

Role of Surrogate Advertising in Alcohol Marketing

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Abstract:

In 21st century, the role of advertising in marketing and society has become a controversial issue. Consumers reckon that advertising often violates ethics. Hence, in competitive world, advertisers are adopting unethical practices to compete with the competition. The purpose of this paper to know the role of surrogate advertising relating alcohol marketing. Marketers usually use surrogate advertisements and brand extensions for propagating the banned products like liquor and tobacco. In a country like India, a large portion of the income of population is spent for harmful products like cigarettes and alcohol which in the long run is leading to a lot of health hazards. Surrogate advertising has always been under controversies and it has become social issue.

An empirical study is taken to understand the ethics in advertising. The data is collected by various research papers and various cases by ASCI. We have analysed with the help of examples of different unethical practices used by advertisers in India. Further this paper elucidates some legal measures that are taken to control on surrogate advertising.

Keywords: *ASCI, Competitive world, Surrogate Advertisement, Unhealthy Practices.*

1. INTRODUCTION

Advertising is used to promote the sales of a product or service. It is considered as an effective mode for communicating the value of a product or service in a market. Today the India's advertising industry is expanding its business at peal level.

Every day and everywhere in our life we see, hear and feel a number of products at home, in a shop, while travelling in the bus or train etc. and many talk about their qualities. It is, therefore, anything that turns attention to an article or service might be called advertising. The term advertising originates from the Latin word 'adverto' i.e. ad means 'towards' and 'verto' means 'I turn'. Thus advertising means 'to turn attention' towards a specific thing. Advertising may be defined as the process of buying sponsor-identified media, space or time of a product or an idea to promote their sales in present and future.(Kotler Philip1999).Advertising is a media communicating information to the customers which enables them to compare and choose the different products. It gives an idea to make the customer to right choice. It is a most economical means where the manufacturer or an organizational body can communicate to a customer's whether to sell a product or promote their goods .Advertising also increase the economics of the developing country.

Advertising has a significant impact on consumers lives (Pollay 1986). India is an emerging economy, characterized by a large consumer base and diversity and improving consumer awareness (The DuPont Green Living Survey, 2014). India due to a large consumer base, it is important to understand the right and wrong in advertising. The need for discussion on different aspects relating advertising from the fact advertising dopt unethical pratics to promote the banned products. The sale of banned products such ads alcohol depends a lot

upon its successful advertising. The marketers make use of a number of marketing practices in order to sell their products to the target customers. Different marketing practices such as surrogate advertising, point of sale promotion, celebrity appeal etc used by them for standing in the market.

2. REVIEW OF LITERATURE

Indian economy is on a boom platform. The glimpse of this boom can be seen in a market sector. Indian market has been expanded. Thus, this expansion has been possible due to the advertising. But the obstacle that comes in the way of advertising is ethics. Sometimes advertising brings the information about brands which often misguides the consumers (Littlechild, 1982). The attempt of the study is to ascertain the role of surrogate advertising relating alcohol marketing.

When we study unethical advertisements and how they affect and how is the perception of consumers about brand and product, the most important to first study ethics in advertising. It is important to understand how advertisements affect the consumers. Consumer's judge advertisements based of three main principles of idealism, pragmatism, and relativism (Neha Munjal , 2016). The first record of the occurrence Surrogate advertising, was in the United Kingdom, not long ago, when the liquor industry started advertising other beverages and utensils instead of their regular products .(Gupta, 2012). Abhijeet Agashe and Ms. Harleen Vij reveal that ethical Issues in surrogate advertisement & its Impact on brand. Most of the companies experiencing the ban of their products are restoring themselves to the new concept called Surrogate advertising(S. G. Khawas Patil, Laxmikant S. Hurne).

