Project Dissertation Report on SURROGATE ADVERTISEMENTS AND ITS IMPACT ON CONSUMER PERCEPTION

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CERTIFICATE

This is to certify that the Project Report titled "**Surrogate Advertisements and its Impact on Consumer Perception**" is an original and bonafide work carried out by **Mr. Yash Bhurani** of MBA 2019-21 batch and was submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-110042 in partial fulfilment of the requirement for the award of the degree of **Masters of Business Administration**.

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DECLARATION

I, **Yash Bhurani**, student of MBA Batch 2019-21 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-110042 declares that Project Report on **Surrogate Advertisements and its impact on Consumer Perception** submitted in partial fulfilment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This report has not been submitted to any other university for the award of any other degree, diploma and fellowship.

Yash Bhurani Place: New Delhi Date of submission:

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Sincerely,

Yash Bhurani

EXECUTIVE SUMMARY

Surrogate commercials are those that supports a new product to use an existing brand name. These commercials or advertising deals are helpful for remembering the company. "Surrogate" is the name for the various items in the commercial. It may be like the original product, or it may be a new whole, but it may use the actual product's existing name.

In India, surrogate advertising is becoming increasingly relevant with the Cable TV Network Regulation Act that forbids the use on cable networks of cigarettes and alcohol advertising.

The restriction also encouraged alcohol producers to concentrate far too much on product expansion sales. The prohibition on advertisement of alcoholic beverages items has significantly affected customer contact.

Alcohol firms really aren't advertising firms for alcohol goods but have expanded their labels' reputation to many other sectors. However, as television has been the most successful advertisement method, surrogate TV advertisements grew common.

In the meantime, several distributors joined or marketed new routes under the alcohol name. Substitute exposure from drinking corporations has risen further by sponsoring videos, music shows and other activities and taking in young people.

Advertisements are a compelling medium to reach the masses. The present World is profoundly zestful and aggressive where publicizing is exhibiting moral issues in advertising pattern. Cigarette and alcohol promotions were found to have extreme effect on individuals because of increased consumption rate. Cable TV Regulation Act banned cigarette and alcohol advertisements in 1995.

'Surrogate ads' literally duplicates one product's marketing value to market another item of same brand. Public is still angry at the fact of getting away from the facts and 'the right to information' the user to give fake photos as a common means of paying contact. The masked imaginative leaves it among the lines for customers to read. This is achieved if the original product cannot be publicised on national media. Alcohol brands in India cannot offer TV announcements, but alcohol marketing companies are using surrogate items, such as mineral water, soda and fruit juice to send the brand name to customers.

The trend of surrogate commercials in India is booming with the Cable TV Network Regulation Act, which bans advertising on Television stations of liquor and narcotics.

As a result of the prohibition, alcohol producers concentrated more on brand marketing advertisements. The prohibition on alcohol promotional goods has seriously impaired contact with customers. Customer communication. Liquor companies are not selling liquor products; they have now expanded their market value into other sectors. But since TV has been the most successful advertisement platform, surrogate ads in television advertising has become commonplace.

The substituted advertising by alcohol producers has further intensified by endorsement advertising by liquor firms and attracted more young people. In view of this, I wanted to run an investigation to see if these surrogate ads really helps to remember the original brand. The survey included participants from diverse age groups, different levels of schooling and various classes of society. This study depends on primary data. The essential information was gathered by utilizing an all-around organized survey from 103 respondents. The prime objective of the study is to check influence of surrogate advertisements on the viewer's perceptions and to explore that surrogate advertisements help in promoting the prohibited goods liquor and tobacco items or not.

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CHAPTER 1 – INTRODUCTION

Research includes 'systematic innovative process to enhance the knowledge base, such as human, cultural and social expertise, and the use of that stock of knowledge to develop new software.'

Marketing research is a procedure that connects manufacturers, customers and end users with the marketer by means of tools to determine or identify marketing issues and risks. Marketing strategies are generated, refined and evaluated, marketing performance is monitored and a process is systematically collected and analysed that improves the marketing comprehension. The objective of the marketing analysis is to find and evaluate how altering marketing mix affect customer behaviours.

Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behaviour is difficult to predict, even for experts in the field.

Advertising is a form of marketing communication used to promote or sell something, usually a business's product or service. Advertising is to promote the sales of a product or service and also to reach masses to inform about the product attributes. It is an effective way of communicating the value of a product or service with large exposure to target consumer. It uses different types of appeals to connect to consumers spread across the globe. Virtually any medium can be used for advertising. Commercial advertising media can include wall paintings, billboards, street furniture components, printed flyers and rack cards, radio, cinema and television adverts, web harmers, mobile telephone screens, shopping carts, web popup, skywriting, bus stop benches, human billboards and forehead advertising, magazines, newspapers, town criers, sides of buses, banners attached to or sides of airplanes, in-flight advertisements on seatback tray tables or overhead storage bins, taxicab doors, roof mounts and passenger screen, musical stage show, subway platforms and trains, elastic bands on diaper, doors of bathroom stall, stickers on apples in supermarkets, shopping, the opening section of streaming audio and video, posters, and the back of event and supermarket receipts. Any place an -identified" sponsor pays to deliver their message through a medium is advertising

Hence different techniques used to promote such brands might include, endorsing their products using public service announcements. advertising well established brand embedding 5.70,31C products or duplicating the brand image of one product widely to promote another product of the same brand or if not the case, endorsing themselves as discharging some social obligations towards the society (Example: Officers Choice — Alcohol).

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

Ads are strategy for correspondence which are utilized to create an image of an item in the viewer's mind with the sole aim of growing sales. A fruitful advertisement campaign will not only spread word about the item but also increment the sales. So Ads majorly cater to two types of target audience – business and consumers. Advertising needs to set up the brand position in the mind set of costumers.

Advertising is designed with one straightforward idea: the commodity in concern must be seen in positive light and shown to potential buyers attractive and enticing. There is no need for cold hard evidence or factual realities, where benefit is the only motivation. If we conclude the soup powder has "true vegetables," or that a certain telecommunications firm can fix our nation's difficulties arbitrarily, we can hardly point our hands on ads based on our misguided convictions.

Ads have also been blamed for falsifying facts, for manipulating other labels for their own services, and for exploiting the general public. Another kind of advertising has recently appeared, called surrogate advertising. It means marketing other items of the same name or generally promoting the brand name, though reminiscent of the actual commodity. This are also called indirect commercials or diversification of trademarks.

Surrogate advertisements are turning into a moral issue in nation on the grounds that the liquor and tobacco utilization have been expanding in the nation. Surrogate advertisement is publicizing a duplicate item utilizing an established brand to advance its prohibited items. The duplicate item used to publicize the core item is classified "Surrogate". The duplicate item can look like either core item or be a totally unique item utilized by effectively settled brand. Surrogate advertisements can incorporate supporting of social, sport and some other mindfulness occasions.

When viewers take a gander at the surrogate ads, they partner with the restricted core item. Henceforth, confined products are promoted in a

roundabout way, and in this manner, impact the actions. These promotions either use merchandise which are of comparative classification, as packaged bottled water or club soda in case of liquor, or goods of totally unique arrangement, such as deck of cards or music CDs so as to remind the viewers about the brand.

This form of campaign can then be used to advertise or publicize new goods. For example, a smartphone commercial is often a publicity of one mobile phone product about the other products and brands. For example. Rather than just actually endorsing the commodity, this line extension reinforces the brand name. In public view it helps to strengthen the company's value and encourages its efficiency, reliability and attractiveness. This partnership then forms a promotional framework strategy to market the brand's other brands. Normal publicity for the promotion of cigarette products and liquor is forbidden, as their direct advertising.

