

Chapter 8

Surrogate Advertising: A Clandestine Attempt at Influencing People's Choices – The Indian Perspective

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ABSTRACT

The chapter expounds advertising practices from the standpoint of social marketing, wherein government should act responsibly and play a key role in regulating consumption. The governing body of a country has an important responsibility to protect the interests of its citizens. Of particular significance is to discourage the consumption of demerit goods, like tobacco and liquor, which harm direct users, as well as people in vicinity. Governments in numerous countries prohibit advertisements of demerit goods on popular media, to dissuade potential consumers from falling prey to addictive substances. However, companies dealing in barred products look out for surrogate advertising to endorse every permissible product under the same brand name, other than the one that is banned or deemed injurious to health. Thus, there is an underlying subliminal message which is garbed by acceptable promotional strategies. The primary objective of the present chapter is to examine the rationale behind surrogate advertising, various forms of executing them, ethical considerations involved, the government's response, the overall impact, and the way ahead from the Indian perspective.

INTRODUCTION

The swift pace of globalization and the extent of convergence that the world has witnessed in recent years have been staggering. They have significantly contributed to developments in numerous sectors across the globe — trade has received impetus, employment sector has got momentum. Thus, consumers have a lot to choose from and they are the virtual kings of the emerging markets, tourism has enhanced

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cultural fusion, education and health systems have developed, and so forth. These developments have led to an increased receptiveness to ideas and a wider pool of resources to be put to use. Progress on such a massive scale requires active and effective methods of disseminating information, and this is where advertising enters the scene. By effectively putting forth ideas, business models and thought processes to the masses, advertising succeeds in bridging the gap between the producers and the consumers in a certain market. Also, with highly competitive markets and several producers vying for active market share and participation, advertising is obviously a definitive method to capture the attention of potential consumers and retain the existing ones (Terkan, 2014).

The discussion of advertising as a diffusing mechanism has until now been confined to those products that are considered safe and non-addictive, and easily fall under the ambit of permissible use. With regard to products that are conventionally seen as detrimental, from both a societal perspective and an individual standpoint, the promotion and even their purchase remains a touchy subject which is often not discussed. Furthermore, it should be noted that the governing bodies of countries have an important responsibility to protect the interests of their citizens. Of particular significance is to discourage the consumption of demerit goods like tobacco and liquor, which not only harm direct users, but also have adverse health impacts for people in the vicinity. Considering these negative consequences, governments in numerous countries across the globe prohibit advertisements/endorsements of demerit goods on popular media. This is done to dissuade potential consumers from falling prey to addictive substances. The advertising, promotion and marketing of these products is, therefore, not as straightforward as advertising for products that are completely legal or do not have damaging effects on their consumers. It is the inherent nature of harm and health concerns that differentiate such products from those that can be purchased from the marketplace with no need for exacting statutory warnings. It is not to say that all other products in the market are completely free from causing any harm to consumers, but that the magnitude of this harm is not as alarming as those discussed previously. Due to the line of distinction between these two groups of products, the strategies involved in their conception, production and selling are extremely diverse.

It is not surprising, therefore, that companies dealing in barred products look out for alternative means of promotion. *Surrogate advertising*, as it is widely known (Saffer & Dave, 2002; Samuelson & Nordhaus, 2010; Gupta, 2014; Singh, 2015), is one of the popular ways to endorse every permissible product under the same brand name, other than the one that is banned or deemed injurious to health. In this case, the endorsing of the brand name serves as a cue for target viewers to pick the prohibitive product, which cannot be otherwise promoted directly owing to government regulation. For instance, a renowned liquor company may reach out its consumers by advertising mineral water, and design its marketing campaign in a manner that aptly conveys the intended (concealed) message. Thus, there is an underlying subliminal message which is garbed by acceptable promotional strategies. Surrogate advertising is a tactical move by companies and is often rationalized by them in the name of *brand extension*. The value of a banned product of a company is conveyed by using acceptable brand extensions of the same company with the same logo and brand name.

The main question, however, is whether such advertising stands in accord with the ethical considerations of marketing (Sharma & Chander, 2007). There are diverse views from different segments of the population and interest groups regarding the necessity of government intervention in influencing people's choices. Believers in market mechanisms may favor surrogate adverts, stating people's efficacy to determine their best interests. Nevertheless, there are others who look upon the government as a 'guardian' and uphold every such effort that the latter may initiate to curb surrogate adverts.

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