Yugank Goyal (2009) explains that surrogate advertising' is one of the emerging ethical issues in advertising in India. This is used as a strategy to advertise products like liquor or tobacco advertisement of which otherwise, is banned in our country. There has not been any study or a survey that quantitatively confirms whether surrogate advertisements indeed increase the sale of liquor and tobacco. Parulekar Ajit Arun (2005), examines the impact of surrogate advertising of alcohol brands on their brand equity. The purpose of the study was masked through the experimental design in order to minimize manipulation effects. According to Singh (2015) surrogate advertisement literally means the method of duplicating the brand image of a particular product extensively for the promotion of another product of the same brand. Panda (2017) tried to understand the meaning of surrogate in India. The paper explains about the ethical issues and whether to ban these indirect way of advertising in the country. The study also suggested few ways through which the legislation may tackle the problem of the increase in surrogate advertisement. Chaudhary (2017) tried to look at the advantage of these advertisement as well as disadvantages of these advertisements. Newaj Avinash (2016) connected study to know ethical issues in alcohol marketing. The main objective is to know whether consumers are aware of negative consequences of alcoholic drink. 200 sample was taken.

Advertisements of tobacco and alcoholic beverages through surrogate means are a controversial issue and government has failed to control the promotion of surrogate advertisements involving these products. (Dayal & Saini, 2011). liquor or tobacco advertising is banned in India and hence companies that sell these products have to resort to advertising their wares using less "harmful" products .Surrogate advertising is one of the emerging ethical issues in advertising in India (Rupa v. shah ,2018).

In India the Cable TV Regulation Act 1995, prohibits the advertisement of liquor and tobacco products on TV channels (Mehta, 2003). She feels that Surrogate advertising is misleading and also presents false and dishonest information in many cases. She concluded that since it has very negative effect on the markets as a whole time has come to tackle the problem and stringent regulatory measures should be in place to curb such practice.

3. NEED OF THE STUDY

While there is a need to continue research on alcohol advertising, which has largely been neglected. Over the period of time, liquor consumption in India has seen an upward trend. Therefore, in case of India, there is a lot of scope for research on different issues linked to liquor marketing and drinking. There is also need to better understand the role of surrogate advertising for shaping alcohol-related behaviours.

4. RESEARCH METHODOLOGY

The present paper studies the theoretical concept of surrogate advertising in Indian context. The main objective of this research paper is to know the concept of surrogate advertising. This study depends on secondary data. The secondary data was collected through journals, magazines, edited volumes, articles and various websites.

4.1 Objectives of the Study

The present research study is taken to fulfil the following objectives:

1. To define Surrogate Advertisement.
2. To explain laws and regulations related to surrogate advertising in India.

5. ALCOHOL ADVERTISING

Drinking of liquor is quite common in the society. To whichever nation, state, city or village you go, you will find fond of liquor. World history is evident that even people used to drink liquor from new Stone Age.

Alcohol is one of the most significant 'fast moving consumer goods' (FMCGs) marketed today. It is estimated that each year more than £800 million is spent on advertising alcoholic beverages in the UK, with the global estimate approximating \$1 trillion. Marketing can include advertising in traditional media outlets such as print, television and radio, promotional activities in online and social media, and sponsorship of sporting and music events. Alcohol marketing utilizes all four Ps of the "marketing mix". further it was observed that By non- advertising, we are referring to marketing communications and promotions that are not disseminated via the media but rather are provided at the point where the actual product is purchased these include posters or displays, price (or volume) discounts, gifts, branded merchandise and competitions. As the alcohol industry has become increasingly competitive, POS is increasingly being used as a marketing tool for alcohol products, and there is a growing body of evidence suggesting that these POS materials are positively associated with drinking and contribute to creating a pro-alcohol environment. (Sandra C. Jones Kylie M. Smith, 2011).

Advertising has been charged with a number of ethical breaches, most of which focus on its apparent lack of societal responsibility. Pollay (1986) suggests that advertising has profound consequences due to its pervasiveness, stereotypical portrayals, manipulative and persuasive nature, preoccupation with materialism and consumption, frequent use of sex appeals, and lack of information. Other criticisms include advertising's targeting practices to potentially vulnerable groups such as children, minorities, and unethical or irresponsible handling of potentially harmful or offensive products (Christians, Rotzoll, and Fackler 1991; Kohn and Smart 1987). The greatest recall of alcohol advertising is significantly related to more positive beliefs about alcohol use, which in turn are associated with greater future intentions to drink alcohol among children and adolescents. (Grube and Wallack, 1995).

