Impact of Surrogate Advertising

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Abstract
Advertisements are a very effective medium to reach the masses. As liquor and cigarette advertisements had direct influence on consumers’ purchasing behavior, such ads have been banned in India since 1995. Soon after this, the Cable TV Regulation Act also banned liquor and cigarette advertisements; thus, the banned brands and products gradually adopted surrogate advertisements, i.e. a form of advertising which is used to promote banned products, like cigarettes and alcohol, in the disguise of another product. In India there are many companies doing surrogate advertising, from Bacardi Blast music CDs, Bagpiper Club Soda to Officers Choice playing cards. There are a number of reasons for companies to use surrogate advertising. One of the most common reasons is to circumvent a ban on direct advertisements of particular products. This paper will study the impact of Surrogate advertisements on youth. Is the youth identifying the original product being advertised and will they purchase the original product by viewing such advertisements? Is the young generation also fascinated by the celebrities endorsing such events and products? For example, Ranveer Singh and Arjun Kapoor have been endorsing India’s premier alcohol brand Royal Stag.

Key Words: Surrogate, Advertising, Banned Products, Celebrity Endorsements, Influence

Introduction
Advertising is meant to promote the sales of a product or service and also to reach masses to inform them about the product attributes. It is an effective way of communicating the value of a product or service with large exposure to target consumers. Advertisements broadly cater to two types of target audience – consumers and business. Advertising has to establish the brand position in the mindset of consumers. Surrogate advertising is one of the emerging ethical issues in advertising in India. This is used as a strategy to advertise products such as liquor or tobacco which otherwise, is banned in our country. It relates to advertising by duplicating the brand image of one product extensively to promote another product of the same brand. When consumers look at these advertisements, they associate these with banned products. Hence, such products are indirectly advertised, and therefore, influence their behavior. This type of advertising uses a product of a fairly close category, as: club soda, or mineral water in case of alcohol, or products of a completely different category, for example music CDs or playing cards to hammer the brand name into the heads of consumers. The banned product (alcohol or cigarettes) may not be projected directly to consumers but rather masked under another product under the same brand name, so that whenever there is mention of that brand, people start
associating it with its main product (that is alcohol or cigarette).

It is said that birth of surrogate advertising happened in Britain, where housewives started protesting against liquor advertisements which unduly influenced their husbands. The protest rose to a level where liquor advertising had to be banned and brand owners seeing no way out decided to promote fruit juices and soda under the brand name; the concept later emerged as Surrogate Advertisements. The use of Surrogate advertising in India can be traced back to 1995 when the Cable TV Regulation Act 1995 was enforced which stated – “No advertisement shall be permitted which promotes directly or indirectly, production, sale or consumption of cigarettes, tobacco products, wine, alcohol, liquor or other intoxicants”. This ban on advertising of such products led to the emergence of surrogate advertisements in India in a big way. It is advertising in which a different product is promoted using an already established brand name. Such advertisements or sponsorships help in contributing to brand recall. The different products shown and used in the advertisements are called Surrogates. Surrogates could either resemble the original product or could be a totally different product, but using the established brand of an original product.(www. wiki/Surrogate Advertising).

Concept of Surrogate Advertising

a) Surrogate advertising means advertising of banned products like liquor, tobacco etc. Surrogate advertising is an advertisement of a brand extension in such a way that brings clear recall of the core product in the mind of the consumer. The literal meaning of Surrogate Advertising is duplicating the brand image of one product extensively to promote another product of the same brand.

