

**“Underdog brands utilizing Comparative advertising in Modern India”**

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**Abstract**

The trend of comparative advertising in India is changing at the pace more than expected and the acceptability is growing. The study has shed some light on the content of comparative advertising. As hypothesized the study proved that underdog brands are using this technique more, there are more bold direct references than hesitant indirect naming the competitive brand in the advertisements. The valence of advertisements are negative than positive which means that the advertisements try to denigrate the competitive brand to gain dual advantage of own growth and competitive brand destruction. The study offers intuitive knowledge for the managerial and research sector.

**Key words:** brands, underdog brands, top-dog brands, comparative advertising,

**Introduction**

The term 'comparative advertising' refers to any form of advertising in which an owner attempts to enjoy benefits from a comparison between his product, service, or brand and that of a competitor. They may explicitly name a competitor or utter refer to him. They may either accentuate the similarities or the differences between the products. They may also state that the advertised product is 'better than' or 'as good as' the competitor's. Comparative advertising generally possesses two components, puffery and unfair criticism. Puffery is where the advertiser seeks to draw the consumer's attention by making superlative claims about his product that are assertions of outlook, rather than demonstrable statements of fact. Often puffery crosses the limits of forbearance and seeks to depict the competing product in a negative light. Underdog brands often operate puffery, as to claim their pre-eminence over the next brand. The same is then said to amount to denigration, which the courts have strictly prohibited. Thus, the material question that often arises is, to what extent comparative advertising may be constrained. The answer lies in developing a clear understanding of the conflicting interests of the various stakeholders involved, including the advertiser, the competitor and the consumer. The advertiser's objective herein is to present his products in a manner such that the consumer is most likely to purchase it. With the liberalization and globalization of the Indian economy, as could be projected, firms have been antagonistically and enthusiastically promoting their products and services. Not only the consumers but even the firms need adequate law against inequitable trade practices to have some 'rules of the game' for competing among themselves. In a competitive environment, every representation of a product or service is about what 'others are not'. Such other party is usually his competitor or the market leader of that good or service. The comparison is made with a view towards increasing the sales of the advertiser, either by suggesting that the advertiser's product is of the same or a better quality to that of the compared products or by denigrating the quality of the compared product.

The phase of comparative advertising is varying at a fast

pace, in this phase we came across several facts which are altering at a fast pace. We initiated the study with the mindset that only bottom dog brands are using comparative advertising, but the facts were a bit different. Top-dog brands like BMW and Audi are also a part of this club may be as a sufferer or as the aggressor. The reality of the market suggests that there is active participation of bottom dog brands in the area but the presence of top-dog brands is also undeniable. The war of Mercedes and BMW is well known around the world.

Although our study is for Indian market but studying the pattern of few close related economies was necessary. Indian market follows in the foot step of U.S market trends, and is closely affected by the economy of China and U.K. We studied their marketing situation of different countries in the area to support our hypothesis and compare it with their market situations. Comparison can make it easy for us to predict future of our market and how changes in their market situation affect ours.

**Comparative Advertising In India**

In India are regulated by the Advertising Standards Council of India (ASCI) which is a self regulatory body and lays down a code to be followed by the advertising industry which is not in competition with the law. With respect to comparative advertising, the code lays down as follows:

1. Advertisements containing comparisons with other manufacturers or suppliers or with other products including those where a competitor is named is permissible in the interests of vigorous competition and public enlightenment, provided:
  - a. It is clear what aspects of the advertiser's product are being compared with what aspects of the competitor's product.
  - b. The subject matter of comparison is not chosen in such a way as to confer an artificial advantage upon the advertiser or so as to suggest that a better bargain is offered than is truly the case.
  - c. The comparisons are factual, accurate and capable of substantiation.
  - d. There is no likelihood of the consumer being misled as

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result of the comparison, whether about the product advertised or that with which it is compared.

- e. The advertisement does not unfairly denigrate attack or discredit other products, advertisers or advertisements directly or by implication.
2. Advertisements shall not make unjustifiable use of the name or initials of any other firm, company or institution, nor take unfair advantage of the goodwill attached to the trade mark or symbol of another firm or its product or the goodwill acquired by its advertising campaign.
3. Advertisements shall not be similar to any other advertiser's earlier run advertisements in general layout, copy, slogans, visual presentations, music or sound effects, so as to suggest plagiarism.

Comparative advertising aims to objectively and truthfully inform the consumer, and promotes market transparency, keeping down prices and improving products by stimulating competition. Therefore, it is important to protect the interests of such competitors by not allowing comparative advertising to cause confusion, mislead, or discredit a competitor.

There is no definition or explanation as to what constitutes "honest practices". There is a large and clear shared core concept of what constitutes honest conduct in trade, which may be applied by the courts without great difficulty and without any excessive danger of greatly diverging interpretations.

