

# Empirical Evidence of Television Advertising Effectiveness on Selected Brands of Cellular Phones

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## Abstract

Every day we are watching enumerable advertisements in different media whether in television or newspaper. Watching advertisements became the part of our lifestyle to select any categories of product or any type of brand. In this regard advertisements played a vital role to inform, persuade and remind us on a product. The types of advertisements in different media with specific location are attracting us to select a particular brand. Thus advertising is not only giving us the information but also pulling us to purchase the products. Almost each and every brand of products are associated with advertisements whether a consumer durable or non durable products. It depends on the market capabilities and also with customer demand. Basing on the demand, the company use to select the market as well creates the need and expectation of consumers. Today cellular phone marketing has become the bandwagon of popular media of reaching the target audience. The cellular phone subscribers in the developed world has already reached saturation point with at least one cell phone subscription per person. All these progress is due to the advertising effectiveness in different media which reveals the growth of telecom sector as well as the penetration of brand. In this article the researcher tried to emphasise the effectiveness of television advertising with a particular brand of cell phone subscription and presented it in an empirical manner by the help of tables.

## Keywords:

Advertising Effectiveness, Brand And Branding, Positioning, Media, Television, TRAI etc.

## Introduction

Every day we are watching enumerable advertisements in different media whether in television or newspaper. Watching advertisements became the part of our lifestyle to select any categories of product or any type of brand. In this regard advertisements played a vital role to inform, persuade and remind us on a product. The types of advertisements in different media with specific location are attracting us to select a particular brand. Thus advertising is not only giving us the information but also pulling us to purchase the products. Almost each and every brand of products are associated with advertisements whether a consumer durable or non durable products. It depends on the market capabilities and also with customer demand. Basing on the demand, the company use to select the market as well creates the need and expectation of consumers. Today cellular phone marketing has become the bandwagon of popular media of reaching the target audience. The cellular phone subscribers in the developed world has already reached saturation point with at least one cell phone subscription per person. According to Informatics Research,

market growth is being driven by demand from developing countries like China and India led by rapid cellular phone adoption already reached 5.9 billion by 2013. Telecom Regulatory Authority of India (TRAI) has revealed that the country's cell phone subscriber base has increased from 893.84 million in December 2011 to 903.73 million in January 2012. Telecom operators added 9.88 million cell phone subscribers in January 2012 where total wireless subscriber base increased from 929.37 million in May 2012 to 934.09 million at the end of June 2012, registering a growth of 0.51% (Menon & Ghule, 2012).

Research indicated that India is the fastest growing cell phone market in the world. The number of telephone subscriber base in the country reached 671.69 million as on June 30, 2010 from 653.92 million in May 2010, as per the Telecom Regulatory Authority of India (TRAI). According to the latest survey by Voice and Data, Cyber Media group journal, Bharti Airtel declared as India's top mobile phone operator in 2009-10 and captured around 185.92 million people by September 2012. These all progress is due to the advertising effectiveness in different media which reveals the growth of telecom sector as well as the penetration of brand. According to recent information the growth of cell phone subscription is a way of demand created by the advertising effectiveness of the particular brand; it may be television or newspaper. Therefore the researcher gathered the information from the customer database and interpreted for suitable result.

**Scope of the Study:** According to the TRAI report of February 2013, Indian telecom sector have emerged as a most dynamic and fast pace industries with 892.02 million subscribers including 544.86 million in urban and 347.16 million in rural areas. It is fast forward with a growth of 898.02 million in the month of March also which covered 87% private firms and only 12% government sectors. At present Bharati Airtel dominated 21.69% of market share in Indian telecom sector which has 20.58% in 2012. It is all due to the privatization of telecom sector in India. The dominance of private sector and their marketing strategies reveals that the service and the advertising effectiveness worked in a beautiful manner. In terms of making the customers more aware about the product the companies are investing more money on advertisements. As per TAM report, the advertisement expenditure was 279 billion INR in 2011 and expected to grow 449 billion INR in 2016. Among all media television is having 14.7% of growth in 2012 to 2016. Particularly, cell phone service sector advertisement is having 3% of market share in television. However to find out the

relevancy of advertising effectiveness with a brand selection the researcher collected the secondary information and implemented in the primary investigation.

