Advertising and globalisation in India

Lynne Ciochetto
Massey University
Wellington, New Zealand

14th June, 2004

Abstract
This study explores the profile of contemporary advertising in India in the wider context of trends in international advertising, the recent changes in Indian economy and society, and issues concerning the cultural impact of foreign advertising in India. Findings are complemented with a case study of outdoor advertising collected in two visits to India in 2000 and 2001. In the 1990s India has witnessed a massive expansion of advertising, and the advertising sector has quickly been taken over by foreign advertisers and agencies that are affiliated with foreign advertising agencies. The whole advertising sector demonstrates a remarkable degree of concentration. There has been a rapid expansion of the television and satellite television in the 1990s but print is still the dominant media. The profile of most advertised products is dominated by advertising for personal products. The strategies used in India have undergone significant change in recent years, and there has been increased customisation to the local culture alongside a major intensification of strategies aimed at targeting rural markets, to stimulate the purchase the products of foreign companies.

Introduction
The intention of this study of advertising in India is to explore the profile of contemporary advertising in India in the wider context of trends in international advertising, the recent changes in Indian economy and society, and issues concerning the cultural impact of advertising in India. Findings are complemented with a case study of outdoor advertising collected in two visits to India at the end of 2000 and 2001.

Part 1: Background and context of international advertising
Advertising has been defined as 'any paid form for non-personal presentation and promotion of ideas, goods or services by an identified sponsor' (American Marketing Association, quoted in Bennet, 2000: 117) and more narrowly as 'any human communication intended to persuade or influence buyers in their purchase decisions' (Cheng, 1996: 74). Advertising lies at the juncture where culture and the economy interact: its primary purpose is to sell products and services by stimulating purchasing behaviour and it does this by using strategies that rework culture, creating aspirations and new desires for products. The major environmental factors that impact on advertising are: the economy, demography, culture, the political and legal system (Belch and Belch,1990). Advertising is itself a cultural product which increasingly affects social attitudes, defines social roles, and influences cultural values. Influenced by these factors advertising evolved and developed a particular profile in western industrialised society in the 20th Century as a means of stimulating the consumption of products generated by new and expanding industries. In recent decades advertisers from the industrialised nations have increasingly targeted international markets, expanding the consumption of foreign products and bringing about widespread cultural change. This study investigates the contemporary profile of advertising in India in the context of these changes and the entry of foreign businesses and advertising agencies into India and the strategies used to target the Indian market.

Part 2. Background: Indian political, economic and social profiles
2.1 Political and economic context
After independence from Britain in 1947 India had the classic profile of the 'underdeveloped country': small elites, large numbers of peasants and a predominantly rural population, high poverty levels, high mortality rates and low life expectancy, poor nutrition and an economy dominated by agriculture and exports of primary products. Indian leaders embarked on a programme based on Fabian socialism, a programme of 'socialism from within' which tried to raise living standards and development without western aid. India played a leading role in the non-aligned movement but looked to Russia for aid and markets. Their policies included protection of local industry with tariffs on imported goods and the establishing of import substitution industries. The aim was to establish a mixed economy of private enterprise and government planning. Priority was given to heavy industrial production rather than consumer goods.

The World Bank flooded India with loans in the 1950s in an attempt to change India's policy from import substitution and government intervention in the economy, and to bring it into the orbit of the west. It formed a group which promised more increases in aid if India would move towards more free market export oriented policies (Korten, 1995:162). The World Bank pressured the leadership to devalue the currency by 50% in 1966 (Pashupati and Sengupta, 1996). At this time India's major markets were the Eastern Bloc countries, especially the Soviet Union. Before 1965 growth had reached GNP of 4.2% but for the next decade war, droughts and external factors reduced this growth and the economy stagnated.

India maintained this policy of isolationism and economic protectionism behind trade barriers for over 2 decades and did not play a major role in the internationalisation of the world economy that took place before the 1980s. Global trade was avoided and the entry of foreign companies was not encouraged (Cutler et al, 1992: 8). In 1973 Indira Gandhi placed restrictions on foreign investment, and in 1976 the Foreign Exchange Regulation Act reduced participation of foreign enterprises in Indian subsidiaries to 40% and taxes were raised on the rich and luxury goods. The consumer price index went up 400% from 1960-1980 and two thirds of household income was being spent on food (Pashupati and Sengupta, 1996). Some multinationals like Coca Cola (1950-1978) and IBM (1951-1979) left India because of policies that restricted their activies (Mattelart, 1991:43). Growth rates from 1965 to1985 were approximately 1.8% (MacDonald et al, 1995: 41). India suffered balance of payments problems due to oil price increases after the late 1970s and borrowed from the IMF and other sources such as the World Bank and foreign governments (ADB, 2004). After 1985, in an effort to revive the stagnant economy, some measures towards economic liberalization were introduced and there was growth in the economy. GDP reached an average of 5.5% in the 1980s (India Tradepoint, 1995) and per capita income increased by 40%. The 'Green Revolution' created a food surplus (MacDonald et al, 1995), though this didn't always reach the poor. Exports to the US expanded from US$10 billion in 1980 to US$18 billion in 1990, and exports to the European Community also grew (de Mooij, 1994, p.85).

In the early 1990s the Gulf War caused rising oil prices and had a major impact on the Indian economy, and reduced workers' remittances from the Gulf which had played an important economic role. The collapse of the Russian economy in 1991 also meant the loss of markets for Indian goods and of subsidised imports, the most notable being energy (MacDonald et al, 1995). Other Eastern Bloc markets also contracted at this time. In the 1990s the liberalization of the economy continued, some of this externally imposed. In 1991 there was a balance of payments crisis and the IMF restructuring package enforced a stablization programme which devalued the rupee by 20%, endeavoured to control inflation through fiscal austerity and opened up the economy to the market (ibid, 1995). Taxes were lowered, loans were more available and foreign investment was encouraged. Changes did not address rural poverty or the bureaucracy. Investment expanded from 1994-1995 but it was often undisciplined. Industry expanded as well though there were also many casualties. Manufactured goods became cheaper relative to farm goods and previously scarce consumer goods were more readily available (Economist, 2001, May 31st). GNP growth per capita increased slightly in the 1990s from 5.8% 1980-1990, to 6% 1990-2000, and then declined to 5.2% in 2,000 (World Bank, 2002). Growth averaged 5.5% from1995-2002 (World Bank, 2004). Growth in 2,000 reached 6% according to the CIA (2002). Advances were in the service sector more than in the industrial sector of the economy. The slowdown after 1997 reflected similar trends in other East Asian economies (Srinivas,1999).

The entry of foreign businesses into the Indian economy is reflected in the expansion of foreign advertising, though much foreign investment is not in the consumption sector. The lack of a national distribution system and a fragmented retail system have proven to be a major obstacle to foreign business expansion. Most of the shops are small family businesses rather than national chains or supermarkets and 700 million, 70% of the population, live in 627,000 small towns and villages (Gupta, 2002).

2.2 Social profile

The social profile of a country provides a useful starting point for the analysis of advertising because populations need a certain level of disposable income to be able to purchase products. India is a country of great economic and social diversity. It is the world's second largest country in terms of its population of 1.048 billion in 2002 (World Bank, 2003). Its social structure of castes, religions and classes differs throughout the country, as does the profiles of languages, economic patterns, historical tradition and personality types (Suri, 1974). There are marked regional divisions within the country and 18 different languages spoken. The northeast is stagnant and poor, with larger numbers of people, while the south and west are more economically dynamic and more affluent. Urban centres are richer than the rural areas, though there are pockets of incredible poverty in these cities. Liberalization has deepened these divisions. India is still largely a rural population with only 28% of the population from 1994-2000 living in cities and in 2002 72% of the population were still working in agriculture (World Bank, 2003). The population profile is young, with 32% of the population under 15 (CIA, 2004).

