

“Effects of Surrogate Advertising with reference to Liquor Industry”

Dr. Radhika Wadhwa, Associate Professor
Rajeev Gandhi College of Management Studies, Ghansoli

Abstract

Two main subsets make up India's booze market: IMFL (Indian Made Foreign Liquor) and domestic booze. Imported alcoholic drinks brewed in India are known as IMFL and include whisky, rum, vodka, beer, gin and wine, whilst alcoholic beverages produced in India by local brewers are called country-made spirits. While there were a few of participants in the IMFL market, the country's manufactured spirits was mostly produced by unorganised brewers.

Liquor businesses shifted their marketing efforts towards establishing their brands in the wake of the prohibition. Track races, vehicle rallies, and other similar activities began to attract their sponsorship. As an example, the Royal Challenge Invitation Golf tournament was hosted by Shaw Wallace Co. (SWC), a prominent Indian spirits company, and has since become a yearly event. In addition to employing glow-signs outside of retail locations, several corporations used corporate advertising to promote their goods by giving away freebies like branded hats and T-shirts. Surrogate ads on television, however, gained traction as television was the most efficient advertising channel. The government is attempting to distance itself from the social ills linked to alcohol usage by prohibiting ads for alcoholic beverages. The government's efforts to outlaw surrogate advertising and the ways in which businesses profit from brand recall strategies are the main points of the research.

Keywords: Surrogate Advertising, Brand Recall, Awareness, Tobacco & Alcoholic Beverages

Introduction

Leading Indian television networks were instructed by the Ministry of Information and Broadcasting (8/B) in June 2002 to air commercials for McDowell's No. 1 and Gilbey 3 Green Label alcoholic beverages. Smirnoff Vodka, Hayward's 5000, Royal Challenge Whisky and Kingfisher beer were among kler brands that were placed on a watch list by the Ministry. From golf equipment and mineral water to audiocassettes, CDs, and fragrances, these ads used a wide variety of surrogates.

Twelve ads were prohibited by the I&B Ministry by August 2002. Zed, Sony, STAR, and Aaj Tak, among other prominent satellite TV channels, were sent show-cause orders demanding an explanation for their decision to air surrogate spirits advertising. Did you know that the Cable TV Act of 1995 (Cable TV Act, 1995) mandated stringent compliance from the channels? Consequently, not only did Zed and STAR cease airing the ads, but Aaj Tak and Sony quickly followed suit. Also, to make sure that no ads are breaking the law, the I&B Ministry contracted with a private monitoring firm. In light of these changes, the topic of surrogate advertising by alcoholic beverage firms sparked passionate discussions. The concerned spirits firms were left with little alternative but to comply with the requirements, notwithstanding their loud protests against the decision of the I&B Ministry. Many experts felt the government's stance was contradictory. "They let these socially bad' products be made and sold (to make money), but then they take away the manufacturers' ability to spread the word about their products so that more people buy them," one person stated. Who needs to sell something that's horrible if it can't even be advertised? At the same time, it seemed like the administration was also in a pickle. Tobacco and alcoholic beverages were the most heavily taxed parts of India's economy, therefore the government had to find ways to boost their sales. But there was also the pressing urge to be morally upright and cut down on use of these items. Liquor businesses persisted in using surrogate ads to promote their beverages even after the prohibition was lifted. This kind of advertising uses a well-known brand to promote a different product than the one that is illegal. These kinds of ads and sponsorships are great for creating a brand and getting people to remember it.

“Effects of Surrogate Advertising with reference to Liquor Industry”

The "surrogate" product that the icemen see might be a knockoff version of the real thing or a whole new product that uses the well-known name of the original. Surrogate advertising also includes the practice of endorsing cultural, recreational, or sporting events and activities with a spirits brand name.

Members of the Indian Broadcasting Foundation (IBF) presented the I&B Ministry with suggestions about surrogate advertising towards the end of 2000. "The products of the spirits companies, which do not have a minimum turnover of Rs 10 million and where the products are not manufactured in bulk quantity" would be considered "surrogate advertising" under the proposal. In other words, Additionally, the news outlets requested permission from the government to air spirits company-sponsored socially responsible commercials. The Indian television industry's income allegedly dropped by 7-11% (about Rs 1 billion annually) after the prohibition on spirits and tobacco adverts, thus they asked for permission to air these commercials.

The I&B ministry finally agreed with the broadcasters' suggestions in the middle of 2001, after almost six months of deliberation. Nonetheless, the decision was not officially published due to the ongoing disagreement around the hoarding of these commercials during broadcasted sporting events. We have asked the sports ministry for their thoughts on the matter, and we are waiting for their reply before we announce the rules," I&B Minister Sushma Swaraj said. "A company is allowed to use the same brand for products other than spirits (or tobacco) if the turnover of those products reaches Rs 1 crore (Rs 10 million)." She made an official announcement after receiving feedback from the sports ministry.