It is technically acceptable to promote Smirnoff cassettes in television advertisements in India, but not Smirnoff vodka. For example, all those playing cards, soda water bottles, apple juices, mineral water and other product advertisements we see, are actually clever promotions for liquor and cigarette brands by the same name.

b) Surrogate is duplicating brand image of one product extensively in order to promote another product of the same brand. It also includes sponsoring of sports, cultural activities.

c) Liquor advertisements have direct influence on the consumer buying behavior, so the company usually either goes for brand extension or promotions of events.

d) The concept of surrogate advertising at that time was not something new to the world as United Kingdom was facing the same from problem with advertising and marketing of such products from a very long time. The same trends were followed in India and the market was flooded by surrogate products.
Some commonly seen brands and their advertisements are:

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Brands</th>
<th>Surrogates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco</td>
<td>Rajnighanda</td>
<td>Kesar Pan Pan Masala</td>
</tr>
<tr>
<td></td>
<td>Goa Gutka</td>
<td>Pan Masala</td>
</tr>
<tr>
<td></td>
<td>Pan Parag</td>
<td>Pan Masala</td>
</tr>
<tr>
<td></td>
<td>Manikchand</td>
<td>Filmfare Awards</td>
</tr>
<tr>
<td>Cigarettes</td>
<td>Red &amp; White Cigarettes</td>
<td>Bravery Awards ceremony</td>
</tr>
<tr>
<td></td>
<td>Gold Flake</td>
<td>Tennis Tournaments</td>
</tr>
<tr>
<td></td>
<td>Wills Lifestyle</td>
<td>India Fashion week, Lifestyle (textiles) showrooms, India Cricket Team/Matches</td>
</tr>
<tr>
<td></td>
<td>Charms</td>
<td>Audiocassettes &amp; CDs</td>
</tr>
<tr>
<td></td>
<td>Four square white</td>
<td>Water rafting &amp; Gliding</td>
</tr>
<tr>
<td>Alcohol Beverages</td>
<td>Seagram’s</td>
<td>Music</td>
</tr>
<tr>
<td></td>
<td>Mc Dowell’s</td>
<td>Water and Soda</td>
</tr>
<tr>
<td></td>
<td>Bagpiper</td>
<td>Water, Soda, and Music – cassettes &amp; CDs</td>
</tr>
<tr>
<td></td>
<td>Red and White</td>
<td>Bravery Awards</td>
</tr>
<tr>
<td></td>
<td>Bacardi</td>
<td>Music</td>
</tr>
<tr>
<td></td>
<td>Kingfisher</td>
<td>Mineral Water and Calendars</td>
</tr>
<tr>
<td></td>
<td>Wills Lifestyle</td>
<td>Apparels, Accessories</td>
</tr>
<tr>
<td></td>
<td>White Mischief</td>
<td>Holidays</td>
</tr>
<tr>
<td></td>
<td>Imperial Blue</td>
<td>Cassettes and CDs</td>
</tr>
<tr>
<td></td>
<td>Smirnoff Vodka</td>
<td>Fruit Juices</td>
</tr>
<tr>
<td></td>
<td>Royal Challenge</td>
<td>Golf Tournaments</td>
</tr>
<tr>
<td></td>
<td>Aristocrat</td>
<td>Apple Juices</td>
</tr>
<tr>
<td></td>
<td>Officer’s Choice</td>
<td>Social obligation towards society</td>
</tr>
<tr>
<td></td>
<td>Absolut Vodka</td>
<td>Music CDs</td>
</tr>
</tbody>
</table>

**Objectives of Surrogate Advertising**

The real objective of surrogate advertising is effective communication between producers and consumers with the purpose to sell a product, service, or idea which they could not do otherwise. These advertisements are:

1) **Informative:** They inform targeted audience/customers about the introduction of new products, updates or changes in existing products or product related changes, information regarding new offers and schemes.

2) **Persuasive:** They increase the demand for existing products by persuading new customers to make first time purchase and existing customers for repurchases, so that the brand image remains in the minds of the consumer.

3) **Reminders:** They remind customers about the existence of the product, and ongoing promotional activities.

**Statement of The Problem:**

When the Advertising Standards Council of India (ASCI) enforced its code to regulate tobacco, liquor products etc. consumer activists were concerned over the impact of the move. The issue has taken a new twist with the Central Government deciding to ban these product companies from sponsoring sports and cultural events.
Liquor or tobacco advertising is banned in India and hence companies that sell these products have to resort to advertising their wares using less harmful products which carry almost the same names and looks.