#### Objective of the Study:

- To know the present position of telecom sector in India.
- To study the market share of different telecom companies in India.
- To study the advertising effectiveness of different media.
- To find out the gap between advertising effectiveness of a brand and its penetration in the local market.

**Literature Review:** Advertising as any paid form of non-personal presentation and promotion of ideas, goods, or services through mass media such as newspaper, magazine, television or radio by an identified sponsor (Kotlar, Armstrong, Sounder and Wong, 2009). Advertising, in its non-commercial guise, is a powerful tool capable of reaching and motivating large audiences. Although advertising justifies its existence when used in the public interest, it is much too powerful a tool to use solely for commercial purposes (by David Ogilvy a prominent author of advertising). Therefore advertising is any form of non-personal presentation of ideas, goods, or services by the use of mass communication through advertising media such as print, broadcast, cinema, outdoor, or electronic media (Czinkota & Ronkainen, 2001).

**Media Market:** The Indian media industry is growing faster with revenues of about 805 billion INR (17.2 billion USD) in 2011, is set to grow robustly over the next few years. The industry revenues are expected to reach 1,764 billion INR (37.6 billion USD) by 2016, with a CAGR of about 17% from 2012 to 2016. Currently, India is only the 14th largest media market in the world with industry revenues contributing about 1% of its GDP. On the other hand, China is already the third-largest market in the world and is likely to surpass Japan over the next decade to become the second-largest market worldwide, after the US. Advertising spend in the industry was estimated at 279 billion INR in 2011, contributing approximately 35% of total media revenues (pwc media outlook, 2012). However, advertising spend as a percentage of GDP is quite low when compared with other major economies, indicating a high potential for growth. Some of the major cellular companies and their market share presented here to know the position of different brand and its impact on consumer market.

**Table No.1 As per TRAI report as on September 2012**

SL.NO	OPERATORS	RANK	MARKET SHARE (%)
1	Airtel	1	20.58
2	Vodafone	2	16.88
3	Reliance	3	14.88
4	Idea	4	12.77
5	BSNL	5	10.93
6	Tata Docomo	6	8.66
7	Aircel	7	7.26
8	Uninor	8	4.64
9	MTS	9	1.85
10	MTNL	10	0.58

**Source:** <http://www.siliconindia.com/tra/top10>

**Television Media:** The television sector in India is expected to be among the fastest growing with a CAGR of 14.7% (2012 – 2016), faster than other markets such as Russia, Brazil, China and Argentina. India is also projected to surpass Mexico in terms of industry size. Digitisation will play a key role in driving future growth in the Indian market, helping plug subscription revenue leakage, as well as enable high-quality delivery of content to the consumer. Advertising revenues are also expected to grow substantially, in line with overall GDP growth and increasing viewership. Subscription revenue is expected to reach 449 billion INR in 2016, and advertising revenue to reach 225 billion INR in the same period (pwc media outlook, 2012).

**Television Advertising:** With rapid growth of information technology and electronic media, television has topped the list among the media of advertising. TV has the most effective impact as it appeals to both eye and the ear. Products can be shown, their uses can be demonstrated and their utilities can be told over television. Just like radio, advertisements are shown in TV during short breaks and there are also sponsored programmes by advertisers. Television, like print, also has a vast audience it caters to, consisting of the social classes mentioned before. The language is another important factor here. It is argued by many that television is the most powerful source of advertising (Grant and O'Connor; 2005, Jaspersen and Yun, 2007) and is also the most likely form of media to be remembered and discussed by the public

(Ford- Hutchinson and Rothwell, 2002,). This is confirmed by a number of studies that show a good response to television advertising, and corresponding commercial spending; a report in the Economist found that "Television remains the most-powerful advertising medium, with a 38% global share of spending on major media in 2004" (The Economist, 2005). Television accounts for the majority of world advertising expenditure, and is undoubtedly powerful enough to generate a return-on-investment on that expenditure, but the notion of it being the most powerful kind of advertising is only true when certain demographics and contexts are considered.