Meanwhile, some spirits makers expanded into other markets by advertising their goods under the spirits brand or by entering those markets themselves. Many alcoholic beverage manufacturers have branched out into the bottled water market, including brands like Kingfisher Mineral Water. The prohibition seemed to be working for some businesses. The mineral water and soda brands owned by McDowell not only increased the company's earnings but also functioned as substitutes for their liquor brand. In an effort to broaden its customer base, the corporation franchised the bottling and distribution of its purified water and soda products to over seventy-five locations throughout the nation.

Beginning in the first quarter of 2001, SWC began advertising their assortment of golf gear under the Royal Challenge spirits brand. A new line of golf accessories, including sets with graphite shafts (guaranteed for life), golf bags, hats and gloves, were also introduced. In addition, SWC began publishing a quarterly golf magazine that covered all the newest news in the sport. The International Management Group and the Indian Golf Union were also partners in the company's efforts to promote golf in India. In addition, the company's sponsorship of the Indian Open, the premier golf tournament in India, will continue until 2006. Late in 2001, SWC made public its intention to sell bottled water under the Hi-Five and Lal Toofan beer labels. Royal Challenge Premium Sparkling Water® was the moniker given to the soda water in 2002 by the corporation in an effort to capitalise on its main liquor brand, Royal Challenge. Industry insiders claim that SWC launched Sparkling Water to pass off its spirits brand to consumers. They reasoned that because ads were out of the question, booze producers had to become creative to promote their products. As alcoholic beverage companies began endorsing youth-oriented media, such as films and music concerts, the variety and volume of surrogate marketing expanded. As an example, Royal Stag Mega Movies and Royal Stag Mega Music were banners that promoted Seagram's Royal Stag via its sponsorship of movie-related events and Indian pop music, respectively. It sponsored a 100 Pipers Pure Music concert series featuring fusion musicians as a way to promote the 100 Pipers brand. The Blenders' Pride Magical Nites were a series of performances put on various artists and troop dancers that Blenders' Pride supported. Seagram was also a sponsor of corporate activities like the Chivas Regal Invitational Golf Challenge and the Chivas Regal Polo Championships. Despite the lack of a formal government notice authorising the running of socially responsible commercials on television, television stations started showing such advertising

“Effects of Surrogate Advertising with reference to Liquor Industry”

sponsored by spirits firms in late 2001. Several prominent broadcasters, including Star TV and Sony, aired these commercials. Both Christmas Eve and New Year's Eve saw the commercials air. Ads for Seagram had the phrase "Season's Greetings" in one of them. A other Seagram commercial said something like, "Tonight, when it's one for the road, it's got to be coffee." It is not a spirits commercial in the slightest', said L.S. Nayak, STAR TV's Vice President (Sales and Marketing). It's only another social media commercial for a corporation. Since Seagram is not a brand of spirits, it cannot be seen as an advertising for spirits.

Indian Liquor Industry Profile

Company	Leading Brands
United Breweries	Kingfisher (Beer), McDowell's No.1 and Bagpiper (Whiskey)
Shaw Wallace	Hayward's, Antiquity, Royal Challenge, Director's Special (Whiskey), White Mischief Vodka
Jagajit Industries	Aristocrat Whiskey, Bonnie Scot
Radico Khaitan	8 PM Rare Blend Whiskey, Contessa Rum

Review of Literature

According to an article by Dr. S.G. Khawas Patil and Laxmikant S. Hurne (2011) titled "Surrogate Advertising: A Successful Marketing Strategy for Liquor, Whisky products," the majority of corporations whose products are subject to bans are embracing a new paradigm known as surrogate advertising. The fact that corporations are raking in the dough from these kinds of advertisements, he adds, is news to them. According to an article by Pradeep S. Mehta (2003), surrogate advertising is a kind of aggressive marketing that tricks corporations into thinking their banned items are "like old wine" in a "new bottle" or include "soft" language. They perpetuate the reputation of a successful product by ingesting the label in some manner.

Surrogate advertisements on television were the subject of an essay by Avadhesh Vyas (2017) titled "An Analysis with Special reference to Indian Youth." Products like Pan masala, spirits and tobacco have come a long way via the use of surrogate advertising. Inspiring a healthier lifestyle is a constant theme in the many forms of television advertising.