These promotions are carried out by introducing driving non-liquor or innocuous products under a similar name of that brand, hence liquor and tobacco associations utilize different items under a similar brand name. For instance Brands like Bagpiper which manufacture both their alcohol and club soda using similar brand name. The commercial of Bagpiper essentially promotes the soft drink made by the organization Bagpiper though Liquor is additionally fabricated under a similar name, for example Bagpiper. Hence by using similar brand names prohibited product are endorsed indirectly Thus, these promotions of soda really goes about as a proxy to liquor made under the comparative brand name. These promotions of different item is considered to be surrogate in nature. Surrogate publicizing is promoting which inserts a brand or item message inside an ad which is apparently for another brand or item. For instance, any association may give open declarations with a social awareness message, for example, lung cancer, utilizing the association's symbol or obvious tints in the advancements so viewers are presented to association's marking without showing an express advertisement for the association's banned item. Later on the association can clarify that this was done in order to show some social obligation towards society. There are various reasons for organizations to opt for surrogate advertising. One of the most widely recognized reason is to evade a prohibition on direct ads of specific items. Various countries have laws confining liquor and tobacco publicizing, for instance, so associations utilize surrogate promoting to advertise their products. By using various techniques of surrogate advertisements the organizations can promote their banned product. Methods utilized may incorporate promoting a different item with a similar name. Organizations are aware that these exercises actually don't disregard the prohibition on direct publicizing, yet they manage viewers acquainted with the organization's branding which in turn helps them in generating revenue. The

organizations can use this kind of advertising strategy when they want to sponsor sports or social events.

Limitations

- 1. **Television -** This is the most common mode of advertisement. As we have discussed, substitutes are used to portray the concerned product. Advertisements of beverages are significant example of these.
- 2. **Online advertising -** This has become one of the widest medium for use after the boom of technology and internet globally. Companies can find easy audiences here which fall in the potential target segments. This medium also has advantages of low costs and more target customer's effective reach. Beverage Companies promote their products extensively through this medium be it social networking platforms or community forums.
- 3. **Billboard Advertising -** In the outdoor world far from the silver screen of moving images and sound, billboards are used for these types of advertisements. For the brand to choose this way, they need to create strong brand identification among consumers. Generally the name of the brand along with the image from the TVC or the message are used which creates the immediate recall among the consumers for the brand products if they are exposed to it earlier in one form or the other.
- 4. **Sponsorship of live events/shows/fests -** Companies partner with music concerts, live shows, college fests, etc. for sponsorship to give their brands the much needed visibility. Generally beverage is perceived as a youth oriented product with that group forming a large part of its customer base. These types of shows, concerts, etc. are much more attractive to youth and are created keeping their interests in mind. Tapping on thug, companies sync their name with these types of programs to give them the benefit of popularity or fame of the product it associates with.

After implementation of the Cable Television Networks Regulation Act- 1999, new advertising appeal used by liquor companies circumvented the ban by what is called surrogate advertising. Literally Surrogate Advertising means using the Brand Image of one Product (i.e. legally allowed-to-promote), the companies attempt to promote another product (i.e. legally banned-to-promote).

These are numerous reasons for companies to resort 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 which may be unhealthy.

Impact on Young Smokers

Liquor, betel leaf or supari, both of which have been confirmed to be carcinogenic. Prominent people promote the use of carcinogenic chemicals through advertising for those businesses. Ads aim to draw young people's interest by adding beauty, glitz and glamour and physical attractiveness. Promotional support for these brands adds to the overall approval.

The World Health Organization's 2009-'10 Global Youth Tobacco Survey of Schools of Kids 13 to 15 years of age highlights their effect on advertisement.

The study showed that 14.6% of young people are already using nicotine – 21%-24% stated they felt smoking would render them more popular and much more desirable. At least three-fourths of those involved in the poll recalled the pro-cigarette ads.

A 2003 systematic review found that the risk of youth getting smoking is higher by cigarette advertisement and promotion. Surveys in the USA showed that most young people recall cigarette ads and their icons. In order to smoke, start and intake level the willingness of children to retrieve this details is also associated.

Time to say No

Those approvals award famous people exorbitant sums of income. While the firms also argue that they do not advertise legal drugs, it remains the case that substitute ads often improves their market awareness and their revenues.

There were famous people that think of sensitivity and declined to do such publicity. These are Sachin Tendulkar cricket player, P Gopichand badminton champion, Shaan pop singer and Ranbir Kapoor and Vivek Oberoi are some of the stars. They also assessed the public's wellbeing and welfare by promoting carcinogenic chemicals for financial benefits. Others are about to do this too.

1.1 Surrogate Advertisements

A surrogate Ads is one in which the use of the already existing brand name is marketed on a new commodity. Such ads or endorsements tend to make a label reminder. The various commodity shown in the ad is known as the 'surrogate.' It may be similar to or very different from the original product, but the original product may be branded. Subscribe ads is also the responsibility for funding sports/cultural/ recreational events and projects.

Surrogate adverts is advertising that integrates a commercial that is supposedly for the next service or brand within the brand or product post. In situations where ads on a single product are prohibited by statute, surrogate advertising is widely used. The advertising of drugs such as tobacco or drinks that are harmful to health in various countries is banned by statute, and so certain businesses must develop a number of different goods that may carry the same brand identity and implicitly remind individuals of the tobacco or beer bottles of the same product.

Products could be an institution's most valued commodity. Brands build an aura for themselves through the agency's relentless care and nurturing. Some labels were the champions for the organizations over an amount of time. In case of income, primary breadwinner will not be enough for organizations; they must be declared gold winners. Any harm to the companies' image could really alter the organization's scenario. The label's reliance on a brand is 100 percent because the entity is itself a company, the brand takes on the part of a blanket product line.

As products are synonymous with physical and intellectual profit, emblem and symbol, they also require legal supervision, which in many cases, for example public protection, consumers' interest, statements, side effects and knowledge about the impact brand usage should often be within scope of the corporate regulations and legislation. In so many respects, companies pay large amounts to promote labels. One common and commonly used way is advertisement that is very costly because it hits enormous amounts.

And if a company spends approximately 5% of its revenues on selling a brand, the figure is absolutely significant. It can be a significant issue for the company owner if a law prohibits publicity of a product for months. It is important to learn to keep the label in the minds of the consumers. The brand owner can not only give up, but also find a new alternative way to keep the customer reminded. One approach is to make a different product that may be legitimately sold and to identify an item that cannot be marketed under the same brand name.

There are several items on the market, such as mineral waters and sodas with the labels of prohibited alcoholic beverages. Cigarette and alcohol features are supplied in retail outlets. This is achieved by the brand owners to ensure that the consumers remember the brand that cannot be announced and that they are eager to buy the brand. Governments are concerned with this procedure, and it is possible that mentioning the name itself will increase the temptation of a person to drink an alcoholic beverage or alcohol beverage that is not in the healthcare policy purpose. Govs also face a challenge about how these goods should be treated.

Legitimate business	Surrogated advertisement
Mc Dowell's Walt whisky	Mc Dowell's soda/water
RadicoKhaitan's 8pm whisky	Radicokhaitan's water
Hayward's 500 beer	Hayward's soda/water
Derby special	Derby special soda
Bacardi liquor	Bacardi blast cds and cassettes
Bagpiper liquor	Bagpiper soda and cassettes
Four square cigarettes	Four square white water rafting
Kingfishers beer	Kingfisher bottled drinking water
Smirnoff vodka	Smirnoff cds and cassettes

Companies following surrogated advertisement:

Table 1.1- Companies following Surrogate Advertising

Source – Wikipedia

1.2 Ads promoted by Alcohol Brands

A leading figure in this game is the liquor business. The paper, interactive and outdoor media show few replacement adverts - Bagpiper sodas and cassettes, Hayward's soda, Derby's unique soda, Gilbey's green aqua, Royal Challenge mineral water, Kingfisher's mineral water, White Mischief vacations, Smirnoff cassettes and CDs and imperial blue cassettes, Teacher's success prizes, among other publishing materials. The same called and logo these items have, as we have seen in liquor commercials before. It was not a surprise to know that spirits such as McDowell and Seagram join new markets such as cassettes and cassettes, mineral water, sporting accessories etc. The main purpose of these replacement commercials was then to market their beer, liquor, vodka etc. liqueur product. This expansion of this brand is an act to circumvent the publicity prohibition. Companies that produce cigars, pan masala and gutkha follow a similar pattern. Few samples are - Red & White Courage Medals, Wills Lifestyle, Four Square White Water sailing, Manikchand prizes etc. Available in this category. While ads that endorses alcoholic beverages has been prohibited, this sector turned a few years earlier to substitute marketing.

Let us just look at a couple of cases. Tuborg is pushing Tuborg Zero as the substance is non-alcoholic. In this way, the mark "Available for Fun" connects the name with fun. The graphics of the party help grow the "youth-oriented" brand identity. Another instance is McDowell's No. 1 Soda, which deals with fraternity and fellowship. Although the content of this ad is impressive for their attention to the unfamiliar, it maps its audiences brilliantly into combining the brand name with real friendship or yaari. The slogan "Celebrate Wisely" points out that it's not really drink for sale.