It is difficult to find criteria that are useful in conveying the complexity of the Indian social structure, as well as there being issues with the accuracy of the data supplied. I will outline a number of methods of analysis, in the hope of giving cumulatively a broad a picture rather than accurate specific data. Indicators such as GNI are often used for comparison but they are very crude. India's GNI at US $480 per capita in 2002 (World Bank, 2003) does not convey the fact that there are vast differences in income level and standards of living throughout the country and within regions. There are large numbers of very affluent people, even though their percentage of the overall population is small. In 2000 the World Bank estimated average annual household income, (based on approximately 5.61 people per household), at $US 642.00 or $US114 per capita (Euromonitor, 2001B), less than a dollar per day. Mean annual household income in India is $US480 according to the ADB (2000: 56). Other estimates vary from $US 90 per capita in poor states to $US 450 per capita in some rich states (Srinivas, 1999).

Another term often used without definition as a means of assessing market potential is 'class'. The criteria for defining these classes is rarely given. A lot of attention is given to the size of the middle classes, as they are seen to be the major target market for expansion. The estimated size of these middle classes differs widely. MacDonald et al calculated that the middle classes had increased 400% in the years from 1970-1995 to 100 million people or 12% of the population (1995), while Pashupati and Sengupta estimated the middle class at 150 million (1996). The US State Department profile states that projections for the growing middle class of 150-200 million proved to be 'way off the mark' (ADB, 2000: 55).

Disposable income levels

The National Council for Applied Economic Research has differentiated 5 levels of spending power: very rich, consuming class, climbers, aspirants and destitutes and they further differentiate between urban and rural populations. A large market for consumer durables as well as consumables is seen to exist for those above the poverty line because of the nature of their purchasing priorities (Euromonitor, 2001B). It is estimated that the widest consumer markets numbered over 500 million in 1995, but that the purchasers of consumer durables, compared to non-durables, varied between 100 million and 300 million in relation to the product. India was seen as one of the fastest growing and largest consumer markets in 1995 (India Trade Point, 1995).

Poverty levels are another means of identifying the size of the group with little or no disposable income, though the criteria for measurement is often not stated and there is significant variation in figures from different sources. Poverty fell from 55% in 1974, to 34% in 1990, to an estimated 26% in 2,000, according to the Planning Commission (Economist, May 31st, 2001), this is still about 260 million people. The CIA estimated that there were 35% living below the poverty line in 1994 (CIA, 2002) while the proportion of the population below the poverty line of $1 per day from in 2002 was estimated as 35% by the World Bank (2003).

It is acknowledged by India Trade Point that purchasing behaviour is also affected, as well as by disposable income levels, by cultural conditioning, location, source of income, and also education and occupation. The same income category can reflect very different purchasing behaviour because of different values of different groups. Reinforced by the fact there is no social welfare system, frugality and savings are valued very highly (1995). Savings and investment accounted for 26% of consumer expenditure in 1997 (National Statistics, Euromonitor, 2000).

The Indian consumer profile differs from profiles in the west, being very needs driven. Compared to the United States where 25% income was spend on needs and 75% was disposable, in India it is estimated that 75% of income was spent on basic needs and 25% was disposable (ADB, 2000). Even amongst the affluent, a higher proportion of their disposable income is spent on basic needs rather than luxury goods (ADB, 2000: 55). In 1991 55% of expenditure was on food and drink, 9.9% clothing and footwear, 10.8% rent, fuel and power, 10.6% transport and communication, 3.1% furniture and household appliances, 3.4% on recreation, education and cultural services, 6% on other consumer goods and services (India Tradepoint, 1995).

Overall consumer spending increased 127% from 1990-1998 and in 2001 the proportion of consumer spending on food was seen to fall below 60% for the first time and sales of non-food items are expected to grow. Women are increasingly entering the workforce which brings about further changes to lifestyles and behaviour and is expected to change purchasing patterns, for example increasing the sale of prepared foods (Euromonitor, 2001A). Purchasing behaviour is also affected by cultural patterns, for example women have not traditionally played a role in household purchasing decisions and as these have been the responsibility of elder men in the family (ADB, 2000: 56). Another significant feature of Indian society is that traditionally Indian middle class women have not done the household shopping (Jones, 2000). Servants have played a key role in the middle class household, and continue to do so, as labour is very cheap.

Purchasing profiles

In the 1970s and 1980s the upper classes bought all their consumer goods overseas because of shortages in India, and the poor quality of goods available locally (Baijpai and Unnikvishran, 1996: 223). Constraints eased on consumer durable production in the 1980s, electronic goods production increased 30% a year and there was also a substantial growth in consumption of packaged consumer goods, consumer durables and services such as telephones, credit cards, travel and finance (India Tradepoint, 1995). Increases in consumption throughout the 1980s reflect 19% population growth as well as rising levels of disposable income. There was also increased consumption of domestic electricity usage, sales of personal goods, clothing, kitchen utensils and gadgets. The sales of ready-made clothing more than doubled from 1985-1990 and the number of cars on the roads more than doubled from 1984–1990 (Operations Research Group, 1991, quoted in Pashupati and Sengupta, 1996: 181).

Consumption continued to expand in the 1990s and retail sales grew by an estimated 65% from 1996-2000. Household penetration of consumer durables is low in India though the rural share in consumer durable spending is rising steadily and is outpacing the urban market for both durables and non-durables. The product purchasing profile of rural purchasers has also changed from bicycles, motorcycles, table fans, sewing machines and wrist-watches in 1989-1990 to black and white, and colour televisions, cassette recorders and pressure cookers in 1995-1996 (Euromonitor, 2001B). Pashupati and Sengupta consider that until the mid 1990s the rural market, 70% of the population, was still largely untapped, even though the numbers are vast, for example a 3% market share for a brand of bath soap reflects a market base of 12 million people 1996 (ibid: 182, quoting Bhandari and Iyer, 1994). The lack of infrastructure, low literacy rates, and low penetration of television and use of local dialects rather than the Hindi and English spoken on television led to this neglect.

By 2002 50% of durables and consumer goods were sold in rural markets according to the National Council for Applied Economic Research (ibid). Because the majority of the population are still rural, even though the majority of rural consumers are too poor to buy consumer durables and the average rural household income was US$42.50 per month, this is still a huge market in absolute numbers (Kripalani, 2002). Jones sees another handicap to sales and the growth of consumer culture is the lack of anything approximating a western supermarket in India (2002).

Part 3. Profile of Advertising in India

3.1 History

There has been a long tradition of advertising in India since the first newspapers published in India in the 19th Century carried advertising. The first advertising agency was established in 1905, B. Datram and Company, followed by The

India-Advertising Company in 1907, the Calcutta Advertising agency in 1909, S.H.Bensen in 1928, J. Walter Thompson Associates through its Indian associate, Hindustan Thompson Associates in 1929, Lintas (Lever International Advertising Services) in 1939 and McCann Erikson in 1956 (Pashpati and Sengupta, 1996). Advertising expenditure in the 1950s was estimated at $US 300,000 (Cutler et al, 1992). Under the more socialist political environment of the 1960s and 1970s there was little incentive for companies to advertise because advertising was not tax deductible. In the 1970s there was a 58% growth in the number of registered agencies from 106 in 1969 to 168 in 1979, and this included a growth in Indian agencies. The first advertising appeared on state television in 1976.

With the opening of the economy in the 1980s there was a growth in the number of alliances with multinational agencies and an expansion in advertising though foreign network participation in agency ownership was limited. In 1987 Hindustan Thompson was affiliated to J. Walter Thompson. Lintas, the 2nd ranking agency, held only 4% of its subsidiary, as did Ogilvie and Mather. Saatchi and Saatchi/Compton had minority interests in Compton as did Lintas (Pashupati and Sengupta, 1996). A study done in 1984 of the largest companies in India found that the ratio of advertising expenditure to sales had risen from .64 in 1976, to .71 in 1980 to .74 in 1984. Foreign controlled corporations had the dominant share of total advertising expenditure, and 80% of these were in the consumer goods sectors. Advertising was very concentrated with the top 50 advertisers accounting for 80% of the advertising spending and the top 10 advertisers made up 40% of that figure, 32% of the total. The largest advertiser throughout the period was Hindustan Lever, Rs.28.9 million (US$2.77 million) in 1976, Rs. 29.1 million (US$ 2.78 million) in 1980 and Rs. 80.9 million (US$ 7.4 million) in 1984 which was nearly 10% of the advertising budget of the corporate sector companies selected in the study (* figures based on rate10.4Rs to US$1 in 1984, Crowther et al, 1984). Pharmaceutical companies were also significant advertisers at this time (Sachdeva, 1984). Advertising expenditure grew at nearly 15% a year in the 1980s to reach $US 896 million by the end of the decade according to de Mooij (1994: 222).