The alcohol use of adolescents (Malley, Bachman et al., 1998). Although this article states that 21 is the legal drinking age, it seems that teenagers as young as 18 drink alcohol, which may explain the slow but steady rise in drinking rates among certain age groups in recent years. According to the socio demographic rates, white individuals probably don't drink much compared to other subgroups with drinking rates. The data shows that two-thirds of high school seniors deal with at least one issue that may be attributed to alcohol. One of the main reasons why teenagers drink is because it has a sedative and a euphoric effect. One reason why teenagers develop an addiction to alcohol is because it allows them to temporarily escape the stresses of school and home life.

Colleges and the repercussions of alcohol consumption were the subject of research by Pekins (2002). A considerable amount of harm is produced among students because institutions do not utilise alcohol responsibly, according to survey study. They aren't the only ones who deal with the fallout; others in their immediate vicinity also endure the anguish. The poll included events that occurred in the last 20 years.

Pekins (2002) compared the effects of alcohol use by men and women and concluded that it is just as destructive. While women drank in private, men were more likely to be a distraction in public.

Objectives of Research

1. To learn how much people know about surrogacy ads
2. To learn about Brand Recall while seeing a stand-in commercial
3. To comprehend the effect of surrogate advertising on the purchasing habits of consumers

Research Methodology

A 100-person pilot research was conducted using the snowball sampling approach. Research papers and articles were considered secondary sources, while original data was also included in the research. The effect of surrogate advertising on brand recall is the subject of this study article, which focuses on businesses that have used this strategy to boost productivity. We used a structured questionnaire to gather primary data, and we combed through books, research articles, and other secondary sources for secondary data.

A delicate and divisive topic arose: the prohibition of surrogate ads for alcoholic beverage firms. Although the government did not forbid spirits manufacturers from doing business, they believed that they could not do so profitably.

The prohibition, according to the spirits industry, would have a devastating effect on sales. They said that television commercials were the most efficient way to promote these items and that the ban would make it harder to establish a name for them. The level of knowledge of surrogate advertising was assessed using a chi-square test.

Chi-square analysis

Sl.No.	Parameters	Observed/O	Expected/E	Residual Value O/E
1	Aware	78	50	28
2	Unaware	22	50	-28
	Total	100		

Test Statistics

Chi-square	28.964567
Degree of Freedom	1
Asymp. Sig	.000

At the 5% significance level, the computed Chi-Square value is 28.964567, which exceeds the table value of 3.84. Therefore, it is evident from the above deduction that individuals are aware of Surrogate Advertising.

Brand Recall

There is a plethora of competitive product options available on the market. An unforgettable product has a better chance of winning over the buyer. Using famous people in ads helps get people to remember the company. It makes a company more prominent and makes their product stand out.

Views of Respondents on Brand Recall

Table					
Seen ad on TV/Campaigns					
		Frequency	Percent	ValidPercent	Cumulative Percent
Valid	Yes	95	95	95	95
	No	05	5	5	5
		100.0	100.0	100.0	

Of the 100 people who took the survey, 95 said they had seen the surrogate product ads on television or observed the campaigns via event sponsorships.

Consumer Buying Process:

1. **1st Stage:** Recognising Need The model's first and principal step is this. The desire to acquire something is the most fundamental necessity for making a purchase. If the present state of affairs does not correspond with the desired state of affairs, then a need will emerge.
2. **2nd Stage:** Product Search The corporations engage in extensive advertising and strive to successfully communicate with their customers, raising their level of awareness. After deciding to purchase a product, a buyer will seek out relevant information in order to make a final choice.
3. **3rd Stage:** Assessing Needs Before Buying A thing need to be the greatest for buyers when considering cost, quality, and advantages. At this crucial juncture, the buyer chooses the brand. Companies try to deceive consumers by giving them the correct information at the right moment when they want to gather information.
4. **4th Stage:** Acquire The buying procedure begins after a choice has been made.
5. **5th Stage:** Incorporation At this point, the buyer puts the thing to use in accordance with his own wants or needs. Now that the customer has eaten the goods, everything the advertising the business has done up to this point has been for nothing.
6. **6th Stage:** Assessment Following Consumption The evaluation phase has begun. Consumers share their experiences after using the product. If you have a positive experience, you will be satisfied and likely to buy the product again. If you have a negative experience, you will be rejected and likely to look for another one. The purpose of this study is, thus, to investigate how surrogate advertisements influence consumers' final purchasing decisions.

Half of those who saw the ads think they promote alcohol or tobacco use, while the other half disagree. There seems to be an equal number of people who agree and those who disagree with this statement.

Conclusion

It's hard to see why a business that may legally sell its wares can't advertise them, even while those ads include health warnings that recommend moderation in consumption.