Due to the ban, liquor companies focused more on promotions for brand building. The ban on advertising of alcohol beverages and tobacco products has severely handicapped communication with customers. Due to this the companies with liquor brands are not advertising liquor products, instead they have extended the equity of their brands into other fields.

Youths are greatly influenced by advertisements. When a surrogate advertisement of any product is being watched actually it makes viewers recollect the original product; e.g. the Kingfisher Club Soda advertisement recalls the actual product Kingfisher beer. Kingfisher alcohol existed long before the Kingfisher airline came into existence. Similarly Indian Tobacco Company (ITC) had their flagship brand cigarette 'Wills' and then opened Wills Lifestyle stores (readymade garments) across India when Indian alcohol control Acts tightened the clamp on alcohol advertising.

Impact of Celebrities’ Endorsements of Surrogate Advertisements

Youth may be more attracted to consume the original product by watching surrogate advertisements which are endorsed by celebrities. Bagpiper is endorsed by Shatrughan Sinha, Akshay Kumar and Ajay Devgan, Royal Stag has its brand ambassadors like Sharukh Khan, Saif Ali Khan and Arjun Kapoor. Kingfisher Karaoke was specially made for promoting IPL 2013 and endorsed by cricketers, with its famous tagline – “Divided by Teams United by Kingfisher”.

Though alcohol and tobacco advertising – direct and indirect – is banned in the country, our film stars have no qualms about promoting alcohol and tobacco brands under the fig leaf of “surrogate advertising”. So when King Khan SRK says “Have I made it large”, you know he is talking about Royal Stag whisky and not music CDs.

In commercials celebrating 25 years of Vimal Pan Masala, Bollywood’s "cool guy" Ajay Devgan says "iskedanedane me kesarhali", but even a child can make out that he is not promoting saffron from Kashmir but pan masala which carries a statutory health warning (“Chewing of Pan Masala is injurious to health”). Other youth icons - Priyanka Chopra (Rajnigandha), Saif Ali Khan (Pan Bahar) – too are asking the youth to buy products which are patently unhealthy.

Priyanka may justify her endorsement saying she is advertising Rajnigandha cardamom (elaichi) and not pan masala. However, it is well known that tobacco industry has traditionally used pan masala brands as surrogate to promote gutkha, which now stands banned in most Indian states. Also remember that Rajnigandha comes from the same company that makes India’s two leading zarda brands – Tulsi and Baba. Flavoured elaichi thus becomes a surrogate for both pan masala and zarda sold under Rajnigandha’s name – this is what marketers call brand extension.

Leave alone just tobacco brands, Priyanka has not even hesitated to be associated with alcohol brands. She, along with others from the film industry, has been a recipient of the Teachers Achievement Award - instituted by Beam Global Spirit and Wine Inc, makers of India’s top selling scotch whisky, Teachers.

Such blatant association with tobacco and alcohol brands is worrisome because the UN
projects Priyanka as an ambassador for child rights and adolescent health. The objective of celebrity endorsement is brand recall and brand association. The commercial advertising is so powerful that young girls would associate Priyanka with Rajnigandha rather than seeing her as the goodwill ambassador for UNICEF. Awards to promote liquor brand Officer’s Choice and tobacco brand, Red and White, have had several public figures endorsing them in the past. In order to dodge regulatory action, the Red and White award was named the Godfrey Phillips National Bravery Awards. Absolut the famous vodka brand has masked its original product under music CDs.

UrmilaMatondkar can be seen in commercials selling a tea brand called “502 Pataka” in a rural/semi urban setting. This is a surrogate ad for India’s largest selling bidibrand with the same name. It started manufacturing tea only in 2000, around the time India legislated the anti-tobacco law. India has strong policies on advertising, promotion and sponsorship by alcohol and tobacco companies but no enforcement over surrogate advertisements. There are other loopholes too. Though advertising of liquor and tobacco products is banned in India, alcohol companies can promote their brands legally at points of sale.