A perfect example of this is the latest dispute with Pierce Brosnan. The title for all of this commercial transmits: "Class is never out of style." It conforms to the prior label 'Pehchan Kamyabi Ki' by the company (the mark of success). The aim is to combine beauty, elegance and performance with the intake of pan masala. Even if there is no nicotine in the substance sponsored, the bestselling items in Pan Bahar include cigarette. This led to Brosnan being deceived and blamed for having been cheated for promoting a highly toxic substance. Read our last post on this here.

1.3 The Corporate Standpoint

Every sector of business has its own defensive viewpoint. The alcohol lobbyist argues that almost everything complies with the laws of the government. "Why shouldn't a brand be permitted to promote if it has equity? "Alok Gupta of the UB group comments, brand extension, too, is a market trend embraced by various product groups. Radico Khaitan, President, Sales & Marketing, states "While we promote our goods, following all the instructions. They make it clear that they no longer display alcohol advertising and that brand names are able to be used for other items.

Also the CIABC promotional code says the alcohol marketing must be permitted by the liquor industry for drugs (real brand extensions). Such arguments appear to be validated by the perspective of a neutral observer. But this is a good indication of how the openings are used. It's a question to think on. How is just the same brand identity used for promotion of items such as cassettes&CDs or mineral water if they have avoided showing spirits? You may have assigned various brand names. It appears that they have a covert motive to emphasise their beverage or alcohol.

Two major political parties – BJP and Congress – raised concerns about defamatory and insulting ads. The problem is so grave that the Supreme Court had to intervene. The Court finally handed the decision of 13 April 2004 that smear ads on electronic communication should be curbed. The Court has sought to end surrogate publicity in campaigns by the appointment of the Election Commission as the arbitrator. The Cable Act states that "no transmitter can present any advertising promoted either directly or indirectly by the Minister of Media and Broadcasting to sell or consume tobacco, alcohol products, wine, spirits, liquors or other drug substances..." A new provision has now been introduced to the Act specifying that "no publicity shall be allowed for any substance which uses a brand name, often used for cigarettes, spirits, wines, alcohol, liquors or any other drugs"

1.4 Changing Trend of Surrogate Ads

Surrogate Ads are an upcoming trend that unexpectedly caught up with many ambitious and imaginative minds all over the world. The reasoning is, on the one side, that the government cannot permit liquor producers to make community ads. Ironically, however, sales of alcohol and tobacco are the main sources of revenue in terms of their taxation and duties.

Therefore, an open embrace of ads is not morally permissible in these markets. This has caused one of the country's greatest ironies - sales of these products are not forbidden and advertisement is exclusively forbidden! Discussing regarding size of the market and the various divisions will not be relevant to the debate (more than 100 million transactions are recorded in India!). So what does this pattern do to the young players' entrance points and their stability? The government's double-faced attitude impedes multinational companies that wish to explore Indian markets. As no regulation in this area was already formalized, the flow of new businesses remains skeptical.

At present, this has contributed to creative ways and means of betting on advertisements in various channels in industries, where businesses do more than overt ads in a brand marketing activity. Or market building campaigns or sponsorship activities which can be matched to product "showbiz" and "glamour," marketers don't offer enough ways to make their view more visible. The law states that "We do not accept any advertising that leads to the selling,

use and marketing of alcohol." Thus, an item separate from the core market is marketed in Surrogate Advertisements but has the same brand recognition as the core product. The commodity is known as 'surrogate' and using this mode for the ads is called as "Surrogate Ads"!

CDs, water, clothes, Apple juice, style accessories, sporting items and even sponsoring activities can be used! This gimmicks, in particular, allow customers to create a solid parent-brand equity and will certainly increase brand equity with increased exposure! Liquor firms have been pushed to examine new approaches to create identities.

To enhance brand reminders, businesses either use 'surrogate publicity' or post 'socially conscious tweets.' Again, Surrogate Advertising has traditionally been rooted in controversy and legality among two viable alternatives for marketing. There really is no clear government strategy for obvious reasons, and firms would not risk investing in ads which will not be watched a while later. So a better approach is to advertise "socially conscious" tweets, in which businesses will use their grey cells. See these panels were shown at flyover. The Johnnie Walker billboard also contains the display commercial.



Figure 1.1 - Ad for Johnnie Walker

Source – Wikipedia

It was one of the finest breakthrough aspects. But to relate this to the market itself is too early, it is now important for managers to fully adapt their thinking and work around the scheme.

What do businesses look for their practises?

(a) Companies participate in festival sponsorships that have introduced courage or life-long awards.

(b) Digital marketing is now a profitable area not delved into until now. The medium has a great deal of potential for improving exposure, which firms recently discovered.

(c) Memorable jingles are becoming a regular routine for ensuring the strong brand recall of their products.

(d) Businesses went through another critical aspect – Packaging and other selling factors being limited – with regard to pricing and delivery. Packaging is distinguishing their products, and this aspect is re-visited in their brand portfolios by most corporations. Since this business is not safe for the younger customers, it is necessary to officialize and introduce those procedures and laws into the system. Alternatively, the whole of the beer industry will have an inventive loophole and arms bending of rules.

1.5 Consumer Psychographics and Surrogate Advertising:

Surrogate publicity is one of Today's evolving ethics challenges. This is being seen as a tactic for the promotion of drugs such as liquor or beer - which in our nation are otherwise prohibited. In order to encourage another item of the same name, advertising is concerned with duplicating the brand value of one product. Consumers view these ads in conjunction with forbidden drugs.

These goods are thus published implicitly and therefore affect their ability. It is clear that behind the replacement ads the latent need for liquor is not out of the eyes of the audience for India being the 4th largest alcohol using nation. Substitute publicity thus defies the very purpose of banning liquor publicity. The main topic of the ethical debate of this research is the behavior of targeted buyers against surrogate ads in particular, with respect to their psychographic background. It is interesting to address the psychographs of the target group since they are ultimate publicity observers.

An ethical view of customer base affects the acceptability of substitute ads and thus the consumer's reaction to them, the majority of them believing them to be illegal and unethical. The consequences of these changes are for brands to change and redesign their marketing campaigns in line with customer psychography and find a more moral and optimistic solution for the community or the intended audience instead of using substitute ads.

1.6 Surrogate Ads impact on children

Every day 55,000 kids in India begin using liquor, and dissolvable drug Gutkha targets the nation's young people. But you may wonder if these businesses can hit these kids' brains because these things can't be advertised. Since the ban has been extended, the firms have the symbol or branding of yet another firm published within the organization to print substitute ads. Let's look at the study on substitute ads made in India by a French network. One of the largest proxy commercials is the entertainment Industry Bollywood, with smoking moments accounting for 89 percent of all the films released in 2004 and 2005.

1.7 Reaction of the public

The concern is not just about how the regulators respond but also how the market and customer react. For the company that controls those products. Any substantial ethical revolt on the demand side might hurt the organization worse than the legislation could do, as the company and the associated goods would be disregarded by the public and even the organisation itself might be adverse. This will involve domino effect from the same company in other goods.

There appears to be a good option to use the company name on various items which can be marketed. The customer seems liberal and avoids the possibility of naming other items despite risking any harm or of ignoring the past of the company. In certain nations, goods which may be sold but labelled after goods which are deemed detrimental to wellbeing and prohibited from advertising seem to play a transformative role. In other words, they are harmony advocates and alleviate public animosity over to the other commodity.

Although there is no empirical result suggesting that this technique makes sense in terms of informing and encouraging the conscious user of prohibited liquor or drug or related items. However, rational thinking teaches us that it can.

1.8 Importance of the Study

This analysis is important in the sense that it allows people to understand the interpretation of substitute commercials and to analyse their effect on consumer purchasing decisions. It lets businesses understand the opinions of clients to make adjustments in their policies in order to properly reach consumers.

Objectives

1.9 Objectives of the Study

The exploration targets of the examination are: -

1. To check the impact of Surrogate advertisements on perception of the customers.

2. To find out if Surrogate ads help in promoting the prohibited core product or not.

1.10 Limitations of the Study

This research is limited to the Delhi NCR area, small sampling periods and data from **103 respondents** only. Majority of the respondents were in their 20s, were from cities and belonged to middle-class demographic of the population.