**Advertising Effectiveness:** Basically advertising effectiveness depends upon user's response towards an ad and on their attitude towards advertising. Advertising's effectiveness lies in its capability to help stimulate or maintain sales (Eachambadi 1994; Mantrala, Sinha, and Zoltners 1992; Naik, Mantrala, and Sawyer Sethi 1998). Thus, advertising is frequently used as an independent variable in explaining changes in sales (Lilien, 1994). In the theoretical literature there are two dominant views of the role of advertising, namely the "information" and the "market power" views. Advertising effectiveness of cellular phone companies of 2009 to 2010 with other products is representing here a remarkable growth in market share in television. It reveals the outcome of advertising effectiveness according to TAM report 2011.

**Table No.2 Top sectors advertising on television**

2009	% share	2010	% share
Toilet soaps	4	Toilet soaps	4
Cellular phone service	4	Cellular phone service	3
Social advertisement	3	Social advertisement	3
Aerated soft drinks	2	Shampoo	3
Shampoo	2	Cellular phones	2
DTH service providers	2	Aerated soft drinks	2
Two-wheelers	2	Toothpastes	2
Toothpastes	2	Corporate/brand image	2
Cars/jeeps	2	Fairness creams	2
Life insurance	2	DTH service Providers	2

Source: TAM

**Advertising and Brand Positioning:** A strong brand position means the brand has a unique, credible, and sustainable and value placed in the customer's mind. Brand has the capacity to capture our imagination. There are many images that come to our mind when we think of brands. Companies and brands strive to stand out from the clutter through one or more elements of the brand. The differentiation is the name of the game. The brand name is what most people remember and recall. Advertising is another differentiator which sharply positioned brands stand out from their competition (Sridhar, 2006).

A brand's positioning constitutes not only a powerful factor contributing to its identification, but also an equally powerful instrument of differentiation. Its aim is to facilitate the brand's

location in absolute terms, but more importantly, to enable it to be located in relation to its competitors (Lebu, 2006). Lebu (2006) also pointed out that the importance of the brand territory in determining its positioning. This territory is located at the intersection of the brand's character (its status, and the beliefs and emotions surrounding it), the truth about the product (its objective competitive advantage and consumer rationale (the motivations and causes underlying their choices).

In this way Bapna (2005) pointed out that for a brand to succeed in a society in which the volume of mass communication far exceeds what consumers could digest, it must own a simple, focused position in the prospect's mind. This position should be based upon what was important in the product category, usually a valued

benefit or inspirational identity. This provocative image, of brands contesting for scarce mental real estate, staking out adjectives in the customer's mind, makes for big brands. A good positioning statement should satisfy three requirements. First it should reflect a brand's competitive advantage and motivate customers to action. Positioning statement for a brand represents how the company wants customers and prospects to think and feel about the brand. Thoughts and feelings should stand out in comparison to competitive offerings and motivate the customer or prospect to want to try the brand (Shimp, 2003)

In the context of the dynamics of the particular marketplace, the positioning of other brands and forecasts of likely directions for the market, the brand manager and the agency have to construct the future scenario and the required values for their brand to achieve increased competitive advantage (Pringles, 2004). In this context the role of advertising and marketing communications usually acts for a brand in one of three main ways: launch, reinforcement or repositioning.

The first of these opportunities to consider is in actually launching the brand in the first place. Here the use of a celebrity can be particularly powerful, especially if the brand is establishing a new category where customers need the reassurance and leadership an appropriate star can give them.

The second way in which advertising can be very effective is in maintaining and reinforcing a brand's competitive position in the marketplace. Again the use of celebrity can be very effective in this

instance, especially if other brands have entered the marketplace and have changed its dynamics.

The third way in which advertising can work for a brand is in repositioning it in the context where market development and the maturing in the evolving of customer taste have created greater potential in a different sector of the market than the one in which the brand is currently positioned. An appropriate celebrity can be used as the focus of the brand communications and as a signal to customers that it's positioning is changing to suit a new and perhaps emerging target audience (Pringles, 2004). Particularly for selecting a best brand of cell subscription customer often look at the position of the company in local market as well as the connectivity and also they may consider the price. Therefore the best valued brand will always position i the mind set of customers which has already mentioned in TAM report.

**Research Methodology:** The objective of the research is to know the perception of the customers on a brand which influence in decision making. In this regard the survey was conducted with a structured questionnaire consisting of 100 samples in Sikakulam district of Andhra Pradesh. The questions were asked randomly to 100 respondents in different time according to their convenience and also avoided the bias responses. The research was prepared with the help of percentage method and made correlation with each variables. There are 10 research questionnaire correlated with 7 brands and 5 media which could give perfect result.