Purpose of the Study:
1) The study aims to enlist various perceptual factors (like attitudes, moods, motives, interest etc.) that affect the attitude of consumers towards the surrogate advertisement and in turn the product.
2) To understand whether the advertising of surrogate of the same brand leads to recall the original product.
3) The study also hopes to reveal whether the youth will still be attracted to buy these products by viewing the surrogate advertisement even though the original products are harmful to the health of the consumers.
4) To study the impact on the minds of youth who can get attracted to consume the original product as they are endorsed by celebrities (where in they actually increase the cost of the product by using celebrities in the advertisements.)
5) To study whether the youth actually develops a habit of drinking/smoking by watching these advertisements.

Objectives:
1. To know the effectiveness of surrogate advertisements.
2. To know the level of customer awareness about surrogate advertisements.
3. To know whether the youth is actually reacting to such surrogate advertisements.
4. To study the factors which attract the youth to decide for purchase of the original product and how the youth relates it with the surrogate product.
5. To find out the influence of surrogate advertisements on consumer buying behavior.

Literature Review:
Surrogate advertising is an issue which needs to be understood with respect to India’s legal and ethical environments of Promotions.
ParulekarAjitArun (2005), in his paper examines the impact of surrogate advertising of alcohol brands on their brand equity. The purpose of the study was masked through the experimental design in order to minimize manipulation effects. In the main study, subjects were sequentially exposed to television ads, one ad at a time,
of the 20 brands used in the pre-test. The findings of the paper support the notion that brand equity will be least affected in consumers with prior consumption experience, ad exposure or brand knowledge of the alcohol brand.

Dr. S. G. KhawasPatil and Laxmikant S. Hurne (2011), studied the effectiveness of surrogate advertising and found few whisky brands are powerful in the market like Royal Stag / Officers Choice / McDowell’s as their advertisements are more creative and powerful. According to the paper maximum respondents got the intention behind surrogate advertisements, i.e., to advertise liquor, whisky products. It means surrogate advertisements are effective in targeting their customers. Surrogate advertisement is a successful strategy because maximum respondents are changing their purchase decisions.

Data Collection:

a) **Primary data:** it includes data collected directly from the customers in Pimpri town.

Techniques of collecting primary data:
- Internet: Via Google docs, Emails etc. (questionnaire – which includes open ended and closed ended questions)
- Personal interviews

b) **Secondary data:** it includes data from magazines, websites and reference books and print media. Further Print media includes:
  - Newspapers
  - Magazines
  - T.V. channel
  - Radio

c) **Method of Data Collection:** The research is conducted through a survey in the form of an interaction and with questionnaire method and internet as a mechanism of getting online data from the target audience and via webmail questionnaires with questions as points of reference. The interactions are done with the target group at different places in and around Pimpri town.

d) **Techniques of analysis of Data and Statistical Tools:**

1. **Percentage Analysis method**: This method is used to arrive at percentage of data collected.
2. **Diagrams and Charts**: The data collected is represented in graphs - bar diagram and pie charts.

**Analysis and Interpretation**

<table>
<thead>
<tr>
<th>Tab 1 Demographic Analysis of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demographic Factors</strong></td>
</tr>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Age</td>
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<td></td>
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<td></td>
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</tbody>
</table>
Diagram I  Demographic Analysis of respondents

The following diagram is the diagrammatic presentation of respondents as per age group. It includes both males and females.

Tab 2 Percentage of Consumers Aware and influenced by watching these advertisements

| Familiar & aware of the concept of surrogate ads | 75 |
| Unfamiliar with the name but aware of the concept | 25 |

Diagram II  Percentage of Viewers aware of these types of advertisements
About 75% of viewers are familiar and aware of the concept of surrogate advertisements.

**Tab 3 Impact of surrogate ads on the rate of consumption**

<table>
<thead>
<tr>
<th>Percentage (100)</th>
<th>Increases consumption rate</th>
<th>Decreases consumption rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85</td>
<td>15</td>
</tr>
</tbody>
</table>

**Diagram III Impact of Surrogate Advertisements on the Rate of Consumption**

From the above diagram it’s clear that due to watching surrogate advertisements the consumption of such products increases tremendously.

