

ADVERTISING AS A MEANS OF PROMOTION: ITS INFLUENCE & ROLE IN MODERN INDUSTRIAL LIVING

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Introduction

Advertising as a means of promotion is a favourite topic among many people. It can be said that everybody can and be able to give their views on what advertising is all about. Some refer it to the advertisements or commercials they saw in the mass media. Others relate it to the materials on display at shopping centres. Advertising, or for that matter advertisements are found around us. People from all walks of life, such as parents and children, old and young, government officials and private executives and husbands and wives are bound to be exposed and being continually exposed to advertising or at least to the elements of advertising. What is interesting here, is the magnitude of the exposure. The amount of advertising ringgit spent speaks for itself. In 1988, according to SRM (Survey Research of Malaysia) a total of 506.6 million ringgit had been spent on advertising (MAA Bulletin, 1989). In 1989, it is expected to reach 550 million ringgit mark. The expenditure trend is moving upward due to the fact that the country is heading towards industrialisation. So seemingly, everybody, across ages, occupations and social economic status is inevitably exposed to it. Fortunately or unfortunately, advertising has become part of the Malaysian culture.

Today, advertising as a means of promotion has and will continue to become part of our modern living culture. Thanks to the inventions and the advent of technological know-how that has made it possible, that is the living which is based on mass production and abundance.

What then is mass production and abundance? What has it to do with advertising as a means of promotion? To reflect, let us trace at the situation of Industrial Revolution that made mass production and abundance possible.

Industrial Revolution

The Industrial Revolution began in Europe with its centre in England. During the second half of eighteenth century, technological know-how on agriculture developed and progressed steadily. As a result there was an era of plentiful and surplus crops. The price of food dropped. Consequently the ordinary English family enjoyed a higher standard of living. They earned more than enough to buy food for their family. They also could spend more on other things, especially the manufactured goods which emerged in large quantities. The need to produce more goods was strongly felt by the newly emerged effective demand for manufactured goods. In retrospect, the decisive breakthrough of the Industrial Revolution began with the creation of the world's first large factories in the English cotton textile industry (McKay, 1983). Within the industry more and more technological innovations occurred and developed to meet the then expansion of demand. This big cotton factories marked the beginning of the Industrial Revolution in England in the 1780's.

To cut short, the technological innovations then spreaded to other areas, such as energy and transportation, specifically the railroad system. The British economy grew and increased enormously its production of manufactured goods. Between 1780 and 1800, Britain doubled its production of industrial goods. Between 1800 and 1851, the gross national product rose three and a half times at constant price. To put it in perspective, British had experienced a tremendous economic development which they had never experienced before. They had increased their wealth and national income tremendously.

In other words, the goods were now mass produced and in abundance. On the marketing front, manufacturers were hard pressed to dispose the goods. To store means incurring extra costs. The marketing situation had changed accordingly. The marketeer had to be aggressive in marketing their goods in order to avoid the accumulation of unsold goods. They could not afford to wait for the customer but to plan ahead with an aggressive mind to capture the market. Advertising as a forceful promotional tool comes in. It was used with other promotional tools to accelerate the flow of goods from sellers to buyers. Thus, the whole scenario, that is the Industrial Revolution and its effect on technological innovations, led to the realization of mass production and abundance. To fully enjoy and reap the benefits of the mass production and abundance phenomenon, advertising as a means of promotion emerges as the facilitating force in distributing the share across the market beyond the limited regional boundaries.

The Transition Towards Industrial Economy

What happened in England spread to other continents. European countries and North American nations picked up England's Industrial Revolution experience. The rapid transition from an agricultural to an industrial economy at the end of 19th Century witnessed the influx in the market such quantities of goods beyond the day's imagination. In the transition, the producers attempted to adjust the market to their production capabilities and ambitions. Production was no longer carried on for an immediate available market but in advance of known market and for unknown market at great distances.

To suffice, along with the economic and technological innovations, advertising as a means of promotion appears and is increasingly becoming a force to be reckoned with. Its role of preserving and improving the economic and technological innovation is documented by many researchers. In fact it has and will continue to be the centre of future discussions on the role of advertising as a means of promotion in the economy and social development.