1.11 Contribution of the Study

The report into substitute publicity adds insight to community by sensitising people and promoting the idea of substitute publicity. It lets advertisers approach customers by promoting their otherwise constitutionally prohibited goods.

1.12 Scope for Further Study

The thesis can be taken out as a comparative study review in the Indian sense and an interpretation of the views audiences have during the exposure of the TV ads of these forbidden brands, as well as how replacement ads have persuaded viewers to use them. This thesis paves the way for further research. This research focuses on customer fundamental knowledge and understanding of substitute advertising. Studies should be carried out along with the eye on the ethical problems of substitute ads and its positive and detrimental effect on society.

CHAPTER 2 – LITERATURE REVIEW

This Textual Analysis is undertaken to further our understanding and provides us with a particular way to achieve our project's goals. It also contributes to the successful implementation of our project's target. Below are the literature reviews of the research papers

- 4.1. This paper analysed how the board advertisements of liquor and tobacco items utilizes the social parts of drinking and smoking to drive positive item traits and suggested that showing of huge signs can serve to spike the usage, disinhibit direct restrictions, and invigorate existing penchants. This exploration draws from the social psychological theory in which buyers will endeavour to imitate and display their conduct after remunerations that are delineated in commercials. Be it depictions of social prizes or images of accomplishment, likeness or engaging quality, the displaying of these expressive gestures, especially in boards in their examination, will inspire positive outcomes; reward signals were sorted as sentiment, amiability and friendship, recreation and traveling, liveliness and dynamic way of life and experience or hazard (Caroline Schooler, 1996).
- **4.2.** Borland recommended that tobacco showcasing ought to be constrained by public agency with an enacted command to give cigarettes in manners that reduce harm. Basic issue, can't be overwhelmed by simply "managing" the tobacco advertise, regardless of whether such guidelines incorporate direct control of the dispersion of cigarettes. His regulated market model (RMM) is planned to diminish smoking and the damages related with smoking, while at the same time regarding the free venture framework and the probability of proceeding with interest for cigarettes. It proposed a managed advertise model for controlling the displaying of tobacco products in Carlton, Australia. This model apportioned the motivators and open doors for business headway of tobacco and besides invigorated the progression of less harmful tobacco things (Borland, 2003).
- **4.3.** Some goods like pharmaceuticals, liquor, or cigarettes etc. are sold under regimentations by law on account of their latent capacity hurt on society. This exploration establishes the framework of, "socially sensitive items". Fahy solicited responses from more than 2,000

individuals their mentalities towards the promoting of specific products on TV. The merchandise were gathered into three primary classes: (1) mixed refreshments; (2) items coordinated at youngsters; and (3) wellbeing/sex-related items. Advancements for dubious things, which cause a negative reaction, and as such offense, can realize negative presentation, objections to publicizing authoritative bodies, falling arrangements, and thing boycotts. Presently, social orders are progressively liberal to ads for unmentionables (John Fahy, 1995).

- 4.4. The research paper checked the business adequacy in setting of changed publicizing media, perceived prevalent holes in the writing and distinguished future examinations possibilities on the possibility of fundamental investigation of writing. Here the objective of the creator is to fundamentally review the business reasonability in setting of changed advancing media, see huge holes in the writing and perceive future research possibilities dependent on essential examination of writing. It referred to that the improvement of the business viability writing from 1964 to 2013 features the change inside the consideration of specialists from customary to stylish media. It was seen that different estimations were considered in different media for evaluating business ampleness which adds to the complexities and uncertainty of the subject (Prateek Maheshwari, 2014).
- 4.5. The examination was embraced to investigate the constructive elements in surrogate ads and to research the effect on buyer purchasing choice in this manner its effect on organization's products and clarified Positives and Negatives of surrogate publicizing that resembled different sides. This paper attempted to investigate the positive components of surrogate ads and to explore its effect on buyer purchasing choice in this way its effect on organization's brands. Thus with this review the necessary information was gathered from 108 respondents. The pattern followed by such advertisements could end up being shelter for huge and built up players as they bring about higher brand review esteem, along these lines helping them to promote their restricted items further. Surrogate promotions had substantiated themselves a strapping& effective showcasing methodology for the taboo merchandise. Surrogate promoting, best case scenario bring immense benefit to the advertisers. Henceforth it's left to the clients whether to acknowledge this or not (Varalakshmi, 2013).

- **4.6.** Ads have become irreplaceable piece of business. Promoting is no longer a social waste as prior observations. It is a vital malice which is there to remain as it not just builds mindfulness about items yet in addition improves the decisions for taking objective choices for shoppers. Here the author broke down the alcohol deals in Delhi and finished up about the increment in deals in the business because of surrogate promotion. The examination was done to quantify the level of damage done to youthful Indian personalities and whether their utilization propensities are influenced by such ads or not. In the assessment it was similarly communicated that they guided an audit to find the effect of these business among the customers in which the researcher took an outline of around 100 purchasers and endeavoured to find the result. Entire business was put under a single umbrella and didn't isolated the tobacco, cigarettes and the alcohol business autonomously neither did it think about the sexual orientation differentiates in the impression of the populace (Dodrajka, 2011).
- **4.7.** It is fundamental to survey these promotions were for the proposed thing, or for tobacco things with similar brand name. The advertisements of plain pan masala were a substitute for the unbanned tobacco things having a comparative name. The examination was done to assess if these ads were for the good displayed, or for prohibited tobacco goods with the similar name. The plugs of plain compartment masala seen on Indian TV were a proxy for the tobacco things bearing a comparative name. Pan Masala came to be late detestable propensity. Pan Masala was discovered a nearly ongoing propensity in India and was showcased with and without tobacco (Sushma C, 2005).
- **4.8.** This research paper focused majorly on the activities of the administration to handle the challenges of surrogate ads also the ways in which the businesses invalidates the real factors in regards to surrogate advertisements. The different strategies through which this issue can be effectively handled have additionally been featured. The new activities taken by industry to advance the items have additionally been shortlisted and a couple of contextual analyses of the how organizations are receiving up the rewards of surrogate publicizing have been examined (Sania Sareen, 2013).

- **4.9.** The motivation behind advertising might also be to give assurance to employees or investors that the organization is feasible or fruitful. Advertisements are generally paid for by organisers and seen by means of different conventional media; in addition with broad communications, for example, paper, magazines, TV ad, outdoor ads or digital media, for example, messages in the form of images. The ban could end up being shelter for huge and built up players. Those brands or organizations are very famous usually the products can be recalled more easily they do not require a lot of promoting to promote the core items to the consumer. Simultaneously, littler organizations and new participants would think that it's hard to set up themselves in the changed situation. Despite the fact that the business isn't sound for the young consumers, a few procedures and laws should be formalized and built up in the framework. Else, imaginative workarounds and armbending of laws would be the standard of the day for the whole alcohol industry. Surrogate showcasing, are only responsible to bringing the customer near to the brand recall still it is up to them whether they want to go ahead and buy the product or not. (KOTNI, 2011).
- **4.10.** The paper is about, recent surrogate commercial, referring to lawful arguments against surrogate ads in India. Surrogate advertising can be an issue which should be comprehended as for India's legitimate and moral conditions of Promotions. Government of India brought surrogates promoting under the scanner. Some are in any event, airing new ones. The authentic brand expansions would be debilitated because of restriction on surrogate publicizing yet on the off chance that they are really doing augmentation they ought to agree to state of adequate accessibility of that item utilized in surrogate commercial (Suryawanshi, 2013).

CHAPTER 3 – SURROGATE ADVERTISING – An Analysis

3.1 Evolution of Advertising

Advertising is not a modern phenomenon. Although often unwelcome, advertisement even 100 years ago was an important part of everyday life. The creation of marketing has, over the years, been closely linked to social, economic and technical developments in the media and the message. Under the following headings we will research the history of publicity:

• The Early Times

During those days, general education was poor and few people were able to read, but people from the corporations were drawn to public critics for centuries and signs in images. Some Greek and Roman merchants even used signs to sell their goods, since it was difficult to read them. In Germany in the middle of the 1400s, when Johann Gutenberg invented the movable form and printers, written materials could be manufactured in bulk. This lead to the circulation of printed pamphlets and other simple types of current panels.

• The Industrial Revolution:

The Industrial Revolution and its consequent shift across rural and urb an hubs as well as the increasing gap amongst producers and consum ers have helped companies sell their prospective consumers quickly.