Advertising alcoholic beverages has been banned in India as per the Cable Television Network Amendment Bill which came into effect on 8 September 2000. Private channels often permit alcohol companies to advertise using surrogate means like selling the brand name for soda or water or music. In India this industry is Media dark and only surrogate advertising is allowed, the very purpose of banning advertisement today is defeated by surrogate advertising. Here a different product is being promoted using an already established brand name. Such advertisements help in contribute to brand recall. This is completely unethical, and then what is the use of banding such advertisements. Research clearly indicates that, in addition to parents and peers, alcohol advertising and marketing have a significant impact on youth decisions to drink. (The Center on Alcohol Marketing and Youth [CAMY]),. "While many factors may influence an underage person's drinking decisions, including among other things parents, peers and the media, there is reason to believe that advertising also plays a role." (Federal Trade Commission, Self-Regulation in the Alcohol Industry, 1999). The alcohol industries argue that when the product is legal then why advertising it is not legal in society. (Punit Kumar, Amit Verma, Ranit Halder, Punjala Varun Datta, 2017).

Gujarat has prohibited the sale of alcohol since 1980, and five states: Andhra Pradesh, Haryana, Mizoram, Orissa, and Tamil Nadu, have all enacted and/or repealed bans on the commercial sale and production of alcohol over the past 30 years. (Dara Lee Luca, Emily Owens, and Gunjan Sharma, 2015).

The advertisements should follow three moral principles i.e. Truthfulness, Social Responsibility and Upholding Human Dignity. Generally, big companies never lie as they have to prove their points to various ad regulating bodies. Truth is always said but not completely. Sometimes its better not to reveal the whole truth in the ad but at times truth has to be shown for betterment. (Kotler Philip, 1999)

6. Surrogate Advertising

Surrogate advertising is one of the emerging ethical issues in advertising in India. This is a corporate strategically approach in marketing of hard products i.e. banned to promote products. It relates to advertising by duplicating the brand image of one product widely to promote another product of the same brand (Manas Chakrabarti, 2015).

The origin of surrogate advertising can be traced to Britain, where housewives started protesting against liquor advertisements which provoked their husbands. The protest rose to a

level where liquor advertising had to be banned and brand owners seeing no way out decided to promote fruit juices and soda under the brand name; the concept later emerged as surrogate advertisements. India has banned of advertising tobacco and liquor products since 1995. The ban was enforced after extensive research from the Indian Ministry of Health found that cigarettes and liquor have adverse effects on a person's health. In addition to this, the Indian government holds the notion that these products are especially harmful to a person's mental health, making them lazy and unmotivated. The combination of these factors lead to an eventual ban on advertising of these products throughout its media channels.

However, the negative outlook on advertising these products can be traced back to 1975, when the Indian government introduced the Cigarette advertising act, forcing tobacco companies to display health warnings on the packaging and advertisements for cigarettes. The Indian government and health ministry continued to push for stronger restriction of the advertising of tobacco and liquor until its eventual complete ban in 1995. However, the increase in population saw the sales of tobacco and liquor increase at an exponential rate. Therefore, companies were forced to seek alternative means of advertising, which lead the eventual creation of surrogate advertising in India

The brand image of one product extensively to promote another product of the same brand is the literal meaning of 'Surrogate Advertising.' This form of advertising is when an advertisement has the logo or brand of another company advertised within it. The product shown in the advertisement is called the 'surrogate.'

The literal meaning of 'Surrogate Advertising' is duplicating the brand image of one product extensively to promote another product of the same brandxi. Producers make use of this form of advertising to promote harmful products like liquor(Surya Rashmi Rawat, Kunal Bhatia, Mihika Hegde, Neeraj Bhat, Shubhangi Tewari,2015).