#### **Data Analysis & Interpretations:**

##### **R.1. Like to watch different advertisement in different media for selecting a brand**

<b>Brand/Media Ads</b>	<b>News Paper</b>	<b>Radio</b>	<b>Television</b>	<b>Outdoor</b>	<b>Internet</b>	<b>Total</b>
Airtel	6	4	10	10	5	35
Reliance	0	2	2	1	0	5
Idea	3	4	3	2	2	14
Bsnl	4	4	2	5	1	16
Vodafone	2	3	7	3	3	18
Uninor	1	1	3	1	0	6
Tataindicom	0	3	1	1	1	6
<b>Total</b>	<b>16</b>	<b>21</b>	<b>28</b>	<b>23</b>	<b>12</b>	<b>100</b>

The above table shows that Airtel became the dominated brand in all media which occupied around 35% of response and as well advertised more in television.

##### **R.2. My brand of mobile is heavily advertised**

<b>Brand/Media Ads</b>	<b>News Paper</b>	<b>Radio</b>	<b>Television</b>	<b>Outdoor</b>	<b>Internet</b>	<b>Total</b>
Airtel	5	10	5	5	10	35
Reliance	1	1	4	1	1	5
Idea	1	2	4	4	3	14
Bsnl	1	4	6	4	1	16
Vodafone	3	4	5	5	1	18
Uninor	0	1	1	1	3	6
Tataindicom	1	1	2	1	1	6
<b>Total</b>	<b>12</b>	<b>22</b>	<b>24</b>	<b>21</b>	<b>20</b>	<b>100</b>

The above table shows that Airtel is advertising more on different media out of which television dominated more percentage.



**R.3. Preference of the company that given accurate information on the brand**

Brand/Media Ads	News Paper	Radio	Television	Outdoor	Internet	Total
Airtel	4	6	12	3	10	35
Reliance	0	2	1	1	1	5
Idea	2	4	4	3	1	14
Bsnl	3	2	3	4	4	16
Vodafone	3	1	4	5	5	18
Uninor	0	2	3	0	1	6
Tataindicom	1	1	1	1	2	6
<b>Total</b>	<b>13</b>	<b>18</b>	<b>28</b>	<b>17</b>	<b>24</b>	<b>100</b>

The above table shows that 28% agreed on the accurate information provided in television where Airtel occupied 35% of responses.

**R.4. Watching advertisements regularly**

Brand/Media Ads	News Paper	Radio	Television	Outdoor	Internet	Total
Airtel	8	6	8	6	7	35
Reliance	0	3	0	0	2	5
Idea	3	2	2	3	4	14
Bsnl	4	4	3	2	3	16
Vodafone	4	4	4	4	2	18
Uninor	0	0	3	2	1	6
Tataindicom	2	2	1	0	1	6
<b>Total</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>17</b>	<b>20</b>	<b>100</b>

The above table shows that 21% of respondents are watching advertisements in television where 35% of respondents are Airtel subscribers.

**R.5. Brand selection according to the advertisement published in different media**

Brand/Media Ads	News Paper	Radio	Television	Outdoor	Internet	Total
Airtel	4	6	5	10	10	35
Reliance	0	2	1	0	2	5
Idea	2	1	4	1	6	14
Bsnl	2	3	5	6	0	16
Vodafone	3	2	3	5	5	18
Uninor	1	2	1	1	1	6
Tataindicom	0	2	1	1	2	6
<b>Total</b>	<b>12</b>	<b>18</b>	<b>20</b>	<b>24</b>	<b>26</b>	<b>100</b>

The above table shows that 35% of the respondents selected their brand preference towards Airtel according to advertisement published in different media and 26% respondents are strongly agreed.

**R.6. Importance given to the television advertisement while selecting cellular phones**

Brand/Media Ads	News Paper	Radio	Television	Outdoor	Internet	Total
Airtel	6	6	8	10	5	35
Reliance	1	0	1	2	1	5
Idea	1	5	6	1	1	14
Bsnl	5	3	3	3	2	16
Vodafone	2	6	3	2	5	18
Uninor	0	0	2	2	2	6
Tataindicom	1	2	0	1	2	6
<b>Total</b>	<b>16</b>	<b>22</b>	<b>23</b>	<b>21</b>	<b>18</b>	<b>100</b>

The above table shows that 35% of the respondents given much importance to select their brand while watching television advertisement.