• Technical changes

Technological development improved the tempo and the mode of contact both before and after the Industrial Revolution. The explanation being the fact that photography was introduced and new ways for personal and business contact were developed along with telegraphs, phones, typists, phonographs and movies.

However, radio and tv innovations have forever transformed the face of publicity. The usage and influence of ads has grown in print and interactive media. We chat quickly about a couple of them:

Print media: magazines and journals will be included. Press and magazines now provide advertisers with the freedom to reach the public from a specific

geographic region to the entire country or continent. By the early days of the 1900s, advertisement had become a social and economic feature in the United States and the United Kingdom. And the entire thing advertisements from various companies and diverse items were introduced to magazines and newspapers.

Electronic Media: the radio and TV are included in the electronic media. The invention of the radio gave marketers the right to use such "jingles" and songs that could be related to their labels and goods. The TV carried the graphics together with the audio effects. There was a movement and it was found as far as advertisement was concerned in the news media. Talking about India, in the early '90s the cable TV bubble contributed to the advertiser's regional options.

Tobacco & alcohol ads offers a sophisticated existence which is simply a cigar or a hard drink. The advertisement sector was essentially autonomous in India. In order to circumvent the rules, advertisers have also used strategies for promoting such items such as "surrogate publicity." Publicity of a commodity by indirect and deceitful means is suitable advertisement. In general, an advertising company can use the trademark/brand of a company on which advertising is allowed to support the promotion of a prohibited commodity. For example, having a tobacco product to promote a contest isn't uncommon. Indian legislators also moved to ban ads for morally unhealthy drugs such as cigarettes and alcohol. However, historically, those bans were restricted to easy to control types of communication, such as land-based TV and radio. Marketers have come up with ways to prevent limitations on their targets with technical advancements such as cable tv and the Internet.

The word 'Surrogate Ads' literally reproduces a product's brand name extensibly so that another item of the very same brand is promoted. Advertising has attracted public ire over and over for stepping away from the facts and 'right to know' audiences to deliver fake representations as a popular media of paying communication. The disguised innovative allows users to read across the lines. (Softcube, 2020)

3.2 Surrogate Ads History

The roots of substituted ads can be traced to the UK where married women began to oppose liquors that offended their spouses. The uproar rose to the stage that alcohol marketing had to be forbidden and major corporations who saw no route out determined that they were to sell fruit juice and soda underneath the trademark. In Britain, English households demonstrated against alcohol commercials as, they felt that perhaps the ads wean their spouses away from them and thus are seen as a danger. This publicity strategy is native to Great Britain.

As quoted by Pushpinder Singh, Senior Creative Director (O & M), "Surrogate advertising is a reflection of the hypocritical society that we live in. We consider some products good enough to be sold but not good enough to be advertised. A marketer has to sell his product, and will find means to promote it. I don't blame him."

A surrogate advertisement is one in which a different product is promoted using an already established brand name. Such advertisements or sponsorships help in contributing towards brand recall. The different product shown in the advertisement is called the "Surrogate". It could either resemble the original product or could be a different product altogether, but using the established brand of the original product. This type of advertising uses a product of le a fairly close category, as: club soda, 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 (liquor 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 core good. The sponsoring of sports/cultural/leisure events and activities also falls under the purview of surrogate advertising

3.3 Surrogate Ads in India

The prohibition on marketing cigarettes and alcoholic products has been firmly maintained by India since 1995. The ban has been implemented after comprehensive studies undertaken by the Indian Ministry of Health that tobacco and alcohol adversely affect the wellbeing. Moreover, the Indian government argues that these goods are extremely detrimental to the cognitive health of individuals and make them inactive and depressed. The convergence of these considerations resulted in a full ban on adverts of those same goods.

Nevertheless, the promotional landscape for these items could be attributed to the 1975 implementation of the cigarette law by the Indian government, which required nicotine producers to include warning notices and alcohol advertising. Tobacco and liquor publicity was further limited by the Indian government and the Ministry of Health until its ultimate absolute prohibition was finalized in 1995. But the population boom has contributed to an unprecedented rise in cigarette and liquor sales. Thus, corporations had to look for new ads to create replacement campaigns in India.

The Indian cigarette firm 'Azad Bidi,' which funded the Indian international cricket match, showed some of the first signs of candy advertisement. Detailed studies have resulted in analogous results in India suggesting that liquor advertising has a significant effect on the buying behaviour of customers. Shortly thereafter, a cable television law prohibited the use of beer and tobacco ads.

Such businesses either commonly encourage the expansion of their trademarks and expanded goods, or endorse other goods that may not be present on the market. The excessive strain of the ban caused businesses to rely mostly on logo creation and therefore organizing and promoting glorious activities, however plenty of others began to sell t-shirts, hats, key chains and brand named beverages.

Surrogate ads requires a financial model to also be aligned mostly with commodity getting advertised. With regulation imposed the prohibition of surrogate ads, corporations are transitioning to festival promotion, commercial movies organization, and highly creative digital marketing relations campaigns.

Liqueurs and cigarette barons were handled by advertising cocktails mixtures, fruit juices, clothing etc., not just in Britain but also for other nations, including India. The imagery you might equate with alcohol is often seen in advertising. Aside from brand names, the brands seem macho-like, slightly clad ladies, faint lighting, party and joyful crowds around. In ad language, 'surrogate ads' is a correct term for the concept of fake media. For instance all the play cards and bottles of club soda, fruit juices, coconut water, etc. are subtle advertisements for same drinks and cigarette products. Take an example of how it does. Example - In an Ad a party is taking place, visitors have a beverage and are involved in conversation. A gentlemen drinks his beverage and gives the bartender the empty bottle. A lady ends her beverage and puts the bottle into the tray. The 'AC Black Juice' is printed on both bottles. The two AC Blacks bang against each other when the bartender holds the empty bottles. In the following shot, two guests brush up against one another in a kind of magical incantation. When the server carries the plate, both bottles strike each other so do the young couple. Even when the dancing takes place at full scale between the two glasses, the pair has the same effect. The glasses are washed and positioned together under water supply stream. The youthful dance partners also continue with the trend in the shower. The server leaves the glazes polished, placing them next to one another, for drying. The wonderful guest stare at the pair standing side by side immobilised. "AC Black Apple Juice, kuch bhi ho sakta hai" says the voice over " (Anything is possible). Moreover, without relation to smoking, brand images may be conveyed.

3.4 Aftermath of the Ban

GOVERNMENT IMPOSES BAN ON LIQUOR & TOBACCO ADVERTISEMENTS-THE CABLE TELEVISION NETWORKS (REGULATION) ACT, 1995

When the government put limits on the broadcasting on TV of liquor and tobacco advertisements early this year, the business and the commercial squabbling were caught off balance. This lead to the creation of the marketing policy of advertising agencies. It was even more inscrutable what came out of it. The new age mantra was proxy advertisement, posing the challenge of ethics in publicity as ever. As the corporation has hunted out innovative goods to align themselves with their brands, advertising companies have burned their gray cells to create inventive commercials to sell the label quietly through their product or service.

The ban has broken the whole sector into international firms and smaller domestic businesses. The largest challenge today, from the point of perspective of indian clubs, is the arrival of global directors with an unlimited permit to sell as, according to the WTO agreement of March 2001, the free import scheme enters into effect. How could these Corporations have famous labels, they still have big pockets. And their most effective tool is ads. The most rapid and reliable way to meet as many people as possible in the world in the fastest way possible will be to media. Print media have their own vulnerabilities, and in India they speak a wide spectrum of languages. The quality of the audiovisual media could not surpass the traditional media.

The effect of prohibition on different industries

3.4.1 TOBACCO

The probable effect of tobacco prohibition may be

• Quantities of smokers that are decreasing in growth can further decrease if restrictions are strictly imposed on public smoking.

• Top players are at the expense of the global enterprises who've had free access to television networking outside India and available throughout India via a wide range of populations.

It will be very difficult to introduce new products. In a world where advertisement is banned it has better positions than any other rival with its wide-ranging brand range comprising of the best-known brands in the country with the highest distribution of tobacco firms.

3.4.2 LIQUOR

National alcohol giants are facing rising competitiveness from world's leading alcohol companies following the elimination of import quotas, introduced in the country by foreign brands. Offensively limiting the most successful advertisement tool, i.e. TV, would hamper brand creation.