After implementation of the Cable Television Networks Regulation Act - 2011, new advertising appeal used by most liquor companies circumvented the ban by what is called Surrogate advertising.. As heated debates are going over the issue of surrogate advertising; whether it is needed or not, by doing the study expects to throw light on the subject (Gaurav Bissa, Avadhesh Vyas. 2017).Local liquor brands in India commonly practice surrogate advertising to make their names visible. Numerous brand extensions like CDs, mineral water, achievement awards, even an airline and a cricket team, flaunt the names of liquor brands and companies (Anand, 2009). Bollywood glorification of the 'good guy' drinking, in addition to a powerful international and domestic alcohol lobby have been identified as influencing younger people to drink (Prasad, 2009).

Surrogate advertising which once considered unethical is now a widely accepted form of advertising with more and more companies adopting the form to promote their products. Many celebrities, both from sports and cinema appear in such ads with wills, kingfisher, and bagpiper etc. being the major players. Wills, a product from ITC, the major manufacturer of cigarettes in India is promoting their brand in disguise through their ad campaigns for Wills lifestyle clothing and Kingfisher, the major beer brand in India manufactured by UB Group who owns a cricket team (Royal Challengers, Bangalore), promotes their various brands of liquor through ads of their team and other brands like Kingfisher Mineral Water, etc. Bagpiper, another major brand of liquor, promotes their brand giving ads for playing cards with same brand name.

6.1 Present Scenario

With government now enforcing ban on surrogate advertisements, companies are turning to event sponsorship, event organising, corporate films and more and more innovative integrated marketing communications strategies, though surrogate advertising is still a common practice.

The Allahabad High Court Thursday ordered the Uttar Pradesh government and its Excise Department to enforce the ban on surrogate advertisement of liquor on TV and in cinema halls, newspapers and other mass media. Advertising alcoholic beverages have been banned in India as per the Cable Television Network (Regulation) Amendment Bill which came into effect on 8 September 2000. Private channels often permit alcohol companies to advertise using the surrogate route and that is why we see major liquor brands promoting and advertising themselves for their club sodas, mineral water, CDs or playing cards to hammer the brand name into the heads of consumers.

In the current scenario, movies play a vital role in surrogate advertising. we experience a wide range of surrogate adverts nowadays during the on-going scenes in the films. Every other scene in movies nowadays is promoting one or the other alcohol or tobacco brand through surrogate advertising such as Bacardi, royal stag, McDowell etc being endorsed by famous actors indirectly. Alcohol and tobacco brands have been promoted in movies by actors indirectly showcasing the brand and conveying their message to their customers. Movies are serving as an effective medium for surrogate advertising other than TV commercials. India is the third largest liquor market in the world, with an overall retail market size of US\$ 35 billion per annum. The annual consumption rate has been increasing steadily over the past six years and stood at 8.9 per cent as of 2017.

The Indian Premier League (IPL) tournament 2018 saw more liquor ads than ever. There are ads for Black & White, Royal Challenge, Signature, Chivas and Seagram's Royal Stag. It was nothing but a charade of surrogate ads that were openly selling liquor. One such instance was RC showcasing Indian cricketer Virat Kohli marketing a sports drink which is not to be found anywhere easily on e-commerce websites or local supermarkets. The ASCI Code provides that advertisements of products whose advertising is prohibited or restricted by law or by the ASCI Code must not circumvent such restrictions by purporting advertisements for other products the advertising of which is not prohibited or restricted by law or by ASCI Code. To determine if there is an indirect advertisement of prohibited products due attention shall be given to the following:

6.2 Surrogate Advertising Examples:

- Bagpiper: The advertisement of Bagpiper Club Soda is shown at the place of whisky
- Royal Stag: Royal Stag instead of advertising whisky shows Music CD and Mega Cricket in the advertisement with theme "Make it Large".
- McDowell's No.1 Platinum: Indian Cricket Team skipper MS Dhoni advertises for the surrogate product soda and asserts it as "The No. 1 Spirit of Leadership".
- Hayward's 5000: The brand is advertised through soda and packaged drink-ing water. It is well known that Hayward's 5000 & 10000 are whisky and beer brands respectively due to wide availability in market.
- Imperial Blue: This whisky is advertised by showing music CD's in the advertising. i.e., Imperial Blue Music CD's. This advertisement asserts in story line that "Men will be Men". It symbolizes Imperial Blue as for masculinity.