There was a massive expansion in advertising in India in the mid 1990s and increased competition among multinationals made big budgets a necessity. New entrants in the market, for example Samsung, had to spend heavily to raise brand awareness (India Business Intelligence, 1997). Another figure from Zenith Media put expenditure in 1992 at US$415 million (Hargrave-Silk 2002, August 6th). Advertising expenditure in 1996 was US$1052 million and in 2001 US$1748 million, with a slight dip in 1998 after the Asian economic crisis (ibid). These increases are also reflected in per capita growth in the 1990s, though expenditure is still very low compared to other countries. In 1990 advertising expenditure per capita was US$.60c (Cutler et al, 1992). In 2000 it had increased to Rs.70.07 or US$1.55 per capita (Euromonitor, 2001A). and by 2002 had reached US$2.1 (International Journal of Advertising, 2002: 287).

Advertising agencies

The profile of advertising agencies in India changed dramatically in the 1990s. Prior to that advertising was dominated by Indian agencies, but foreign agencies have increasingly come to dominate Indian advertising. In 1992-1993 11 of the top 20 Indian agencies were affiliated with multinational agencies and those agencies were allowed to own stock in the local companies since the early 1990s (Pashupati and Sengupta, 1996: 167).

In 1990 the key companies that were the top advertisers in India were also the leading advertisers internationally: 1. Unilever 2. Procter and Gamble 3. Nestle (Belch and Belch: 739). In 1992-3 the monopoly of a small range of product categories was associated with a few companies which dominated advertising. Hindustan Lever had a major impact on the content of programming and the initiation of new programmes, associated with their power as the major advertiser on television (Advertising Club of Bombay Diary, 1994 quoted in Pashupati and Sengupta, 1996:172). 6 of the top 10 advertisers in 1992 were affiliated with Transnational Corporations, which was reflected an accelerated erosion of local brands (ibid, p.171). In 1992 the top advertisers overall were (in descending order): Hindustan Lever; Tatas; Godrej; Procter and Gamble; Parle; Colgate Palmolive; Nestle; International Tobacco Corporation; Bajaj Auto; Philips *(Advertising Club of Bombay Diary, 1994, Pashupati and Sengupta, 1996:172)*

In 1996-1997 over half of the advertising expenditure came from multinational corporations (Economist Intelligence Unit, 1998). South Korean companies are among the prominent new entries into the Indian marketplace according to Srinivas (1999). Procter and Gamble and automobile companies are noticeably absent from the list of top companies. The largest spender on advertising in 1995/96 was International Tobacco Corporation, which is interesting given the restrictions on tobacco advertising on television. In 1996 the top product category was still personal care products. The companies with the largest advertising budgets in India were: International Tobacco Corporation (cigarette and tobacco products); Hindustan Lever Ltd. (personal care); Videocon International (electronics); Brook Bond Lipton, (diversified products); Colgate Palmolive (personal care); Philips (electronics); Indexport (personal care); Hindustan Times (newspapers); Godfrey Philips (cigarette and tobacco products); Nestle (food, dairy products) *(A&M, Media Reports, the Economist Intelligence Unit Limited, 1997).*

In 1999 there were about 400 advertising agencies in India employing about 18,000 people. 15 of the top 20 advertising agencies have affiliations or joint ventures with foreign agencies who are among the top international agencies and most of them are American in origin, 12 out of 15. In terms of market share foreign joint venture advertising agencies hold more than 75% of the market, with wholly owned Indian agencies holding the balance. The largest 25 agencies account for 75% of the total billings. In 1999 76% was the maximum foreign ownership in advertising agencies (Srinivas, 1999). Over the decade there was also a growing concentration of agencies. The WPP group from London acquired a fifth local agency in 1997. Many companies formed alliances with subsidiaries to avoid conflicts of interest with their client companies (Advertising Age, 1997, July 14th).

The advertising industry has expanded again rapidly in recent years. Growth was 23% in 2000-2001 and the top 5 agencies in 2000-2001 earned 47.2% of total revenue (Emerging Markets Economy, 2002, August 1). Foreign companies were seen to be initiating more aggressive advertising campaigns and recent growth in advertising has been driven by television advertising, especially satellite channels many of which are free-to-air which means they rely for their revenue on advertising (Sehgal, 2000).

Foreign brands are definitely impacting on local brands through competition and takeovers. Some of the greatest competition is in the biggest advertising categories: soap, detergents and soft-drinks. Procter and Gamble, Unilever and Colgate Palmolive are competing for the soap and detergents market. Procter and Gamble has made a strategic alliance with Godrej Soaps, the leading Indian maker of soaps and detergents. Coca Cola and Pepsi are fiercely competing for the soft-drink market. Pepsi is a more successful brand in India than Coca Cola which left in 1978 and returned in again 1993, when it bought out Parle India's largest soft drink company. Coca Cola bought out Thums Up, another leading Indian brand, which gives it 61% of the market share (Slind-Flor, 2001). There is a definite visible advertising war between Coca Cola and Pepsi, and billboards in the countryside promote their products at prices cheaper than anywhere else in the world, 5 Rs for 200ml is about 10c. Both companies are increasingly targeting the youth market. Coke made losses in India for many years but was starting to make a profit since the late 1990s (Kripalani, 2003).

The 1990s have also witnessed increased government spending on advertising and government departments are featured in the client lists of major agencies. The government is advertising in areas such as tourist promotion, army recruitment, aids awareness and is using international agencies in joint ventures (Indiantelevision.com/2001). The service sector is another area is also expanding, and with the privatisation of banking and insurance those areas are expected to increase their advertising. After a new code of conduct was issued in the early 1990s, Indian political parties have emerged as a major clients for the advertising sector (Srinivas, 1999).

Advertising agencies

The usage of the different advertising media has changed in recent decades, largely due to changes in technology. In the early decades of the 20th Century print was the key medium, as it is today though its influence is declining in relation to television. The impact of media, television, radio, print, outdoor, internet, is influenced by different factors. Literacy and income levels are important for print advertising. Literacy levels are improving according to the World Bank, in 1995 53.3% of the population was literate and in 2002 58.8 (2003).Language is another factor influencing television access, as most television is delivered in Hindi or English languages not spoken by large numbers of the rural population (Bajpai and Unnikrishnan, 1996).

Media usage overall is increasing and the absolute figures for print advertising expenditure are on the increase. Press advertising was 58% of the total in 1999, compared to television at 34% (Srinivas, 1999). Print was the major category in 2001 and in 2002, though television is expected to increase its share from 40.7% in 2001 to 41.8 in 2004 (www.agencyfaqs.com/www1news/stories/2002). Television and print advertising in 2000 accounted for 89% of advertising. From 1991-2002 magazine advertising spending rose from $US 245 million to $US 968 (Zenith Media, 2002, www.magazineworld.org/members 2002). There has also been an expansion in magazines for niche markets (Business Asia, 1998). Radio accounts for 2.5% of advertising expenditure (www.magazineworld.org/members 2002).

