



A Comparative Study of Advertising Expenditure on Different Types of Media

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ABSTRACT

The world of Business is very competitive and advertising is being used to get ahead of these competitors. Advertising plays an important role in starting a business and its growth strategy. Many advertising mediums are used for marketing a product or brand. In this research focusing on different media of advertising and recent trends of advertising medium adopted by the business organization. Nowadays advertising is an integral part of economic and social life and one of the best techniques to promote sales. After analyzing the data it was found that Television and Digital media is capturing approximately 65 to 75 percent share of overall advertising expenditure of all media sources.

Keywords: Competitive, Advertising, Expenditure, media.

INTRODUCTION:

Advertising plays a major role in business. Nowadays, the world of business is very competitive and advertising is being used to get ahead of these competitors. Advertising plays an important role in starting a business, building a brand, and positioning a company product, or service against the competitions. Advertising is an important part of a business growth strategy. Many advertising mediums are used for marketing a product or brand. In this research focusing on comparison of different media of advertising and recent trends of advertising medium adopted by the business world.

The meaning of advertising is simple; a form of communication whose purpose is to attract viewers, readers, or listeners to your brand, product or service or to provide product information. Today, there are two main mediums of advertising. The first is the traditional medium such as television, radio, newspapers, banners and posters, while the second is the digital medium such as email, Facebook, Instagram and other social medium platforms. Companies use advertising to increase the popularity of their brand and product among their customer base. It increases their reach to more and more people, as a result of which they get profits in the business.

IMPORTANCE OF ADVERTISING:

Today, advertising is an integral part of economic and social life and one of the best techniques to promote sales. It is important for every one like manufacturers, middlemen, customers and society. A manufacturer who has to make a good profit by selling his goods takes full advantage of advertising for the commercialization of his product and services. For Middlemen it is important because it creates link between a producer and a customer. Through advertising, the middlemen help in selling more of the product at the least cost. For customers products and services are created to meet the needs of the customer and advertising is used to spread awareness about the products. It is also important for society. For society advertisement is beneficial to get accurate information about all products reaches the people. The major effect of advertisement on business is that advertising influences buying decisions and promotes the sales of the product. It helps the business growth in following ways:

1. To attract or engage new customers
2. For new opportunities
3. To increase product awareness
4. To get Traffic to a web page
5. To increase brand awareness
6. To deliver an ongoing product offer or a specific message
7. To increase online sales
8. To create a Positive brand image

9. To maintain a positive industry profile

REVIEW OF LITERATURE:

Advertising can be defined as “any non personal presentation and promotion of ideas, goods or services by an identified sponsor” (1) (Keller, Aperia and Georgson, 2008, p.230). It is usually communicated through various media channels, such as television, radio, newspapers, magazines, internet or billboards and it intends to persuade potential customers to purchase a certain product or service. According to (2) Philip Kotler (2003), advertising is the most popular marketing communication tools because it is widely used to all business sectors. Terry Flew (2002), defined advertising as “The way in which the mass media in all of their forms affect the way the audiences act and behave in their daily lives. The forms of media include television, films, songs and other similar forms” (Flew 2002, p.12). Advertising has been perceived from divergent viewpoints, some of which are positive and others negative, Wright, Winter and Zeigler (1982) cited in Akpan, 1996 :157 describe advertising as “ubiquitous—brash—pervasive—materialistic—dynamic—annoying—indispensable—fascinating—”. This view provides a somewhat balanced appraisal of advertising, with both positive and negative attributes (3) Ogilvy (2005) notes that “the trouble with most advertising is that it insults the intelligence of the public and bores you to death”, while Crystal (1994:35) says “—advertising has pernicious effect on individuals, social groups and whole societies”. From a positive perspective, Winston Churchill (cited in Dunn and Barban, 1986:11) said “advertising nourishes the consuming power of men. It sets up before a man the goal of better home, better clothing, better food for himself and his family.

There are two broad stands in the existing literature on advertising. One looks at advertising as an instrument that provides valuable information to customers, enabling them to make rational choices by reducing search costs. Another view of advertising is that it persuades consumers by creating unnecessary differentiation among products, which at times may not be real. Thus it also reduces product competition and creates a serious hindrance to the entry of new firms. (3) H.W. Hepner (in his book *Modern Advertising*), He aptly points out “Advertising stimulates competition. It often enables the small businessman to compete with large concerns as well as to start new business.” Nothing except the mint can make money without Advertising. Mass production and Mass distribution totally depend on all forms of Advertising.

Disruptions from technological advances have forced advertisers to adopt and recreate themselves in order to fit the new trends and markets, Advertising is broader now and affects almost all people. Schmidt and Eisend (2015) explored exposure to ads and recall, finding maximum attitude toward a product is reached after ten exposures, although increases in recall do not level off at lower exposure rates. The explanation of the advertising repetition effect on recall is based on learning theory, that is, on implicit or explicit learning.

OBJECTIVES OF THE STUDY:

1. To study the trend of advertising across different medium.
2. To study the importance of new means of advertising.

RESEARCH METHODOLOGY:

The main purpose of this study to analyze the trends of different advertising medium (sources) and its impact on advertising industry and for this purpose secondary data was collected with the help of published reports, magazines and website. Then the data collected was analyzed interpreted to get the results. In this study data for the financial year 2015-2016 to 2019-2020 was taken for the interpretation and analysis purposes.