- **Royal Challenge:** The leading cricketers are shown in advertisement, at the same time music is played. It also advertised with the brand of mineral water.

6.3 The Surrogate Advertisements (prohibition) Bill, 2016: Bill prohibits surrogate advertisements and for matters connected there with or incidental thereto. It is enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Surrogate Advertisements (Prohibition) Act, 2016.

(2) It extends to the whole of India.

2. (1) in this Act, unless the context otherwise requires,—

(a) "advertisement" includes any pamphlet, writing, drawing, painting, photograph, bill, circular, notice, label, poster, hoarding, banner or other documents and also includes any visible representation made through radio, television, cassettes or slides by means of any light, sound, smoke or gas and publication in print media such as newspapers, magazines, souvenirs and books;

(b) "appropriate Government" means in the case of a State, the Government of that State and in all other cases, the Central Government;

(c) "Prescribed" means prescribed by rules made under this Act; and

(d) "Surrogate advertisement" means an advertisement which shows a substitute product in the guise of the real one which otherwise cannot be legally advertised through the print and electronic media.

(2) Words and expressions used but not defined in this Act but defined in the Cinematograph Act, 1952 and the Cable Television Networks (Regulation) Act, 1995 shall have the same meanings respectively assigned to them in those Acts.

3. No person shall publish or telecast or cause to be published or telecast or arrange to take part in the publication or telecast of surrogate advertisement.

4. The appropriate Government shall designate such agencies as it may consider appropriate for effective implementation of the provisions of this Act.

5. Whoever contravenes the provisions of this Act shall be punished with imprisonment for a term which shall not be less than three years but which may extend upto ten years and with fine which shall not be less than three lakh rupees but which may extend upto ten lakh rupees.

6. Where an offence under this Act has been committed by a company, firm or other association of individuals, every person who, at the time the offence was committed, was incharge of, and was responsible to the company, firm or association for the conduct of the business of the company, firm or association, as the case may be, shall be deemed to be guilty and shall be liable to be proceeded against and punished accordingly.

7. The provision of this Act shall be in addition to and not in derogation of any other law for the time being in force regulating any of the matters dealt with in this Act.

8. (1) For the removal of doubts, it is hereby declared that the provisions of this Act shall not apply to advertisements which are aimed at educating the general public or a particular group, in the public interest .

(2) For the purpose of deciding whether an advertisement is aimed at educating general public or a particular group, the Central Government shall designate such number of officers, not below the rank of Joint Secretary, as it may deem fit.

9. (1) The Central Government may by notification in the Official Gazette, make rules for carrying out the purpose of this Act.

(2) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both

Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall there after have effect only in such modified form or be of no effect, as the case may be; however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

7. SUGGESTIONS

1. Indian government has always endeavoured to curb or at least restrict rampant advertisements of such products by appropriate legislations, orders and directives, Hence marketers should be cautious enough when they restore themselves to such trend of surrogate ads.
2. There is nothing illegal in the opening or promoting of such products in the society provided the marketer doesn't violate the regulations of the govt. framed in the interest of the general public.
3. Providing enough power to the Advertising Standards Council of India (ASCI) to enable it take action against fake and misleading advertisements, and keep a close vigil over cunning evasion of the law.
4. Creating a consumer awareness programme to help people to understand the negative aspect of surrogate advertisements.
5. Encouraging those advertising agencies that have full knowledge of the products under the same brand for which they are promoting advertisements, and taking legal actions against those agencies who are designing surrogate advertisements.

8. CONCLUSION

The sale of liquor depends a lot upon its successful marketing. The liquor producers and sellers make use of a number of marketing practices in order to sell their products to the target customers. In order to counter the ban on direct advertising of alcohol products, the alcohol producers and sellers have started using surrogate advertisements in which they indirectly promote their liquor products/brand. Attractive promotional measures also. A greater awareness of the audience about these advertisements is the need of the hour along with the need for new legislations on surrogate advertisements.

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