**Tab 4 Impact of celebrities endorsing Surrogate Advertisements**

<table>
<thead>
<tr>
<th>Influence</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Influential</td>
<td>71</td>
</tr>
<tr>
<td>Influential</td>
<td>12</td>
</tr>
<tr>
<td>Average</td>
<td>11</td>
</tr>
<tr>
<td>Less Influential</td>
<td>4</td>
</tr>
<tr>
<td>Not influential</td>
<td>2</td>
</tr>
</tbody>
</table>
Diagram IV  Impact of Celebrity endorsing Surrogate Advertisements
From the above table its depicted that consumers are strongly influenced by the celebrities endorsing such products which leaves a great impact on the minds of viewers

Tab 5 Different ways to make surrogate ads attractive to viewers (consumers)

<table>
<thead>
<tr>
<th>Usage of Celebrities / Personalities</th>
<th>46</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Endorsement with Hi Fi Music</td>
<td>29</td>
</tr>
<tr>
<td>Event Sponsorship</td>
<td>25</td>
</tr>
</tbody>
</table>

Diagram V  Ways to give mass reach to surrogate advertisements
It is very clear from diagram V that such companies take a great effort to reach out the masses via different ways of promotion

Tab 6 Viewers’ perception towards Surrogate advertisements

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertaining</td>
<td>40</td>
</tr>
<tr>
<td>Misguiding</td>
<td>10</td>
</tr>
<tr>
<td>Harmful to health</td>
<td>10</td>
</tr>
<tr>
<td>Informative</td>
<td>11</td>
</tr>
<tr>
<td>Provokes to result in higher consumption rate</td>
<td>29</td>
</tr>
</tbody>
</table>
The consumers find surrogate advertisements very entertaining and also informative irrespective of the motive for which such advertisements are being shown e.g. Officers Choice advertises through creating advertisements displaying Social Obligation

**Conclusion:**

In this way, from the above research, we can conclude that surrogate advertisements have influenced the target population to remind and recall the brand name or brand product; and that regulated advertisements somewhat influence the consumers to consume alcohol. According to the data available to us, we can say that celebrities endorsing such products is the most effective factor that influences the consumer to consume alcohol. Majority of the respondents view surrogate advertisements every day because alcohol companies always want to be on the top of the mind of consumers. From the survey undertaken it is seen that especially consumers in the age group from 16 to 40 years are highly influenced by such surrogate advertisements and are motivated to consume the original products. Government needs to regulate the laws regarding surrogate advertisements like more imposition of tax and reduce the number of liquor shops near college campuses because youth are being influenced by such ads. If the youth develop an addiction to alcohol, it will indeed be a loss to the nation.

**Bibliography and Webliography**

1. ParulekarAjitArum (2005),” Surrogate Advertising and Brand Equity”, Consumer Personality and Research Methods, 2005

**Appendix A**

**Sample questionnaire**

1) Name of the Respondent - ________________________________________________

2) Age - __________________________

3) Gender - __________________________

4) Income Group -
   - below 10000  
   - 10000-50000  
   - 50000-200000  
   - 200000 and above  

5) Which type of advertisements you prefer to view
   - a. Print
   - b. Television

6) Which channels do you view regularly -
   - a. Music
   - b. News
   - c. Movies
   - d. Entertainment
   - e. English

7) Are you familiar with surrogate advertisements
   - a. Yes
   - b. No

8) Does Surrogate Advertising influence your consumption of the original product
   - a. Increase
   - b. Decrease

9) Influence of celebrities endorsing Surrogate Advertisements –
   - a. Highly Influential
   - b. Influential
   - c. Average
   - d. Less Influential
   - e. Not influential

10) What attracts you to view Surrogate Advertisements –
    - 1. Usage of Celebrities / Personalities
    - 2. Brand Endorsement with Hi Fi Music
    - 3. Event Sponsorship

11) How do you view Surrogate Advertisements –
    - 1. Entertaining
    - 2. Misguiding
    - 3. Harmful to health
    - 4. Informative
    - 5. Provokes higher consumption rate

12) Any celebrity you recall/remember who endorses such surrogate products
    - Celebrity Name _________________________________
    - Product Name _________________________________