The ban on liquor publicity has been disguised in a manner that created an obstacle to entry for any future player. McDowell took advantage of this prohibition by using alternative ads for items like mineral water and soda that created extra income for the business. In an effort to actively improve this sector, McDowell has used the bottling and delivery of clean drinking water and beverage in more than 75 towns. The company is also planning a premium price chain of cigars to be produced and sold by its own branded version. It focuses mostly on the young people with the USP that cigars are less noxious than cigarettes as its target demographic. The business uses these fields surrogate ads were found to yield substantial margins, especially if the margins present in the liquor industry are compared.

Even for years, global firms, like Bacardi, Pernod Ricard, UDV and Fosters, have depended on the growth of their brand shares on the local markets. Any overseas players who still haven't finished preparing India could also have been kept out. Another great advantage for smaller homegrown brands is that they become far more attractive acquisition objectives if they don't have their names, at most for their sale.

Unless prohibition persisted, businesses did not want to display beer ads in the wear of social messaging. Yet social messages are a path for alcohol ads to those under government limits.

3.4.3 MEDIA

After a ban on overt and indirect advertisements for alcohol and cigarettes, 7-11 percent gained in the Indian TV industry in excess of Rs 100 crore annually.

All the top integrated outlets experience sales losses due to prohibition, according to industrial sources. Advertising firms have adopted the position that advertisement is unfair unless the item itself is not forbidden. "If the item will proceed to be manufactured and promoted, there is no sense in limiting its advertisement," they normally believe.

Even, as mentioned above, replacement ads cannot be verified. Channels screen beer, water and even T-Shirts without influence of substitution announcements. Manufactures already impacting numerous young people through their substitute products during the day.

3.5 Emerging Trend

Surrogate advertising Is a very interesting Indian-specific trend, a trend that has hidden away quickly and drawn many brilliant and imaginative minds around the world. This is why, on the other hand, governmental ads for licensees and tobacco businesses cannot be permitted, but the exports of liquors and cigarettes, interestingly, are the largest sources of income in terms of taxation and duties.

Therefore, open advertisement approval is not permissible lawfully in these in dustries.

That has contributed to the country's greatest irony – it is not illegal to sell the se goods, but it is expressly forbidden to advertise them!

It will not be relevant to the debate regarding the business size and the various segments (in India, for records, it is over 100 million!). The importance of that for young players and the longevity of current players must be understood. The government's dual-facial approach is an obstacle for multinationals wishing to explore the Indian markets. Since no legislation in this respect has been officially adopted, the admission of multinational firms remains sceptical. It has contributed domestically to new approaches and ways to invest on the various advertisement channels from the companies, where companies do more of a brand building exercise than direct advertising. Regretting the "showbiz" or "glamour" of the brander, brands don't leave a number of ways to increase their exposure, whether for brand development campaigns or sponsorship

activities. The law states that 'no advertising should be permitted to sell, use and promotes liquor.' Thus, a product that is separate from the primary product is announced in the Surrogate Marketing and has the same brand identity as the main product. The commodity is considered a "surrogate" and publicity is referred to as "Surrogate Publicity" in this channel. CDs, water, clothes, juice, shoes of apparel, sporting merchandise or even activities may be included. This ploys allow customers to create a good parent brand stock, and the improved exposure will certainly increase the brand's capital. Alcohol firms had to look at new methods for the construction of their labels. To improve brand recall, businesses invest in 'socially responsible ads' or show 'socially responsible tweets.' Once again, proxy ads has long been plagued by disputes and practicalities out of another two valid candidates for advertisements. For various reasons, there is no consistent government strategy and firms do not want to gamble their money in publicity that cannot be checked in a while. There is thus a smarter alternative where businesses will use their grey cells to advertise "socially conscious".

The following are few of the other practices companies are looking at:

- a. Companies are getting involved in sponsorships of events and have launched their own awards for bravery or lifetime achievements.
- b. Internet advertising has become a lucrative area which had so far not been delved into. The medium bolds a lot of potential to enhance visibility, and companies have lately realized that.
- c. Catchy jingles have become the norm of the day to ensure that their brands have a high brand recall.
- d. With restrictions in other marketing elements in terms of pricing and distribution, companies have ventured into another important elements packaging. Innovative packaging makes their brands stand out of the clutter, and most of the multinationals are revisiting this element in their brand portfolio.

3.6 Companies following Surrogate Advertising

Brands	Surrogates
Seagram's	Music
McDowells	Water and Soda
Bagpiper	Water, Soda, Music Cassettes and CDs
Red & White	Bravery Awards
Bacardi	Music
Kingfisher	Mineral Water
Wills Lifestyle	Apparels, Accessories
White Mischief	Holidays
Royal Challenge	Gol Tournament
Imperial Blue	Cassettes and CDs
Aristrocat	Apple Juice
Office's Choice	Social Obligation towards Society
Derby Special	Soda
Rajnigandha	Kesar Paan Masala

Goa Gutka	Paan Masala
Pan Parag	Paan Masala
Manikchand	Filmfare Awards
Chainikhaini	Paan Masala
Pataka 502 Bidi	Pataka 502 Tea
Gopal Zarda	Gopal Supari
Gold Flake	Tennis Tournament

Table 3.1 Brands and their Surrogates

Source: <u>www.mbaskool.com</u>

3.7 Role in Consumer Buying Decision

In general, advertises that display the product in a different light and illustrate the characteristics that has not been seen prior to actually sustain the customer base. But in the case of substitute advertising, catch is available. The goods may not be shown here – their features or qualities are almost unimaginable to depict.

In the aftermath they should play a restricted but shocking role in influencing consumer purchase decisions, compared with publicity products mainly based on the viewers' involvement and feeling of capture of the message. their role must be limited. Data supports this simple truth as well. Particularly in comparison with those who invest none or comparatively less, companies that invest heavily in replacement adverts are shown to be at a higher sales rate. Users will be stunned to discover the tens of millions of dollars annually of the profit margin of liquor firms.

The only possible explanation why such elevated sums are invested is the fact that sales will be recovered in the future. After all, it is a huge market generating revenue that works in many millions of rupees. The marketing of substitute products is not a terrible way to market or illicit marketing. It is only a more creative marketing method that shows the goods even without disclosing it. All over, like the products, opportunities are hidden for surrogate Advertisements.

3.9 Advantages and Disadvantages

3.9.1 Advantages

1. Corporations need to splurge a significant amount of money on sales and marketing. Substitute advertising saves firms substantially from huge costs and increases profitability

2. Domestic markets benefit greatly from surrogate marketing campaigns. Not only does it restrict the entry of various MNCs, it also represents a space for brand new entrants.

3. Prohibition of advertising significantly reduces competitive environment..

3.9.2 Disadvantages

1. There is no reason to use the trade mark of a harmful substance for products like mineral water according to the ASCI surrogate advertising. It shows clearly that the loopholes are misused.

2. The ban has a significant impact on the sale of dangerous products.

3. Prohibition also leads to a loss of income for television and other media.
3.10 Regulatory Measures

Surrogate advertisements are not only misleading, but also false and dishonest in many cases. With surrogate advertising so widespread, this is the moment to tackle the problem head-on.

There should be stringent regulatory measures to curb the practice, such as:

- 1. Making transparent laws banning surrogate advertisements for different products under a single brand name, by amending the Trade Marks Act, for instance.
- 2. Providing teeth to the Advertising Standards Council of India to enable it take action against false and misleading advertisements, and keep a close vigil over clever evasion of the law.
- 3. Asking the electronic and print media to adhere to the advertisement codes and not encourage surrogate advertisements.
- 4. Calling on the ASCI to address complaints received from consumers against surrogate advertisements and take appropriate actions immediately.
- 5. Creating a consumer awareness program to help people understand the negative impact of surrogate advertisements.
- 6. Adopting strict laws to penalize those companies featuring surrogate advertisements without any real existence of the product.
- 7. Requiring advertising agencies to have full knowledge of the products under the same brand for which they are promoting advertisements, and taking legal actions against those agencies which design surrogate advertisements.

CHAPTER 4 – DATA ANALYSIS

4.1 Data Collection

In this study primary data has been incorporated. The questionnaire (see Appendix) survey was conducted using google forms. The google form was forwarded to few people i.e. the questionnaire was pretested to check if they are able to understand and answer the questions correctly. Total of 103 samples were collected from March 2021 – April 2021.