Modern Industrial Living

Today, in the modern industrial living, advertising as a means of promotion has taken strong footings in the daily lives of the society. There are many opportunities laid before us. There are decisions to be made in the market place. The range of products is very wide and the varieties are endless. Advertising as a means of promotion comes into play in assisting us to make the right and wise decision. The society actually has switched from production to consumption. In a production society, the productive capacity is barely sufficient to supply the goods which people desire and which they regard as essential to an adequate standard of living. But in today's society, the society of mass production and abundance, productive capacity is so great that large quantities of goods can be produced. Thus today's society is the consumption society of modern industrial living.

In general, it can be said among the forces that contribute to the rise of advertising as a means of promotion as it is felt today are:

1. technological developments
2. increase in productivity
3. increase in income
4. increase in effective demand, and
5. large scale production.

As the society is approaching to be more complex and the production technology has increasingly improved, more and more members of the society, that is the consumers, use advertising for economic purposes. The purpose is to provide economic information and consequently generate buying and selling goods, services and ideas.

The Role At Economic Level

From its development, advertising as a means of promotion has never lost sight of the interest of the economists. They themselves see the emergence of advertising as an economic force. The advent of the development of communication technologies and the extensive uses of mass media acts as a catalyst to the existing interest. They raise the question of whether advertising as a means of promotion can contribute constructively to the efficient allocation of economic resources. This is a vital question and is commonly raised. The answer to this question would justify its role in the economy.

In this respect, it is claimed that advertising is an important economic force in securing the form of economic structure considered to be most efficient - the free competition (Albion,1981). In this market structure, advertising simply functions as providing information to the consumer in the marketplace. By utilizing advertising as a means of promotion the information on brands, price, quality and its very existence is made known. It is up to them, the consumer, to make the choice. They are the king in the market place, so to speak. There is no imposition or compulsion involved here. Advertising is also said to reduce the cost of searching. In short, it reduces the society the total costs of doing and transacting business.

To the advertisers, advertising as promotion induces them to make necessary improvements so that their products are offered competitively against their immediate and potential competitors. Through the information relayed by the advertisers, the consumers will be better informed and knowledgeable about the product. The consumers will be in a better position to make a wise buying decision. They would not be likely to purchase or repurchase low quality, under expectation and unsatisfactory products. By increasing information through advertising, a number of alternatives will be created and indiscriminately made known. These information would consequently increase the price sensitivity and reduces price-cost margin.

Advertising is also believed to encourage entry to the industry. Those who want to promote their products are free to advertise. Advertising will communicate the brands, its attributes and characteristics to the consumers. The unknown product or brand can be advertised to gain market acceptance. No barrier is imposed from using advertising. On the part of the consumer, the information will be at their advantage. Firms which are inefficient and not innovative enough will have to leave the industry. The efficient ones will remain. The pressure is always exerted by the consumers. The price will be lowered and quality will be secured.

Thus, advertising has contributed to an expanding market for new and better products. Many of these new and improved products could not be brought into the market unless the advertisers are free to develop mass market and adopt large scale advertising. In the process, there may be some waste but the benefits are said to offset the negative aspect of advertising.

Aside from relating advertising to market structure, there are advertisers who would like to see advertising not merely as cost efficient but also as an investment equation. This is not new to those who treat advertising as a carry-over factor. Undoubtedly, advertising has shown to have a cumulative effect function. The effect of what is advertised this year, is partly due to the advertising of the preceding years. In other words the advertising outlay should be considered as an investment factor. The modern day concept of company growth has yet to seriously emphasize advertising as an investment. The growth of companies are often stressed on the extent of their outlays for physical plant and equipment or research and development. Little is made on investment in advertising. Advertising is an ongoing activity. The future position of the company market share can be changed or secure

through the advertising outlay which is seen as an investment. Advertising outlays can positively contribute towards greater economic stability.

The Role At Micromanagerial Level

At micromanagerial level, advertising is part of marketing management. Advertising management, as it is known, offers a rigorous role in promotion, performing the communication functions in the total marketing process. It involves costs incurred and must be satisfied by revenues (Nicosia, 1974). To achieve this, a firm must first identify the needs and wants of the consumer. This correlates to the philosophy normally adopted by most firms which is known as marketing concept. The firms must find ways and means to fulfill the needs and wants identified. In term of size, the consumer group must be large enough to ensure revenues necessary to offset the costs incurred.

In an attempt to satisfy the needs and the wants, a firm has to go beyond the activity of identifying. The firm must then translate the needs and wants into something concrete, something the consumer can fulfill in reality. A successful firm will always continue searching for latent opportunities and potential future trends and putting their resources to develop them.