According to the World Bank radio ownership is more than television, radio ownership being 119 per 1,000 people, in 1995, 120 per 1,000 in 2002, while television ownership was 61 per 1,000 in 1995 and 83 per 1,000 in 2002 (2003). In 1997 television ownership was 63 million television sets out of a population of 955 million (CIA, 2002). Television was first introduced into Delhi in 1959 and a regular service was introduced in 1965, but until 1982 it was confined to major cities. The first Indian satellite was launched by NASA in 1982, and by 1984 transmitters covered 30% of the population, and by 1991 that figure was 76% of the population. There was only one channel until 1984 when a second channel was set up in Delhi, Bombay, Calcutta and Madras (Pashupati and Sengupta, 1996). In 1989 Vilanilam estimated that even if there were 30,000 village community sets, as there were over 500,000 villages, then the coverage was by no means extensive in rural areas. The cost of a television set in 1989 at approximately $US 800 was 4 times the average annual per capita income. He saw that television was still targeting the top 10% of viewers though nowhere was this publicly stated

There was major expansion in television in the early 1990s and the importance of television has increased dramatically. Satellite and cable television were also introduced in the 1990s, including the Hong Kong based Star television in the early 1990s (Srinivas,1999). Cable penetration grew from 20 to 32 million homes from 1998 to 2000. In 1999 there were 60 satellite operated channels, with more being introduced all the time (Multichannel News International, 2000, April). The impact of the media is also influenced by ownership but access to television for example, is much wider than can be estimated by ownership data. Some advertisers find it more effective to use television rather than print to reach consumers, partly because of the low literacy rate. Hindustan Lever found that it cost Rs. 5 to reach 1000 people through television, compared to Rs.100 through print. Hindustan Lever spent 60% of its budget on television, and 25-30% on print and 10-15% on other media, which is the major pattern of most the major consumer goods producers. There is some regional variation, for example in Kerala, where literacy levels are higher, there is a higher use of print advertising (India Business Intelligence, 1997, August).

Advertising spending on television increased 118% from 1995 to Rs 23.9 billion in 1996, to Rs. 49 billion ($US1.06 billion) in 2000. 25% was spent on the satellite channels in 2000 (Sehgal, 2000a).

Print	Rs. million		Television Rs. million		
1991	11,000	68%	3,170	19%	
1996	27,950	59%	15,520	33%	
2000	35,064	49%	28,098	39%	(www.magazineworld.org/members 2002)

By 2000 there were 65 satellite channels operating in India, and many of them were free-to-air and depended on advertising for their revenues. By 1999 25% of television advertising was on the satellite channels and rising. Cable penetration was estimated at 32 million homes in 2000, and the viewer bases were seen to have stabilized so advertisers could focus on niche audiences and customise their advertising to specific regions (Sehgal, 2000a).

Outdoor advertising has been important in major cities and is also common in rural areas. Outdoor advertising from 1993-1997 averaged about 5.5% of total advertising, which is similar to international trends. In the big cities the demand for outdoor media exceeds the supply, and costs are relatively high. The average rental for a billboard (10x20 feet) varies between $US 50 and $US 300 per month, except in Mumbai, the centre of the advertising industry, where prices are almost 3 to 4 times higher. Films are another important form of advertising especially for the rural consumers. Both billboards and films are seen as 'reminder' advertising (Srinivas, 1999). Billboards have tended to be hand painted, and still are in the countryside, but new methods are being used in the cities.

The latest marketing frontier is the internet and Pepsi and Coca Cola are some of the leading marketers in this area. In 2002 the number of internet users in India was estimated at 7 million by the World Bank (2003), an increase from an estimated 800,000 in 1999 (Subramanian, 1999), and 250,000 in 1995 (World Bank, 2003). Internet users are predominantly male and young (Smita, 2002). Some of the largest advertisers in India are exploring different strategies and media to attempt to enter the vast rural consumer market, where even a small percentage of market share amounts to millions of consumers. Media alternatives such as video vans and point of purchase video display were an attempt by major advertisers to communicate to rural purchasers in their local language, rather than Hindi and English, the main languages on television (Unnikrrishnan and Bajpai, 1996 and Kilburn, 2000).

3.3 Regulations and censorship

India's constitution, set up at the time of independence in 1947, has a provision for freedom of speech and expression, though commercial advertising was excluded from this provision in a Supreme Court Ruling in 1960 (Venkateswaren, 1993: 60, quoted in Pashupati and Sengupta,1996). A number of laws helped define the limitations of advertising. In 1969 the Monopolies and Restrictive Trade Practices Act included misleading advertising in the definition of 'unfair trade practices', including misrepresentation regarding price, quality and also prohibited the practice 'bait and switches'. In 1954 the Drugs and Magic Remedies Act restricted advertising of some contraceptive devices or those that would facilitate miscarriages, along with the banning of false claims from drugs and medication. The Indecent Representation of Women Act in 1986 endeavoured to restrict exploitation of women by the media and was a response to consumer demands. Other acts restrict the use of certain emblems and names; the conduct of promotions and competitions for prizes (1955); comparative advertising that involves defamation, and financial advertising claims. There are also ethical codes of conduct established by the Advertising Standards Council of India and the India Newspaper Society (Pashupati and Sengupta, 1996). A new code of conduct issued in 1990 has led to Indian politics emerging as a major client for the advertising sector (Srinivas, 1999). Unsubstantiated claims also do not get past the Advertising Standards Council, such as the rejection of Hutchison Max's claim to be 'the best cellular service in India' which would be acceptable in other countries (India Business Intelligence, the Economist Intelligence Unit Ltd., 1997).

Advertising Age claims that in 1993 the government lifted its ban on foreign advertising on 5 of Doordarshan's 5 satellite channels, but still kept the ban on Channel 1, and still banned the advertising of alcohol (4th October, 1993). Before 1994, the national television network banned the advertising of foreign goods and services (Pashupati and Sengupta 1996: 178) but in 1994 Doordarshan, lifted its ban on the advertising of foreign products such banks and financial services and certain other products such as matrimonial agencies and hair dyes. In April 2001 the new female Minister of Information and Broadcasting, had a number of advertisements taken off the national broadcaster Doordarshan for being 'distasteful' and 'degrading for women'. Kissing was also banned from television (Multinational News International, 2001**).** The key products that are banned in broadcast media are alcohol, cigarettes and tobacco. By 2000 there were 65 satellite television channels in India and it was difficult to censor them all according to Sehgal (2000).

3.4 Products most advertised

The range of products that are advertised reflects the socio economic profile of the population and disposable income levels. Low cost repeat purchase consumables dominated advertising in India as they do in most emerging economies. The first companies to move into new markets in developing countries tended to be in the areas of low cost repeat purchase consumables: cigarettes, fast food, personal products, cleaning products, soft drinks and pharmaceuticals. The high level of market concentration in the 1980s, was reflected in the fact that over 50% of market share was accounted for by the three top brands in 17 selected product groups (India Tradepoint, 1995).

The changes in the advertising product profile in India in the 1990s reflect changes in the levels of disposable income that occurred in the 1990s for some groups as well as legal changes. According to Srinivas, areas of fierce competition in Indian include soft drinks, toothpaste, soaps and detergents (1999). In 1992 90% of the most advertised products were repeat purchase consumables with bath soaps and laundry detergents accounting for 45% of the market, and other products included: soft drinks, suitings and textiles, tires, chocolates, cigarettes, tea. The category suitings and textiles, reflected the local custom for people to have their clothes made rather than buying them ready-made (Pashupati and Sengupta, 1996: 171) but later in the decade this category was no longer a leading product. There was a slight variation in the profile of products advertised on television. In 1993 75% of television advertisements were for 5 major groups of products: toiletries and detergents, cold drinks, foodstuffs, cosmetics and health products. Audience research units at Doordarshan, (the state-owned television station), confirmed that 30.1% of advertising was for toiletries and 21.1% was for food and beverages. Consumer durable advertising was seen to be educating for future consumers at that time (Baijpai and Unnikrishnan, 1996).