RESULTS AND DISCUSSION:

Advertising played very important role in growth and performance of different business organizations. Traditionally Print, Radio, T.V. are main sources of advertising but nowadays the non traditional advertising sources like digital advertising is more popular and effective in present technological advanced atmosphere. Table: 2 showing the Growth of advertising expenditure from 2015-2016 to 2019-2020..

Table 1: Showing Growth (in percentage) and Advertisement Expenditure 2015-2016 to 2019-2020

Financial year	Advertisement Expenditure.(Rs.in crores)	Growth in percentage (2015-2016 as base year)
2015-2016	51851	--
2016-2017	56471	8.2
2017-2018	62564	10.8
2018-2019	68475	9.4
2019-2020	56490	-17.5

It is clearly stated that on the basis of table 1 advertising expenditure trends is positively and continuously increasing except 2019-2020 due to covid 19 effect it was negative by 17.5 percent.

Table 2: Showing classification of advertising expenditure on the basis of medium of advertising since 2015-2016 to 2019-2020

Financial year	Traditional Advertising Expenditure		Digital Expend		Others		Total	
	(Rs.in crore)	Percentage	(Rs.in crore)	Percentage	(Rs.in crore)	Percentage	(Rs.in crore)	Percentage
2015-16	42165	81.30	7315	14.10	2372	4.60	51851	100
2016-17	43835	77.60	9303	16.50	3333	5.90	56471	100
2017-18	49242	78.70	11705	18.70	1656	2.60	62564	100
2018-19	52136	76.10	15407	22.60	872	1.30	68475	100
2019-20	37177	65.80	16974	30.10	2339	4.10	56490	100

Data shown in table 2 indicates that advertising expenditure through traditional medium it includes T.V., Radio, Print, Cinema and OOH in terms of volume showing increasing trend except 2019-2020 which is the covid-19 impact. It also indicates that in terms of percentage advertising expenditure through traditional medium showing decreasing trend because in overall advertising expenditure share is decreasing continuously. But on digital advertising medium the volume of advertising expenditure as well percentage share in overall advertising expenditure is continuously increasing. In others miscellaneous sources of advertising opted by the corporate house it indicates no consistency trend and the expenditure on this sources is very minor because it share in overall advertising expenditure is 1.30 to 5.90 percent. It is stated that after the technological development like use of internet and android mobile phones the digital expenditure on advertising is increasing because it is more popular in youth generation and on the basis of increasing trend after some years digital advertising capturing more space than traditional advertising sources.

Table:3 Distribution of advertising expenditure among different media source from 2015-2016 to 2019 -2020
(Rs.in crore)

Media source	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Television	18831	19650	23431	25291	22508
Print	18151	18640	19457	20045	11925
Radio	1749	1875	2144	2260	1270
Cinema	523	585	805	1045	182
Outdoor(OOH)	2910	3085	3365	3495	1292
Digital	7315	9303	11706	15467	16974
Others	2372	3333	1656	872	2329
Total	51851	56471	62564	68475	56490

From the analysis of table 3 indicates that all media sources advertising expenditure are increased everyyear since 2015-2016 except 2019-2020 due to covid impact. It is also indicates that Television and Digital media both have major share in all the media sources and it indicates the increasing trend in comparison to radio,print media type of traditional advertising source because Television and Digital media is widely spread in comparison to print,radio because the technological development like internet and android phone availability for everyone in a reasonable cost. So it indicates that in future both television and digital media share will also increase and captured the major share of advertising media.

Table:4 Distribution of advertising expenditure among different media sources in terms of percentage from 2015-2016 to 2019-2020

Media source	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Television	36.30	34.80	37.50	36.70	39.80
Print	35.00	33.00	31.10	29.30	21.10
Radio	3.40	3.30	3.40	3.30	2.30
Cinema	1.00	1.00	1.30	1.50	0.30
Outdoor(OOH)	5.60	5.50	5.40	5.10	2.30
Digital	14.10	16.50	18.70	22.60	30.10
Others	4.60	5.90	2.60	1.30	4.10
Total	100.00	100.00	100.00	100.00	100.00

On the basis of above data it is clearly stated Television share in all media sources are continuously increasing since 2015-2016 to 2019-2020 during covid 19 also. The lowest share in all media advertising expenditure of Television is 34.80 percent and 39.80 percent is highest in the year 2019-2020. Print media advertising expenditure share is decreasing from 35 percent in the year 2015-2016 to 21.10 percent in the year 2019-2020. Radio share in advertising is in the range of 2.30 to 3.40 percent. Cinema share of advertising is in the range of 0.30 percent(Lowest) and 1.50 percent is highest in the year 2019-2020 and 2018-2019 respectively. Similarly outdoor (Out of home) advertising expenditure share is 5.60 percent in the year 2015-2016 and 2.30 percent in the year 2019-2020. Digital advertising expenditure share is sharply increasing in every year it was 14.10 percent in the year 2015-2016 and in the year 2019-2020 it was more than double i.e. 30.10 percent. Share of other advertising media sources is in between 1.30 percent (Lowest) in the year 2018-2019 and 5.90 percent highest in the year 2016-2017. So it indicates similar results as table 3 indicates.

CONCLUSION:

Advertising expenditure trends indicates that it is very important for every business organization to face competition as well as stability of their products in the market. It is found that due to changing environment and technological advancement shifting of advertising media from traditional media to non traditional media (Digital). But no business organization stands in the competitive world without advertising media.

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