To identify the impact of surrogate advertisements on the consumers' perception in India. This questionnaire was created to learn how people perceive surrogate advertisements. It gathered the Age, Gender, and email address of the respondents.

They were asked whether they are aware of the concept or not. In order to identify the views of the respondents questionnaire comprised of 8 statements to gauge the impact of the surrogate ads on consumers and whether these ads are successful in promoting the core product or not. For sampling Convenience sampling method was used.

The respondents were approached to assess the given explanations ranging from "strongly disagree" to "strongly agree" as for the significance of the statements with respect to the impact of surrogate advertisements on Indian customers.

4.1.1 Instruments: The research instruments used in this research paper were Questionnaires. The questions were designed on 5 point Likert Scale.

4.1.2 Technique: The technique used in order to analyse the collected data through questionnaire software SPSS (Statistical Package in Social Sciences), Version-20 has been used. Graphs and Tables are used in order to represent data. Percentage analysis has also been done while performing the demographic analysis.

4.2 Variables

The dependent variables are -

4.2.1 Customer Perception

Exposing idea that includes a client's impression, mindfulness, or awareness about any organization or its products" The whole procedure of client observation begins when a customer sees or gets information about a specific product. This procedure proceeds until the customer begins to fabricate a sentiment about the item. The customer collects data on an item and decipheres data to create a significant picture of a certain item. This is termed the perception of the customer. When a client sees ads, progress and so on recognising an item, he/she makes an impression on the object.

Some of the parameters to gauge the customer perception are-

a) Product Promotion

Product Promotion alludes to an advertising correspondence used to advise or convince target crowds of the general benefits of an item, administration, brand or issue. The point of advancement is to expand mindfulness, make intrigue, produce deals or create brand loyalty. Surrogate Ads successfully promotes the banned product or the legal product shown during the advertisement. These ads are successful in the promotion of both the products or there is no impact on the viewer (D.Ganesan, 2019).

b) Social imaging

It is viewed as an innovation to recognize and represent social practices. Through different kinds of commercials, particularly TVCs depict how a client of a specific item is or ought to be. It some of the time shows the social class the client of an item have a place with, their way of life and perspectives. Ads by and large have effect on how we

see things around us. Whether the viewers consider the surrogate advertisements an ethical way to endorse the banned products or not. Surrogate Ads have any influence on the social attitude of the viewers (D.Ganesan, 2019).

4.2.2 Core Product

A core product is an organization's product that is most straightforwardly identified with its core abilities. Core item empower utilization, advantage or its ability to resolve the problem for which the customer is buying the good. This is an idea that depicts the utility that a shopper determines by utilizing the item. It is the main need that is fulfilled for which the item was made.

Variables used to check whether surrogate ads have any impact on the core prohibited product are: -

a) Buying Decision

The main objective is to alter the customers purchasing decision. This behaviour keeps on changing through viewer's memories. Memories are formed by the brand associations that are related to brand name in consumer mind. Advertisement are known to influence the decision making and in turn the product buying behaviour. There are numerous variables that impact buying conduct, including real situational factors, for example, administrative conditions or regulatory environment. The impact of Surrogate ads on the product endorsed as well the hidden product (D.Ganesan, 2019).

b) Advertisement Effectiveness

It checks the adequacy of the advertisement, regardless of whether one can review the core item while viewing the promotion or the viewer could review just the item shown. This is Advertisement recall. It's a proportion of publicizing viability wherein the individuals who are presented to an advertisement and afterward at a later point in time can hold and recollect the promotion or if they could recall the product. In Surrogate Advertising the core product is recalled due to the advertisement (D.Ganesan, 2019). Awareness of the respondents about the concept of surrogate advertisements will be their independent variable.

Perception	Product Promotion	The point of advancement is to expand mindfulness, make intrigue, produce deals or create brand loyalty. Surrogate Ads successfully promotes the banned product or the legal product shown during the advertisement. These ads are successful in the promotion of both the products or there is no impact on the viewer.			
	Social Imaging	Ads by and large have effect on how we see things around us. Whether the viewers consider the surrogate advertisements an ethical way to endorse the banned products or not. Surrogate Ads have any influence on the social attitude of the viewers.			
	Buying Decision	Publicizing has continually known to impact buyer's verdict while making purchases. Ads by and large have impact on how we see things around us. The effect of Surrogate ads on the product endorsed as well the hidden product.			
Core Product	Advertising Effectiveness	It's a proportion of publicizing viability wherein the individuals who are presented to an advertisement and afterward at a later point in time can hold and recollect the promotion or if they could recall the product. In Surrogate Advertising the core product is recalled due to the advertisement.			

Table 4.2.1 - Variables used for Analysis

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4.3 Hypothesis

This paper examines the viewer's perception on surrogate advertisement. If the viewers feel whether these ads have any impact on their buying decision and how effective these ads are while buying the prohibited product advertised in the advertisement. The second objective is to check how the viewers perceive surrogate ads and what the social image of these ads.

To test these objectives two hypothesis have been formed -

4.3.1. Ho - No significant influence of Surrogate Advertising among respondents perception.

H1 - Significant influence of Surrogate Advertising among respondents perception.

4.3.2. Ho - Surrogate advertisement does not promote the core product itself.

H1 - Surrogate advertisements promotes the core product itself.

4.4 Research Methodology

The prime objective of the study is to check influence of surrogate advertisements on the viewer's perceptions and to explore that surrogate advertisements help in promoting the prohibited goods liquor and tobacco items or not.

This study depends on primary data. The essential information was gathered by utilizing an all-around organized survey from 103 respondents. Helpful information inspecting strategy is utilized to gather information. All the review answer were gathered and ordered together for illustrative investigation. Oneway **ANOVA** was utilized so as to test the hypothesis. Every data point was deliberately inspected for trends and patterns to explore the impact of the surrogate advertisements on Indian Consumers.

4.5 Analysis

a) Demographic Analysis of Respondents

Age	Female	Male	Number of Respondents	Percentage (%)
21-25	24	49	73	71
26-30	2	14	16	16
31-35	6	4	10	10
Above 35	2	2	4	4
Grand Total	34	69	103	100

Table 4.5.1 - Demographic Analysis of Respondents



Figure 4.5.1 - Gender of Respondents



Figure 4.5.2 – 71% of the respondents are of 21-25 page



Figure 4.5.3 – Age wise split of Male Respondents



Figure 4.5.4 - Age wise split of Female Respondents



b) Awareness

Figure 4.5.5 - Concept Awareness



c) Surrogate Advertisements increases the consumption rate of banned Products

Figure 4.5.6 - Surrogate Advertisements increases the consumption rate of banned Products



d) Surrogate Advertisements are helpful to choose your favourite brands or products

Figure 4.5.7 – Majority agree that Surrogate Advertisements are helpful while they opt for their favourite brands or product

e) Brands can flaunt different variations through single commercial



Figure 4.5.8 – 435 of the respondents aren't happy the ways Brands are now flaunting surrogate products through single commercial



f) Surrogate Advertisements helps in recalling the original product while watching these ads

Figure 4.5.9 – 44% agreed that Surrogate Advertisements helps in recalling the original product while watching these ads

g) Surrogate Advertisement's hidden messages don't have any impact until the viewer/consumer knows its advantages or disadvantages



Figure 4.5.10 – 49% of the respondents' disagree that there is no impact of Surrogate Advertisement's hidden messages

- Neutral Agree = Strongly Agree Disagree Strongly Disagree
- h) Surrogate Advertisements enhances the utilization of alcohol and tobacco products

Figure 4.5.11 – 45% agree with the fact that Surrogate Advertisements are impacting the consumption of these prohibited products

i) Surrogate Advertisements are unethical



Figure 4.5.12 – 45% strongly agree that the ways adopted by alcohol and tobacco brands is unethical

j) Surrogate Advertisements socially influence the attitude of nontobacco/non-alcohol users