By the mid 1990s the key products in terms of overall advertising spending were (in descending order)*:* personal care; electronics; cigarette and tobacco; automobiles; pharmaceuticals; food and dairy products; breweries and distilleries with the strongest growth being in the figures for electronics and cigarettes and tobacco (A&M media reports, the Economist Intelligence Unit Limited, 1997). Products most advertised on Doordarshan, included cosmetics, soap and detergents, while the satellite channels in 1997 tended to attract alcohol, consumer durable and expensive clothes advertising (India Business Intelligence, 1997). In order of importance in 1999 the key products advertised were: soaps and detergents, household appliances, consumer electronics, food and beverages, cosmetics, pharmaceuticals, services and entertainment (Indian Society of Advertisers, Srinivas, 1999). It is interesting that cigarettes and automobiles have slipped off the list of most advertised products. Alcohol was banned from print but allowed in pay television until January 2001 (Multichannel News, 2001, May,). Cigarette and tobacco advertising was permitted in print in the 1990s(www.magasine.org/members 2002), were banned in December 2000 (Sehgal, 2001), but still evident in outdoor advertising (personal observation).

3.5 Strategies

Advertising in India has been concentrated on the 2 key media: print and television, with India reflecting the same worldwide trends, with print on the decline and television on the ascendency, and advertising is targeted at the groups that can be reached through those media. Products tend to be advertised to groups that can afford them, or who are future potential purchasers. Advertising strategies vary with the intention of the marketers, especially the international advertisers, their agencies and analyses of the target market. In the early phases of international entry into the Indian market they targeted the affluent Indians with significant purchasing power and those with disposable income for repeat purchase consumables and increasingly consumer durables. Television advertising was seen to play on the foreign obsessions of many Indians in the early 1990s as well as significantly increasing their desires for advertised products (Baijpai and Unnikrishnan, 1996: 305).

Most academic research into advertising strategies seems to have been studies of print advertising, mainly in magazines, which are admittedly easier to document than more ephemeral television advertising, but which are targeted at affluent groups. The National Council for Applied Economic Research has identified the 'very rich and consuming classes' in India as part of an international class with similar lifestyles and consumption habits. This group are educated, travel, own houses, cars, consumer appliances, and in India have servants. Advertising in certain media, especially magazines, is likely to target this group. A cross cultural comparison of magazine advertising in the US, and India and other countries in the late 1980s saw more visual similarities than differences in advertising practices of advertisements. The magazine profile included *Business India, Reader's Digest, India today, Femina* and *Woman's Era* (Cutler et al, 1992). In a comparative content analysis of magazine advertising in India and the U.S. in 2002 Khairullah and Khairullah found the dominant cultural values to be similar and thus made the case for standardisation of advertising, i.e. using advertising in India primarily developed for the American market. The product range of the advertisements was limited to airlines, cars, cigarettes, computers and hotels (2002). These products have been identified as the most likely to be characterised by standardised advertising (Belch and Belch, 1990: 754).

Another study by Chandra et al which investigated whether American standardised advertising was suitable for the Indian market in 2002, found that market segments were similar to the United States, and that India had a strong middle class with western product experience. They recommended the use of American advertising in India, especially in a diverse market. They did find that durable products were not significantly characterised by standardised advertising any more than non-durable (in contrast to prior literature). They were however, cautious in their claims, they did not analyse the media, message or execution and suggested maybe standardised advertising from non-American advertisers might be less suitable for standardisation, which would have to be investigated. They see that one reason companies use standardised advertising is that they view emerging markets as less significant, and used standardised advertising to cut costs (Chandra, Griffith and Ryans, 2002). Sehgal states that advertising campaigns are seen to be getting much more aggressive and focused in recent years (2000a) which is probably because advertisers are beginning to appreciate the size of the markets and the potential profits to be made in India. There has been considerable increase in market research by key advertisers, with companies like Ogilvie Mather setting up OgilvieOne a marketing agency to help with consumer research, and the establishment of international marketing firms such as MindShare a WPP agency which launched in India in 2001. MindShare was estimated to have cornered 30% of the Indian advertising market within a year (Media Asia, 2002).

There seems to have been less academic research into the advertising of cheap repeat purchase consumables to the less affluent markets, though there has been considerable market research by key advertisers (Munshi, 1998). Hindustan Lever Ltd. has been the largest advertiser in India almost every year for decades, and personal products are the biggest category in advertising. As the average income in India is still low, $42 per month according to the NCAER, a key strategy by large companies like HLL has been to reduce the size of their packages, 'think small', and sell tiny sachets of detergent and shampoo. This makes the product accessible and gets consumers accustomed to using the product (Kripalani, 2002).

According to India Business Intelligence (The Economist Intelligence Unit Ltd., 1997) the advertising industry in India has moved from focusing on demand creation to brand creation and the promotion of specific products. The most successful strategies prior to 1997 were seen to be simple and straightforward messages stressing product benefits. A good example was Rexona deodorant soap sold at Rs 60, compared to other brands selling at Rs150-200, and advertised with a campaign saying that body odour is a problem and Rexona the answer. The market also needs to be ready for the product, for example an American disposable contact lens company spent Rs30 million in 1996/1997 on advertising but could not sell its product because of its high price according to the Economist Intelligence Unit Limited (1997). Other reasons could be that if people value frugality they may be reluctant to purchase disposable items as an alternative to reusable lenses, or that they have different values about appearance and wearing glasses.

There have been significant changes in recent years and no longer does successful advertising focus only on product benefits, but works through values and value change according to Smila (2002). By the late 1990s multinational companies were seen to be customising their advertising to the Indian market. Product endorsement by celebrities, and associations with national passions like cricket were other strategies used. The Korean company L.G. sponsored the Indian cricket team in the Cricket World Cup in 2003 for example and Adidas, who had previously made their Indian ads in London, started making them in India in 1999, with the advertising agency RKSwamy/BBDO and using an Indian cricket star Sachin Tendulkar (Chawla, 1999). L'Oreal increased its sales dramatically by using the Miss India who became Miss World, Diana Haydin, along with its usual models (Fannin, 1999).

Pashupati and Sengupta state that in the 1990s the profile of rural consumers was starting to change and greater literacy levels meant brand identification was easier and more product information could be supplied. Previously visual characteristics like colour were seen to be a very important factor in identifying the product for the non-literate, for example the importance of the red colour of Lifeboy packaging from Hindustan Lever. Lifeboy is India's largest selling soap (1996: 181-2).

In the 1990s strategies used to tap the vast rural market included using mobile vans with television sets screening Hindi film songs inter-dispersed with product promotions. Ogilvie Outreach, set up to target rural consumers, had expanded its sales force from 2 people to 1,000 people from 1994 to 2000, with another 5,000 working on contract. More recent approaches include games, door to door sales, folk dances, placing of tiles in village wells, putting up shoe racks in temples and sometimes painting the horns of cows and putting up scarecrows (Kilburn, 2000).

More recent marketing initiatives since 2000 have been precisely targeting rural consumers, who number about 700 million. Activities include setting up e-choupals (cybercafes) in villages and Hindustan Lever's 'Project Shakti', (Shakti means power). Through 'Project Shakti' the company supports rural self-help groups to alleviate poverty and reduce disparities in purchasing power. The groups are provided with a range of its products: Lifebuoy Soap, Wheel detergent, A1 tea, Nihar coconut milk and Clinic Plus Shampoo. India's rural market makes up nearly 50% of Hindustan Lever's total sales in India of US $2.2 billion. This project aims to reach 75,000 villages by 2004, and has already increased HLL's net profit from $273 million to $342 million in 2001. Project Nova is Hindustan Lever's direct selling network set up to market personal care products and household cleaning products Other HLL endeavours including expanding its massive distribution network through Project Bharat, and its network reach in rural markets through Operation Streamline (Euromonitor, 2001B). These endeavours sound a little like military operations! Consumer durable companies such as Philips India, LG Electronics, Kodak India and Samsung India are also launching new initiatives such as Philip's battery free radio (Gupta, 2002). Ogilvie Mather have launched Programme Outreach specifically to target rural consumers and also have set up initiatives to undertake consumer research (Kilburn, 2000).