Some spirits makers expanded into other markets under the spirits brand or used the spirits brand to sell these items even when ads for them were forbidden. Kingfisher Mineral Water is only one example of how many spirits companies have branched out into the bottled water market. The prohibition seemed to be working for some businesses. The mineral water and soda brands owned by McDowell not only increased the company's earnings but also functioned as substitutes for their liquor brand. In an effort to broaden its customer base, the corporation franchised the bottling and distribution of its purified water and soda products to over seventy-five locations throughout the nation.

The SW line of golf equipment was first promoted in early 2001 under the Royal Challenge spirits label. A new line of golf accessories, including sets with graphite shafts (guaranteed for life), golf bags, hats and gloves, were also introduced. In addition, SWC began publishing a quarterly golf magazine that covered all the newest news in the sport. The International Management Group and the Indian Golf Union were also partners in the company's efforts to promote golf in India. In addition, the company's sponsorship of the Indian Open, the premier golf tournament in India, will continue until 2006.

Late in 2001, SWC made public its intention to sell bottled water under the Hi-Five and Lal Toofan beer labels. In 2002, it took a cue from its major liquor brand, Royal Challenge, and rebranded the soda water as Royal Challenge Premium Sparkling Water. Industry insiders claim that SWC launched Sparkling Water to pass off its spirits brand to consumers. They reasoned that because ads were out of the question, booze producers had to become creative to promote their products.

As alcoholic beverage companies began endorsing youth-oriented media, such as films and music concerts, the variety and volume of surrogate marketing expanded. As an example, Royal Stag Mega Movies and Royal Stag Mega Music were banners that promoted Seagram's Royal Stag via its sponsorship of movie-related events and Indian pop music, respectively. It sponsored a 100 Pipers Pure Music concert series featuring fusion musicians as a way to promote the 100 Pipers brand. The Blenders' Pride Magical Nites

were a series of performances put on various artists and troop dancers that Blenders' Pride supported. Seagram was also a sponsor of corporate activities like the Chivas Regal Invitational Golf Challenge and the Chivas Regal Polo Championships.

Despite the lack of a formal government notice authorising the running of socially responsible commercials on television, television stations started showing such advertising sponsored by spirits firms in late 2001. Several prominent broadcasters, including Star TV and Sony, aired these commercials. Both Christmas Eve and New Year's Eve saw the commercials air. Ads for Seagram had the phrase "Season's Greetings" in one of them. A other Seagram commercial said something like, "Tonight, when it's one for the road, it's got to be coffee." It is not a spirits commercial in the slightest', said L.S. Nayak, STAR TV's Vice President (Sales and Marketing). It's only another social media commercial for a corporation. Since Seagram is not a brand of spirits, it cannot be seen as an advertising for spirits. To determine whether an advertising is selling alcohol or not, one must perceive its spirit.

References

- *“An Empirical study on Surrogate Advertising” - A pioneering trend by Varalakshmi.T January 2013 Vol.2.*
- *Dr. S. G. Khawas Patil, Laxmikant S. Hurne (2011), Surrogate Advertising: “A Successful Marketing Strategy for Liquor, Whisky products” Indian Streams Research Journal, Vol - I, ISSUE - V [June 2011].*
- *Avadhesh Vyas, Surrogate Advertisement on Television “An Analysis with Special reference to Indian Youth” ISSN 2394-3386 Volume 4, Issue 8 August 2017*
- *Mehta. S. Pradeep, “Surrogate Advertising- Needed, A Spirited Attack.” The Hindu Business Line. May 23, 2005*
- *Allor, M. Relocating the site of the audience. Critical Studies in Mass Communication, 5(3), pp. 217–233, 1988*
- *Alwitt, L.F. & Prabhaker, P.R. Identifying who dislikes television advertising: not by demographics alone. Journal of Advertising Research, 34(6) (November/December), pp. 17–29, 1994*
- *Andersen, P.H. Relationship marketing and brand involvement of professionals through webenhanced brand communities: the case of Coloplast. Industrial Marketing Management, 34, pp. 39–51, 2005*
- *Anderson, J.A. & Meyer, T.P. Mediated Communication: A Social Action Perspective. Beverley Hills, CA.: Sage, 1988*
- *Ang, I. Living Room Wars: Rethinking Media Audiences for a Postmodern World. London: Routledge, 1996*
- *Arnold, D. The Handbook of Brand Management. Reading, MA: Addison-Wesley, 1992*
- *Arnould, E.J. & Thompson, C.J. Consumer culture theory (CCT): twenty years of research. Journal of Consumer Research, 31(4), pp. 868–882, 2005*
- *Ballantyne, D. & Aitken, R. Branding in B2B markets: insights from the service-dominant logic of marketing. Journal of Business and Industrial Marketing, 22(6), pp. 363–371, 2007*