Figure 4.5.13 – Majority of the respondents agree that Surrogate Advertisements influence non-tobacco/non-alcohol users

k) Descriptive Statistics -

Variables	Statement	SUM	MEAN	STANDARD
Buying	Surrogate Advertisements increases the	SUM		DEVIATION
	C C			
Decision	consumption rate of banned Products	344	3.34	0.88
Product	Surrogate Advertisements influence the			
Promotion	decision while selecting	300	2.91	1.01
Product	Brands can show different variations of			
Promotion	a product through a single commercial	358	3.48	0.94
	Surrogate Advertisements helps in			
Advertisin	recalling the original hidden prohibited			
g recall	product	355	3.45	1.01
Social	Surrogate Advertisement's doesn't have			
Imaging	any impact on the viewer	338	3.28	0.98
Advertisin	Surrogate Advertisements enhances the			
g recall	usage of prohibited products	341	3.31	1.11
Buying				
Decision	Surrogate Advertisements are unethical	321	3.12	0.92
	Surrogate Advertisements socially			
Social	influence the attitude of non-			
Imaging	tobacco/non-alcohol users	318	3.09	0.93

Table 4.5.2 - Descriptive Statistics

4.5.1 Consumer Perception

ANOVA

Perception							
	Sum of Squares	df	Mean Square	F	Sig.		
Between Groups	.671	1	.671	1.688	.197		
Within Groups	40.138	101	.397				
Total	40.808	102					

Table 4.5.2- ANOVA on Consumer Perception

Source: ANOVA using SPSS

From the above information it is clear, that the **null hypothesis is rejected**. If the Significant Value is less than 0.05, then null hypothesis Ho is accepted and alternate hypothesis H1 is rejected. But from the analysis Significant Value is greater than 0.05 it can be concluded that there is no significant influence of Surrogate Advertising among respondents perception.

4.5.2 Core Product

ANOVA

CoreProduct

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.538	1	.538	.929	.337
Within Groups	58.543	101	.580		
Total	59.081	102			

Table 4.5.3 - ANOVA on Core Product

Source: ANOVA using SPSS

From the above information it is clear, that the **null hypothesis is rejected**. If the Significant Value is less than 0.05, then null hypothesis Ho is accepted and alternate hypothesis H1 is rejected. But from the analysis Significant Value is greater than 0.05 it can be concluded that the Surrogate Advertising helps in promotion of the core product itself.

From the Percentage Analysis, it was discovered that larger part of the respondents lie in the age gathering of 21-25. Majority of the respondents are male. Consumers are familiar with the concept of Surrogate Advertising but are unaware of what it is called.

The type of test used for the study was one-way ANOVA.

One-way ANOVA was performed on the data to check the validity of the null hypothesis. The significant value was **0.197** and **0.337** which were greater than **0.05** and the means were different from each other. By using One-way ANOVA, it was found that the awareness of the concept had no impact on the factors impacting surrogate advertisements.

CHAPTER 5 – CONCLUSION

5.1 Findings of the Study

1. To explain the concept of surrogate advertisements:

This study gives a thorough and detailed explanation of the concept of surrogate advertising with the help of the secondary data where the basic concept, its existence in Indian market, emergence and companies using surrogate advertisements, legal cases, and ethical concerns are stated with a clear description.

2. To study the consumers' awareness towards surrogate advertisements:

The study identifies that some of the respondents were not aware of the concept earlier, but the questionnaire has enabled them to understand the concept, while some of the respondents were aware the concept earlier already. From analysis of the responses to the questionnaire, it is found that even though consumers lack the level of awareness, they are familiar with the concept of surrogate advertising.

3. To evaluate the influence of surrogate advertisement on consumers' buying decision:

By analysing the primary data it is known that surrogate advertisements are successful in creating brand recall of the hidden product in the advertisement, but from chi square test it is understood that these advertisements do not influence customers much to buy the original product which shows that the advertisements are not very effective. Surrogate advertisements need to be telecasted regularly through the medium of television to have an impact and create an impulse in the minds of consumer to buy the hidden original product.

4. To understand the consumers' perception towards surrogate advertisements and its products

The questionnaire consisted of the questions where respondents were asked their opinion on surrogate advertisements (whether they were ethical/unethical/should be banned) and it is concluded that majority of the public view surrogate advertisements as unethical practices and agree that they should be banned. Viewers have negative insight towards these advertisements as they ate mostly perceived to be misguiding and boring

5.2 Conclusion

Surrogate Advertisements are a great medium to endorse the restricted liquor and tobacco products to its customers. In spite of the fact that core prohibited items are not displayed, still these organisations are successful in selling high quantities even after the ban. It can be concluded that surrogate advertisements plays a crucial role for these organizations in promoting the banned goods even after the restrictions put on by Government.

Surrogate advertising is basically duplicating the brand image of a particular product and then promoting a different product of the same brand. Ban on advertising of alcohol, cigarettes and other tobacco products gave rise to the concept of surrogate advertising in India. It has become an issue of ethics and has emerged as a loophole, challenging government rules. Though this upcoming trend is not healthy for the young consumers and others in the interest of the health of the community; surrogate advertisements have proved themselves a strapping and somewhat successful marketing strategy for the forbidden goods today.

Surrogate advertising has been a powerful medium through which a particular brand reaches out of its consumers. Although the original products have not been advertised on the television, still these brands enjoy a higher sales volume each and every year. The trend followed by such ads could prove to be a boon for big and established players as they result in higher brand recall value, thereby helping them to push their banned products further. Thus, surrogate advertising has played a vibrant role for these brands to sustain in the market even after banning the advertisements of their original products. With the government now enforcing a ban on surrogate advertisements, companies are turning to event sponsorship, event organizing, corporate films and more and more innovative integrated marketing communication strategies.

According to the analysis, Surrogate advertisements have a positive impact on the customer's perception. This examination endeavours to give an in-depth analysis into the manner in which Surrogate commercial impact Consumer's perception. Consumers do give significance to commercials while picking their brands.

This analysis, we can infer that surrogate advertisements affect the consumer's perception and these advertisements are successful in promoting the core product. Watchers review the brand name or the brand item. According to the data available we can say that Government needs to regulate the laws regarding surrogate promotion. The utilization of Surrogate

promotions has been affirmed to bring about progressively ideal commercial evaluations.

5.3 Suggestions

- Frequency of surrogate advertisements is less. So, companies should increase frequency for more effectiveness.
- The general public has negative perception towards surrogate advertisements as they are considered unethical. So, companies have to find a way to successfully change their view to positive.
- Creating consumer awareness programs to give them the required knowledge is necessary.
- There is nothing illegal in promoting of such products in the society provided that the marketer does not violate the rules and regulations of the government framed in the interest of the general public.
- The intention of marketers should be to promote their products, whose direct advertisements are banned, but not to harm the health of their consumers without proper information regarding the same.

5.4 Implications

Large proportion of the respondents felt that surrogate advertising was antisocial as it tried to promote the product that was generally considered harmful for the society, as it promoted wrong impressions and tried to fool the customers, thereby insulting customer intelligence, lead to moral degradation and was deceptive.

Surrogate advertisements do impact a consumer's buying decision as well. They also inform consumers about the leading liquor brands and thus promote sales. Major of the respondent were also able to recall the original brand either because these were used by them or any of their family member. Original Brand recall is high among the respondents.

Surrogate advertising is not perceived positively by the various sections of the society. The ethical perception of the targeted consumers affects the acceptability of surrogate advertisements and hence, the attitude attic consumers towards it, with majority of these consumers considering it as immoral and unethical. The implications thus, are left for the advertisers to modify and redesign their advertising strategies in accordance to the consumer psychographics, so that they can find a way out which is more ethical and positive for the society or their target market rather than resorting to surrogate advertising.

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APPENDIX

Email address *

Your email

Gender *

Female

Male

- Prefer not to say
- Age *
- 0 16-20
- 21-25
- 26-30
- 31-35
- 36-40
- Above 40

Are you aware of the concept of Surrogate Advertisement? *

- O Familiar & aware of the concept of surrogate advertisement
- O Unfamiliar with the name but aware of the concept

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Response	0	0	0	0	0

Surrogate Advertisements increases the consumption rate of banned Products *

Surrogate Advertisements are helpful to choose your favorite brands or products

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Response	0	0	0	0	0

Brands can flaunt different variations through single commercial *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Response	0	0	0	0	0

Surrogate Advertisements helps in recalling the original product while watching these ads *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Response	0	0	0	0	0

Surrogate Advertisement's hidden messages don't have any impact until the viewer/consumer knows its advantages or disadvantages *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Response	0	0	0	0	0

Surrogate Advertisements enhances the utilization of alcohol and tobacco products *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Response	0	0	0	0	0

Surrogate Advertisements are unethical *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Response	0	0	0	0	0

Surrogate Advertisements socially influence the attitude of non-tobacco/nonalcohol users *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Response	0	0	0	0	0

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