One of the key challenges for foreign markets in India has been called 'decommodification', changing the pattern of consumer buying from traditional unbranded products to branded products. This was seen as a significant trend by both Reckitt and Coleman and Hindustan Lever in 1999, and HLL acknowledged that the potential for certain foods was enormous as the current market was not even .05% of the total. Another major area for growth was seen to be the establishment of retail outlets, as opposed to the traditional markets, which will further facilitate the sales of branded products (Subramanian, 1999).

Coca Cola has tried multiple approaches to the Indian market since they returned in 1993, including buying out key local brands Parle and Thums Up. They haven't always been able to get their advertising right, for example in 1997 a television commercial showing a child bungy jumping to get a chocolate bar had to be withdrawn after children died trying to imitate the advertisement (Marketing News, 1997). More recently they have Coca Cola has expanded efforts to market to internet users, who number approximately 7 million, ownership being 5.8 million in 2002 (ICT, World Bank, 2003). They have set up a site with an aim of building an online community with competitions and games. The site is www.enjoyzone.com (Smita, 2002). Coca Cola managed to turn around its 2000 $400 million loss, by selling smaller bottles in rural markets, this resulted in sales increases of 34% by the beginning of 2002 (Kripalani, 2002). Both Coke and Pepsi have launched the 200ml bottle priced at approximately 10c. Coke's goal is to make its products available, affordable and desirable. Coca Cola opened 50,000 outlets in 3,500 villages in the first 3 months of 2002. They have also launched other products: a soft-drink concentrate at 4c called Sunfill, Sprite and bottled water. Sprite was launched in 1999 with advertising that spoofed advertising hype and current trends in advertising, targeting youth 'in the process of establishing their identity' (Chawla, 1999). Kinley bottled water in 2001 was advertised depicting village life and military families aimed at building emotional connections with consumers (Kripalani, 2003). 65% of Coca Cola's sales are to the youth market.

The advent of foreign advertisers in India has not always been successful and according to Sehgal, campaigns that failed in India, which included Nike, Reebok, Johnny Walker, Sony, Panasonic, McDonalds and Coca Cola, caused advertisers to look more closely at their strategies (2000B*).* One of the most dramatically insensitive recent campaigns was that of Cadbury-Schweppes which compared its chocolate to Kashmir: 'Too tempting. Too good to share', which caused a major outrage and had to be withdrawn (Economist, 2002, August 8).

3.6 Cultural change

Advertisers have attempted to improve the sales of products by changing purchasing behaviour, which involves changing traditional values and creating desires for new products. The dominance of foreign advertising means that expenditure is increasing on foreign products and consumers are purchasing more branded products than before.

In 1991 Srikandath studied the values depicted in Indian television advertising and concluded that the main values being promoted were technology, modernisation and consumerism. The audience in 1989 was seen to be about 16% of the total population. Baijpai and Unnikrishnan found that television was playing a significant role in the expansion of consumer values in Indian society, that children are effectively being groomed to become future consumers, and that values that were being promoted supported those aims: individualism and the nuclear family (1996: 229-233).

Shoma Munshi's study of the portrayal of women in 1990s Indian advertising, through a combination of interviews and content analysis, found that traditional women's roles in the family were being subverted, and often with humour and ironic subversion, women were being given more power through consumerism. The traditional roles of women as wives, mothers and daughters in law were being modified and changed to reflect social changes in the interests of giving them more consumer power, and equation of liberation with product purchasing (1998).

Hindustan Lever and Colgate Palmolive fought a battle for the Indian toothpaste market in the late 1990s. Indian people have used cheap indigenous products for centuries and these companies have undertaken campaigns to convince people that toothpaste is a superior product. It has been a successful undertaking, as the penetration rate in cities has increased from 579 per thousand in 1989/90 to 782 per 1,000 in 1996/7. In rural areas penetration is 338 per 1,000 (India Business Intelligence Unit Limited, January, 1998).

Body image is another area targeted by advertisers. Hindustan Lever used a campaign to sell lipstick aimed at changing the traditional concepts of beauty which focus on hair, skin and eyes, to make lips the focus of attention. Their television advertisement featured a woman at a tennis match blowing a kiss, her lips being on the large screen, and the crowd going wild. The slogan was: 'who's watching your lips today'. HLL promoted Fair and Lovely skin whitening cream by linking dark skin colour and career prospects, though thinly disguised as dark skin under the eyes being the problem that was holding the woman back from a career as an air stewardess. This advertising blends the old and new, promotion of careers for women, but also the association of success with pale skin. Neither approach would be acceptable in many western countries where appearance is no longer legally acceptable as hiring criteria, and reference to skin colour would also be taboo. Procter and Gamble is also using the idea of changing values and perceptions, and in its promotion of Whisper sanitary napkins, (a new product in India), it uses information booklets on hygiene and beauty care (Mila, 2002).

Another change is reflected in the clothing sector with an increased emphasis on ready-made clothing for women, rather than the traditional sari. In the cities traditional male dress is uncommon and most Indian men seem to have adopted western clothing and only in the country is the traditional dhoti common which is worn without underwear. The amount of outdoor advertising for men's underwear in southern India indicates that this is seen as a growth area for sales.

Traditional Indian values are seen to still play an important role in advertising in India where they are used to attach value to products (Srinivas, 1999). The portrayal of children in magazine advertisements is higher than in other countries, such as the United States and France, and there was also a higher use of illustration rather than photography (Cutler et al, 1992), though this may have changed in 10 years. The Indian consumer profile differs from the west, it is very needs driven and reinforced by the fact there is no social welfare system, frugality and savings are valued very highly. Extravagant and excessive claims were not seen to be appreciated (India Tradepoint, 1995).

Traditional male sexual stereotypes in movie advertising and cigarette advertising still seem to be very common. Traditionally in India women do not make purchasing decisions or, in middle class homes, do the household shopping. As women move out into the workforce their lifestyles and perceptions are undergoing change. The traditional role and status of women have been challenged by advertising for example in 1995 J.W.Thompson launched a print campaign for women's rights (Bhandarkar, 1995).

Language is another area of cultural impact. Indian advertising on television tends to be in Hindi, English or a blend of the two. This bias means that many groups are excluded and reflects the middle classes who are the primary target audiences of advertisers (Baijpai and Unnikvishnan, 1996). Coke has been using a blend of English and Hindi in its advertising, called ‘Hinglish’ which is seen by Business Week as reflecting the fact that the Indian consumer likes a blend and it is part of its latest attempt to focus on the youth market and to make profit after many years of making losses (Kripalani, 2003). The soft-drink manufacturers are using campaigns that are more in line with youth marketing internationally. Coke’s ads for Sprite spoof all sorts of hype, including the current genre of advertising (Chawla, 1999), which is a sophisticated strategy of co-opting and collusion in criticism of the medium itself, similar to campaigns in the United States and Europe, empowering of the affluent youth market, aiming to make them independent purchasers, defining their identities through ‘cool products’. Strategies such as these will further undermine the traditional hierarchy of the family and reinforce individualism.

4. Case study:outdoor advertising

The most noticeable feature of the snapshot profile of outdoor advertising in India in 2000 and 2001 was the domination of local advertising with little evidence of international products or international standardised advertising. Advertising very much reflected the local culture, and varied with the different regions.

4.1 Physical features

Advertising tended to take the form of freestanding billboards (Example 1), in the countryside as well as a large number of advertisements painted on the sides of buildings or on walls (Example 2). There were some advertisements even painted on the sides of rocks and hillsides south of Madurai (Example 3). In the cities there were some large billboards along the streets, but otherwise a proliferation of small advertisements over storefronts and along the top of buildings in public thoroughfares and squares (Example 4). Some billboards in the cities were lit at night.

4.2 Product types and country of origin

There was some regional variation in the types of products advertised. In the middle of India there was more advertising for agricultural products such as fertiliser, seeds and crops. In the south I saw less agricultural advertising and more advertising for bicycles, but cannot account for it. In Southern India (Kerala, Tamil Nadu, Karnataka) the most advertised product was cement which was surprising as there did not seem to be much evidence of building in progress. The most common company was Ramco in the South (Example 5). Underwear for men was also frequently advertised (Example 6).