To realise the latent opportunities, many managerial decision involved are generally in adapting to the everchanging market environment. Managerial decisions include decisions on product, price, channel of distribution and promotion. Advertising is a vital component of promotion.

Advertising management provides a scheme, plan or tool and is an invaluable competitive tool. Interestingly, at micromanagerial level, hundreds of schemes have emerged. Because it operates under a competitive environment, advertising management have to come up with competitive scheme in order to gain competitive edge. This competitiveness would lead to an improved scheme from time to time to emerge (Leckenby, 1982; Farris, 1983; Bolen, 1984; Bovee, 1986; Thomas, 1986).

Basically, the scheme involves 1) insights into marketing program 2) analysing the advertising opportunity 3) setting advertising objectives 4) formulating advertising plan 5) coordinating with other promotion and 6) measuring the impact.

As we can see, advertising management concerns the systematic ways of planning and executing the scheme or the plan. It involves the state of the art in indentifying and solving advertising problems. Underlying the advertising management is the emphasis of scientific knowledge. Scientific research on marketing and consumer are necessary. Here, sophisticated tools of management are used.

The importance of consumer research is obvious as most advertising managers believe the product begins and ends with a consumer. Due to this fact, consumer research should certainly be stressed. To identify what different consumers feel, think and do about a product is not an easy task and should not be taken lightly. It is a difficult art. But then, the consumer point of view is crucial. The firm is trying to find ways to adapt its own resources so that the product introduced will satisfy enough consumer needs and to satisfy the demands of its own factors of production.

Failure to meet consumer needs means the eventual failure of the product and it can cost the firm dearly. The philosophy which recognizes the importance of satisfying consumer needs and wants should be secured. Research is the effective way in meeting this philosophy. Added to that, the complexity of the society and its fast - changing cultural values demand a frequent and steady flow of research findings on consumer.

The believe that the consumer will respond to the product does not hold anymore. The consumers act accordingly, rationally and purposefully in the marketplace. They have their own reasons. The consumers are active. They are individuals who have established, among other things, their own perceptions, personality, motives, norms, values, belief, attitudes and opinions. As a social animal, they are also subjected to social influences such as family, friends, peccrs, reference groups, neighbours and opinion leaders. To sum up, the consumer is a complex individual. Basing the understanding of consumer wholly and only on judgement and intuition can be fatal. Through consumer research,

judgement and intuition can be kept at a minimum level. Managerial task will be made easier. Strategies and tactics employed will be tremendously improved.

The Future

Much have been said about advertising as a means of promoting products. What applies to products can also be applied to services and ideas. Advertising as promotion is also much needed to promote these. The potentials are great. Better understanding and insight of advertising as a means of promotion in promoting services and ideas are required. The promotion of services and ideas is quite different from promoting manufactured products sector in terms of advertising and promotion experience. However, the role played by advertising is visibly recognised. It is believed that what advertising as a means of promotion had contributed to the manufacturing sector can also be contributed effectively to the promotion of services and ideas.

Conclusion

Advertising as a means of promotion, as it stands now will continue to become the focal point of discussion and criticisms, both on ideological and aesthetic grounds. It is undeniable that most people still hold a deep-seated negative perception of advertising. Paradoxically, at the same time, most people still feel advertising is necessary and will remain in this modern economic world.

Due to this, it is not an exaggeration to say that we are still very uncertain about how it works. Is it an informational input in the person's economic decision-making? Or is it a tool where the advertiser or advertising executive manipulates the disadvantage and unsuspecting consumers to buy products, services or idea they really do not want or need? At the company level, is it the tool adopted by the company to accumulate market power, rather than professing the free competition market structure?

Unsurprisingly, if the above questions remain unanswered and the polemics of the effects and status of advertising continue to be unsolved (that is the failure to give a convincing and satisfactory explanation of the influence and the role of advertising) its existence could then be "a pain in the neck" to the academics, the practitioners, the consumers and the society in general. However, what is certain now is that advertising as a means of promotion will stay. However, in a broader sense, what is uncertain is how advertising actually works in a complex, fast-changing and consumption society.

In short, its influence is so great and widespread to the extent that now it is inseparable from the fabric of the society but at the same time its role is far from being recognized on a common ground. Thus, this multi and conflicting views demand an urgent effort to conduct more research as to gain a better understanding and insights of how advertising actually works!

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