**R.7. Net work should last for long time**

Brand/Media Ads	News Paper	Radio	Television	Outdoor	Internet	Total
Airtel	5	2	12	6	10	35
Reliance	0	2	0	3	0	5
Idea	2	0	3	3	6	14
Bsnl	3	1	6	5	1	16
Vodafone	2	1	5	6	4	18
Uninor	2	1	1	0	2	6
Tataindicom	0	1	2	1	2	6
<b>Total</b>	<b>14</b>	<b>28</b>	<b>29</b>	<b>24</b>	<b>25</b>	<b>100</b>

The above table shows that 29% of television audience agreed on the better connectivity of a cellular network and

www.pbr.co.in

**R.8. I considered price is an important factor on monthly subscription**

Brand/Media Ads	News Paper	Radio	Television	Outdoor	Internet	Total
Airtel	4	6	14	5	6	35
Reliance	0	1	1	1	2	5
Idea	5	2	3	1	3	14
Bsnl	3	3	2	4	4	16
Vodafone	3	3	4	4	4	18
Uninor	1	1	2	2	0	6
Tataindicom	2	0	2	2	0	6
<b>Total</b>	<b>18</b>	<b>16</b>	<b>28</b>	<b>19</b>	<b>19</b>	<b>100</b>

The above table shows that 28% of television audience considered price is an important factor for monthly subscription and as well 35% satisfied with the price of Airtel.

**R.9. Given importance to the services provided by the operator**

Brands/Media Ads	News Paper	Radio	Television	Outdoor	Internet	Total
Airtel	8	6	7	7	7	35
Reliance	1	0	2	2	0	5
Idea	2	3	2	4	3	14
Bsnl	1	3	5	5	2	16
Vodafone	3	3	3	3	6	18
Uninor	1	0	2	2	1	6
Tataindicom	0	2	3	0	1	6
<b>Total</b>	<b>16</b>	<b>17</b>	<b>24</b>	<b>23</b>	<b>20</b>	<b>100</b>

The above table shows that 24% of television audience given importance to the service provided by the operator and Airtel dominated 35% by its strong service.

**R.10. I am always committed to my regular brand of the mobile phones**

Brand/Media Ads	News Paper	Radio	Television	Outdoor	Internet	Total
Airtel	5	3	11	9	7	35
Reliance	0	1	3	1	0	5
Idea	3	4	3	2	2	14
Bsnl	2	3	4	6	1	16
Vodafone	2	2	6	5	3	18
Uninor	0	4	0	0	2	6
Tataindicom	0	0	2	3	1	6
<b>Total</b>	<b>12</b>	<b>17</b>	<b>29</b>	<b>26</b>	<b>16</b>	<b>100</b>

The above table shows that 29% of television audience commitment towards a brand where 35% respondents are committed towards Airtel.

**Results and Discussion:** It has been observed that Indian telecom sector have emerged as a most dynamic and fast pace industries with 892.02 million subscribers including 544.86 million in urban and 347.16 million in rural areas by February 3013, which is grown to 898.02 million in the month of March 2013 covered 87% private firms and only 12% government sectors. At present Bharati Airtel dominated 21.69% of market share in Indian telecom sector which was 20.58% market share in 2012. It is all due to the privatization of telecom sector in India. The dominance of private sector and their marketing strategies reveals that the service and the advertising effectiveness worked in a beautiful manner. In terms of making the customers more aware about the product the companies are investing more money on advertisements in different media like television, newspaper etc. As per TAM report, the advertisement expenditure was 279 billion INR in 2011 and expected to grow 449 billion INR in 2016. Among all the media television is having 14.7% of growth in 2012 to 2016. It reveals the watching behaviour of customers and repeated advertisements. In this research it has been observed that majority of respondents are

Airtel customers who given their preference on television advertisements, congruity of a particular brand, likability of advertisements etc. Majority of the respondents considered television is the only medium which given them information and educate them regarding a product. In this regard television advertisement effectiveness worked in a positive sense to capture the attention of the customers. Further it has been observed that advertising and branding is also an important factor for customer while they select a brand.

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