The most distinct regional difference in advertising was evident in Kerala which had much more diversity in the range of products advertised. Kerala is a state that has a strong Communist tradition which has manifested itself in strong infrastructure of social services and education, the population has higher literacy levels and has a higher standard of living than in most other states and higher GNI. There is also a significant contribution to the local economy made by overseas Indians sending money, especially those working in the Gulf States.

In Kerala there was more advertising for more expensive consumer products such as bathroom furniture, jewellery, ceiling fans, ready made clothing for men and saris, cars, technology, health products (Example 7) and mattresses (Example 8), umbrellas and underwear. Advertising tends to reinforce male and female stereotypes (Example 9). The advertising profile in Kerala reflects the higher standards of living and disposable income levels and it is somewhat ironic that the state with the widest range of consumer products available should have the Communist tradition.

In Tamil Nadu there was a higher proportion of text only advertisements (Example 10), and a lot of advertising for vests and underwear targeted at men, obviously a growth area for men have not traditionally worn these western garments. It is not the custom in India to buy ready made clothing, and still the most popular form of dress for women is the sari. Advertising for saris and fabric was common in the cities with some advertising for western clothing for men, (mainly again in Kerala), but not for women.

Films and movies were also prominently advertised, especially in the cities (Example 11). These were often very large with silhouetted figures cut out rising into the air above the billboard. India produces the largest number of films of any country in the world and films are one of the national passions.

There was a significant amount of advertising for cigarettes (Example 12). Cigarettes tend to be promoted internationally with lifestyle advertising, cultural referents and international referents and this appears to be the case for India. Some advertising shows simply the packet but others use masculine imagery and lifestyle aspirations (Example 13). Scissors uses very strong male macho imagery similar to film billboards (Example 14). There was no evidence of the multinational cigarette giants like Marlboro in India and there seemed to be a regional emphasis, with Scissors much more prominent in the South and West more common in Mumbai and the centre.

In Cochin an advertisement for Celebration cigarettes featured a mixed group of people having a good time round a campfire, a non- Indian activity, very western in appearance and dress and not typical (Example 15). I saw only one example of international advertising with foreign models, an advertisement for Benetton in Cochin, but it did use Indian models as well as European models, and multi-racial promotion is part of the Benetton global strategy (Example 16). Benetton concentrates its advertising in India on outdoor and print advertising (Hargrave-Silke, 2003).

Social service advertising was limited to polio prevention (Example 17), family planning and aids awareness. Political advertising was more common (Example 18). Sometimes it was just large political party symbols but there was significant advertising for individual politicians, with considerable amount of text on the billboards (Example 19). High technology products and services, including cell phone services (Example 20) and computers were advertised in the city of Mumbai (and Chennai), but mostly in Kerala (Example 21). Banking and loans were also services that were advertised. There was no advertising for alcohol and little advertising for tea except in the Nilgiri hills (Example 22), the tea producing area.

The price-war between the big internationals Coca Cola and Pepsi was the only significant foreign presence on billboards in both regions (Example 23). Soft-drinks used to be 15 rupees (personal comment) but all advertising seen in this trip was for 5R for 200ml, $US.10c which is much lower than in other countries. There are other local soft-drink brands, like Thums Up, also owned by Coca Cola, but they were less visible in the South (Example 24). As rural wages can be as low as 20R a day for women and 70R for men, (personal comment), these prices are still expensive.

4.3 Advertising strategies
The main visual characteristics of outdoor advertising were the use of illustration or text only, with very little photography used except for technical products such as cars (Fiero). Lifestyle advertising featuring people located in environments was rare, though people were often used in a decorative way. I saw only 2 examples using foreign models, one a billboard for Benetton and Celebration cigarettes in Kerala. Some of the advertising for Scissors cigarettes featured males who looked like movie stars, and some of the text was targeted to materialist and upwardly mobile values.

Product only advertising dominated the visual imagery. Coke and Pepsi are the most prominent international advertisers using billboard advertising and they did it through illustrations of the product with no lifestyle advertising or foreign referents. Computer advertisements in Kerala also showed the product alone.

Most of the text only advertising was smaller but very colourful using primary colours, often painted on the sides of buildings in the countryside. In the small villages small advertisements were everywhere on the tops of shops advertising shops, political parties, health services, cattle feed or local services, always for local products. There was no evidence of saturation strategies used by companies like Coca Cola in other markets.

Conclusion
The whole purpose of advertising is to sell products or ideas, so the massive expansion of foreign companies and advertising, whether coming from overseas or created in India, has meant the massive expansion of the sales of foreign products. The liberalisation of the Indian economy in the early 1990s has led to the accelerated entry of foreign business and foreign advertising agencies to sell the products of foreign products to the vast potential Indian market of over a billion people. Though there are approximately about 25% living at or below the poverty line, the expanding potential markets represented by those above the poverty line number hundreds of millions for low priced repeat purchase consumer goods, and many millions for those able to purchase consumer durables and luxury goods. Advertisers are using considerable ingenuity to develop strategies to enter these markets.

In the early 1990s there were Indian advertising companies in the profile of top advertising agencies but by the end of the decade most had made strategic alliances with foreign agencies. There was a concentration in revenue, both in products, companies, (HLL being the largest company and the greatest spender on advertising), and in the fact that 25 agencies accounted for 75% of the advertising revenue in India in 1999 (Srinivas, 1999).

The major competition is in the low end of the market between the cola giants, the personal products and soap markets but there is also an expanding market for electronics, consumer durables and services amongst ‘the consuming classes’. Television and satellite television has been eroding the market dominance of print advertising in the 1990s, but print is still the largest source of media, including newspapers and magazines, which have expanded considerably in the 1990s. Advertising in the 1990s focused on the Hindi and English speaking population via television and print, which was predominantly, educated, urban and middle class. In the 2000s however, major companies have been using strategies to other markets, such as the rural and village market (70% of the population), and the internet user teenage market.

These increases in advertising expenditure and the promotion of foreign products have impacts on culture, through the undermining of traditional habits and behaviours, the creation of new wants and desires, often for products like soft-drinks that have no nutritional benefit, and also by strategies that rework cultural values and beliefs. The roles of men, women and children are changing, traditional places within home and family, concepts of beauty, identity and personal cleanliness are undergoing major change. The overall impact of massive increases of foreign company advertising is the acceleration of India into the culture and ideology of consumerism, the expansion of foreign businesses into India and the export of profits to foreign corporations.

Bibliography
Ahluwalia, I.J., Mohan, R. and Goswami, O. (1996). *Policy reforms in India*. Paris: UNESCO.

Bajpai, S. and Unnikrishnan, N. (1996). *The impact of television advertising on children*. New Delhi: Sage.

Belch, G.E. and Belch, M.A. (1990). Introduction to advertising and marketing. Burr Ridge, Illinois: Irwin

Bennet, D. (2000). American culture and advertising. Monye,S.O. (Ed). *The handbook of international marketing communications.* Oxford: Blackwell.

Bhandarkar, U. (1995, July 17th). India: try to hit a moving target. 45 (29), p. 32.

Cateora, P.R. (2002*). International marketing* (11th ed.). Boston. Irwin, McGraw Hill.

Chandra, A., Griffith D.A. and Ryans, J.K. (2002). Advertising standardisation in India. *International Journal of Advertising*, 21, (1), pp.47-66.

Chawla, I. (1999, April 12). Marketers shift in India. *Advertising Age International*, p.13.

Cheng, H. Advertising in China: a socialist experiment. In Frith, K. (Ed). *Advertising Asia (pp.73-102*). Ames: Iowa Stae University Press.

Chura, H. and Sanders, L. (2002, February 11th). Cola wars: agencies vie for Coca Cola Co. *Advertising Age*, 73(6), p. 3.

