		Expected Count	96.0	88.0	184.0

**Table 2 Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.614 <sup>a</sup>	2	.000
Likelihood Ratio	20.753	2	.000
Linear-by-Linear Association	17.507	1	.000
N of Valid Cases	184		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 21.52.

From the above Table 2 the calculated value of chi square comes out to be **19.614** while the tabulated value of chi square at 2 degree of freedom at 5% level of significance is **5.991**. Since the calculated value of chi square > tabulated value of chi

square so the **null hypothesis is rejected**. Thus, we can say **there is a significant difference in the respondent's perception regarding morality of surrogate advertisements with respect to their gender**. Majority of the male respondents were of the opinion that surrogate advertisements are ethical whereas female respondents were having contradictory views regarding the same, in their opinion surrogate advertisements are unethical. Here it should be noted that maximum respondents have no opinion regarding the morality of the surrogate advertisements. It is possible if respondents would have given choice only for yes or no their opinion could have been obtained with much certainty. However studies shows that the respondents on the whole, were inclined more towards the negative side, for the surrogate advertising, and they consider it to be an unethical practice. (Subhas chander, 2007)

**2. Opinion regarding banning of advertisements of alcohol**

To understand the respondent's opinion regarding banning of advertisements of alcohol respondents were asked whether banning of advertisements of alcohol is a right step or not, Nearly **50 %** of total respondents were of the opinion that banning of advertisements of alcohol is a right step while **23 %** of total respondents were of the opinion that banning of advertisements of

alcohol is not required. 14 % of the respondents were of the opinion the banning of advertisements of alcohol is not enough in itself, product should also be banned. It was alarming to note that 13 % of total respondents were unable to form any opinion in this regard.

**Table 3 Crosstab**

		Gender of respondents		Total	
		Male	Female		
In your opinion banning of advertisements of such products is	Right step	Count	30	61	91
		Expected Count	47.5	43.5	91.0
	Not required	Count	30	13	43
		Expected Count	22.4	20.6	43.0
	Not enough product should be banned	Count	19	7	26
		Expected Count	13.6	12.4	26.0
	No opinion	Count	17	7	24
		Expected Count	12.5	11.5	24.0
Total		Count	96	88	184
		Expected Count	96.0	88.0	184.0

It was presumed that there is no significant difference in the respondent's opinion towards banning of advertisements of alcohol with respect to their gender and it was found that there is a tie between these opinions. Equal number of the male respondents were of the opinion that banning of advertisements of alcohol is a right step as well as banning is not required. Whereas female respondents were having contradictory views regarding the same, maximum respondents were having opinion

that banning of advertisements of alcohol is a right step.

**Table 4 Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.689 <sup>a</sup>	3	.000
Likelihood Ratio	27.385	3	.000
Linear-by-Linear Association	19.147	1	.000
N of Valid Cases	184		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.48.

From the above table the calculated value of chi square comes out to be **26.689** while the tabulated value of chi square at 3 degree of freedom at 5% level of significance is **7.815**. Since the calculated value of chi square > tabulated value of chi square so the **null hypothesis is rejected**. This means there is a significant difference in the respondent's opinion towards banning of advertisements of alcohol with respect to their gender.

Thus it is evident that a large portion of female respondents are of the opinion that banning of alcohol advertisements is a right step. While male respondents were of the opinion that banning of advertisements is not required. Various studies on perception of consumer towards surrogate advertising reveals that although the perceptions that govern the attitude of respondents towards surrogate advertisements are much on the negative side rather than being positive, but by some the phenomena

is considered as fair business practice, entertaining, and associate it with high life style (**Chander and Sharma, 2006**).

## **Conclusion**

Advertisers play a huge role in influencing the thoughts and beliefs of our society. Alcohol advertising has the potential of promoting changes in attitudes and social values to its viewers. Due to the ban on direct advertising of its core message to the audience, the liquor industry is left with no choice but to resort to surrogate marketing due to its effectiveness in terms of creating awareness and brand recall among most of consumers.

The findings of the present research show that viewers are of the opinion that surrogate advertisements are unethical and they are of the opinion that banning of advertisements of alcohol is a right step.

The pros and cons of surrogate advertising are the two sides of the same coin. The trend proved 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 but at the same time this trend is not healthy for the youth & 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. It is time now for Indian government to take

serious actions against such violations of laws. There should be stringent regulatory measures to curb the practice.

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