CIA. World Factbook retrieved August 1, 2002 from http://ciagov/publications/factbook/goes/in.html#Econ

CIA. World Factbook retrieved June 10th, 2004 from http://ciagov/publications/factbook/goes/in.html#Econ

Coke charts a chequered course in India. Retrieved July 24, 2003 from www.agencyfaqs.com/www1news/stories/2001/01/30/11726.html

Crowther, G., Raj, P. and Wheeler, T. (1984). *India, a travel survival guide* (2nd ed.) South Yarra, Vic. Lonely Planet.

Cutler, B., Erranilli, M.K. and Javalgi, R. (1992). The visual components of print advertising: a five-country cross-cultural analysis. *European Journal of Marketing*. 26, (4), p. 7-20.

Dyer,G. (1995). *Advertising as communication.* London: Routledge.

Economist. Survey of India. (2001, May 31).

The rich get richer. (2001, May 31).

The plot thickens. (2001, May 31).

Sticky issue (2002, August 24). 364, (8287), p.51.

Emerging Markets Economy. (2002, January 28th). *India's advertising industry grows by 23% in 2000-2001*. Retrieved July 6th, 2003 from Business Source Premier

Euromonitor Global Market Information Database. (July, 2001A). *Retail Trade International: India. Household cleaning products in India*. Retrieved April 10th, 2002 from **www.euromonitor.com/rti/default.asp**

Euromonitor Global Market Information Database (November,2001 B). *Consumer lifestyles in India*. Retrieved September 10th, 2002 from (**www.euromonitor.com/gmidv1/ShowTopic.asp**

Fannin, R. (1999, February 8th). Q&A, ask the expert. *Advertising Age International*, p.6.

Global adspend per capita. (2002). *International Journal of Advertising,* 21, (2) p.287.

Gupta,R. (2002, June). Rural consumers get close to established world brands. *Advertising Age Global*. 2 (10), p.5.

Hargrave-Silk, A.. (2002, June 28th). Privatisation expected to fuel adspend. *Media Asia*, p. 11.

Hargrave-Silk, A.. (2003, October 1st). Benetton moves brief to Burnett after India pitch. *Media Asia*, p. 5.

HLL's oral message to rural India. (September, 1999). *SPC Asia*, 18, p. 6.

India: a Country Study. Library of Congress. Retrieved June 3, 2004 from www.adb.org/india/links.asp

India Business Intelligence, (1997, August). Growing Up. The *Economist Intelligence Unit Limited.*

India Business Intelligence. (1998, January). Tooth and nail. *The Economist Intelligence Unit Limited.*

India: Country Commercial Guide. (1999). US Embassy Delhi, US Department of State. Retrieved 2002 from http://www.adb.org/India/links.asp

India permits foreign ads. (1993, October 4th). *Advertising Age*, 64 (42), p.61.

India Trade Point. (1995). Doing Business in India. New Delhi, India. Retrieved October 16th, 2002 from http://sphere.rdc.puc-rio.br/parceerias/untpdc/incubator/ind/tpdel/doingbus.html

Indian Television. Retrieved September 10th, 2002 from indiantelevision.com/industryresources/adagemncies/top50_2001a.htm2001

International summary: world magazine trends 2001/2002 Retrieved 2002 from www.magazineworld.org/members

Jones, P. (Ed.). (2000). *International advertising, realities and myths.* London. Sage.

Khan, M.M.A. (1995, May 15). Enormity tempts marketers to make a passage to India. *Advertising Age*, p.12.

Kilburn, D. (2000, 13th November). Marketing to reach rural India. *Marketing Magazine*, 105 (45), p.6.

Kripalani, M. (2002, June10). Battling for pennies in India's villages: Coke and Pepsi struggle to control market. *Businessweek*, (3786), p.18.

Kripalani, M. (2003, February 10). Finally Coke gets it right. *Businessweek*, (3819), p.18.

Khairullah, H. Z. and Khairullah, Z.Y. (2002). Dominant cultural values: content analysis of the U.S. and Indian print advertisements. *Journal of Global Marketing*, 16, (1/2), pp.47-70.

Levitt, T. (1983).The globalization of markets. *Harvard Business Review*, 61(3). p. 92-102.

Local firms face more competition. (2001, March). *World Tobacco*. (181),p.4.

MacDonald, S.B., Evans, J.E. and Crum, D.L. (1995) *New tigers and old elephants: the development game in the nineties and beyond.* New Brunswick, New Jersey: Transaction.

Madden, N. (2000, October). Pepsi, Coke duke it out in India, China. *Ad Age Global*, p. 6.

Marketing News. (1997, August 18th). Coca Cola pulls ad. 31(17), p. 7.

Mattelart, A. (1991). *Advertising International.* Routledge: London and New York.

MindShare Keeps India rivals at bay. (2002, December 13th). *Media Asia*, p. 14.

Munshi, S. (1998). Wife/mother/daughter-in-law: multiple avatars of homemaker in 1990s Indian advertising. *Media, Culture and Society*. London. (20), pp. 573-591.

O&M buys Indian shop to aid WPP growth. (1997, July 14th). *Advertising Age,* 68, (28), p.31.

Pashupati, K. and Sengupta, S. (1996). Advertising in India: the winds of change. In Frith, K.T. (Ed). *Advertising in Asia: Communication, culture and consumption.* Ames: Iowa State University Press. pp.155-186.

Pollay, R. (1990). Advertising and cultural change. Research papers in international business, trade and finance. Vancouver: University of British Columbia.

Pritchard, C. (1991, December 9). Recession put end to boom times in India's economy. *Marketing*, p.44.

Sachdeva, S. (1984). Institute for Studies in Industrial Development. New Delhi.

Sehgal, R. (2000a, April) Sunny skies ahead for Indian channels. *Multinational News International*, 6 (4), p.10.

Sehgal, R. (2000b, July/August) India's Renaissance. *Multinational News International*, 6 (7), p.10.

Sehgal, R. (2000c, September 25).India clamps down on vice, piracy. *Multinational News International, 21 (39),p.49.*

Sehgal, R. (2001, May) Kiss and sell? Don't try it in India. *Multinational News International*, 7(4), p.8.

Slind-Flor, V. (2001b, December). The Cola wars, Indian style. *IP Worldwide.* p.18.

Smita, G. (2002, June 14th).Coke and Pepsi take battle to cyberspace. *Media Asia*, p.9.

Smita, G. (2002, September 12th). Modern messages told the traditional Indian way. *Media Asia*. p.12.

Srikandath, S. (1991). Cultural values depicted in Indian television advertising. *International Journal of Mass Communication Studies.* 48, pp. 165-176.

Srinivas, P. (1999). Advertising services: India. New Delhi: U.S. & Foreign Commercial Service and U.S. Department of State. Retrieved October 16th, 2002 from http://www.tradeport.org.ts/countries/isa/isar0012.html

Subramanian, D. (1999, September 6). Economic slowdown fails to dampen adspend by India's top marketers. *Marketing Magazine*, 104, 37, p.7.

Suri, S. (1974). *Politics and society in India*. Calcutta: Naya Prokash.

Tharpe, M. *Advertising agencies in India 1990-1995.* Retrieved on October 9th, 2002 from http://www.ou.edu/class/jmc3333/India.htm

The Economist Intelligence Unit Limited. (1997).Media Reports. A&M.

The Economist Intelligence Unit Limited. (1998, February 9). Darwinian struggles. *Business Asia.*

Vilanilam, J. (1989).Television advertising and the Indian poor. *Media, Culture and Society*. London. 11, 4, pp. 485-497.

World Bank. (2002). Information and Communication Technologies: India Table. Retrieved 2002 from worldbank.org/data

World Bank. (2004). Information and Communication Technologies: India Table. Retrieved June 10th, 2004 from worldbank.org/data

Worsley, P. (1984). *The three worlds, culture and world development*. Chicago: University of Chicago Press.

____

Retrieved 2002, July 19th from www.agencyfaqs.com/www1news/stories/2001

.