Some brands want to build their images around controversy and ambush—in which case, it may still be strategically correct. Still, there is no research that shows consumers like it more than they like a brand that seeks to connect with them in a positive way. For example, Heinz India's Complan compared its ingredients to the health drink "Brand H," though it was extremely obvious that Complan was referring to its main competitor, Horlicks, from GlaxoSmithKline! But of late, the comparisons have seemingly become more explicit and direct; the other brand is openly named. The possible reason for this change in tone is that with increasing Western influence, Indian consumers are transitioning from a high-context culture to a low-context culture, especially in urban India. Following Western consumer markets like the U.S., advertisers in India feel it apt to use direct comparative advertising and this is one of the reason why the style of our advertising is changing. In US origins of what is now known as "comparative advertising" reached maturity in the 1970s and 1980s. Advertisers were no longer reluctant to identify on air or in print their chief competitors. They boldly extolled the virtues of their products, explaining why they would last longer, dissolve quicker, run faster, or remove the dirt more easily than their competitors' products.

The pronouncements of higher quality and more durability came, inevitably, the assertions that the ads were misleading and even downright false. Advertisers who believed they were on the receiving end of these false or misleading comparisons needed some legal support to halt the continued distribution of the offending advertisements and, in some

cases, to obtain compensation for lost sales or loss of goodwill. For example A television advertisement promoting Ujala liquid blue showed that two-three drops of this brand were adequate to bring striking whiteness of clothes while several spoons of other brands were required for the same effect. A lady holding a bottle of Ujala was looking down on another bottle without any label, exclaiming 'chhi, chhi, chhi!' in disgust. The manufacturers of Regaul, a competing brand, complained to the Commission that the advertisement was disparaging its goods. The Commission elaborated the meaning of the provision: In order to bring home a charge under clause (x) of Section 36A (1) it must be established that the disparagement is of the goods, services or trade of another. The words 'goods of another person' have a definite connotation. It implies disparagement of the product of an identifiable manufacturer. The Commission was of the view that 'a mere claim to superiority in the quality of one's product' by itself is not sufficient to attract clause (x). In the advertisement, neither did the bottle carry any label nor did it have any similarity with the bottle of any other brand. The Commission, thus, was of the opinion that it could not be classified as a case of disparagement of goods.

Anecdotal evidence seems to suggest that there has been a shift from indirect to direct comparisons; there has also been a rapid increase in the number of comparative campaigns. Of the 57,000 advertisements in the Millward Brown (2009) Link TM copy-testing database, globally about 4% of the advertisements were classified as comparative in nature. The United States, India, and Philippines have a high proportion of comparative advertisements (7%), followed by Taiwan, Australia, and Brazil (4%).

The trend in the field of advertising is changing the hesitant indirect comparisons is being replaced by bold and assertive direct comparison advertising. This paradigm shift in the nature of advertising in an emerging economy like India has received a little academic attention. No recent research has looked in to the matter but you might find too many researches related to laws in advertising and comparison with different nations.

Comparative advertising in its way forms distinctive class o advertising. There are many dimensions to it as explained in the introduction, but in order to understand its true nature we are need of studying these dimensions in detail. To understand the current pattern the examination of the same is compulsory.

### Dimensions

- The advertisement is from whom, sitting at what level and is addressed to whom, i.e. the level of the brand advertising it and is advertising it for which brand, it's the brand a close market share competitor or a market leader.
- The manner in which the advertisement refers to its competitor that is direct or indirect. It means directly naming it or indirectly making a reference of it.
- The objective of doing the advertisement, the advertiser is trying to relate the product with the competitor or trying t

differentiate it.

- Comparisons are made with the market leader or with multiple brands.
- The valence of comparison is positive or negative.

The above mentioned dimensions are providing us different aspects of the current comparative advertising. It is important to have the knowledge of the above mentioned dimensions for 2 broad reasons:

**Managerial:** Indian economy is a fast growing economy and in such an emerging economy the pace of change is comparatively faster. To track and understand the pattern one is suppose to acquire the knowledge of all the dimensions. It always comes in handy while trying to understand the current technique of advertisement done by the competitors.

In an emerging economy it has been observed that the new entrants are spotted easily. The knowledge of every aspect related to marketing is a must for them. The technique of comparative advertising is seen extremely useful for the new entrants as they normally use the tool of price for defeating the competition. The tool of price against competition is best highlighted in comparative advertisement.

**Research:** There is not much work done in the area of comparative advertising from research point of view. This paper will lay down another stone of research in the field so that it can easily spot. The findings of this research will be helpful for future references. The findings will also open new areas in this field for further research.

### Review of Literature

The literature on comparative advertising is vast and varied. Broadly speaking, the literature can be classified into four types, based on the following issues:

- (1) Comparative advertising plays a vital role in increasing the perceived quality and demand of the advertising brand.
- (2) Comparison of comparative advertising with other kind to check its effectiveness, for that different studies in different in the area are considered.
- (3) Case studies related to comparative advertising, and
- (4) Studies using content analysis to understand nature of comparative advertising in various cultures.

Results of these studies have been summarized in the following paragraphs:

In the first Classification, we find that the role of comparative advertising is found to be effective in denigrating the perceived quality of a targeted brand. Researchers like Anderson and colleagues (2009) show that comparative advertising is less effective at increasing the image of the advertising brand vis-à-vis non-comparative advertising, but comparative advertising has a substantial effect by reducing the market share of the rival brand(s). In short comparative advertising is found effective when we want to attack our rival brand but at the time when we want our brand to gain momentum in the market comparative advertising is not suitable.

In the third Classification, Pathak (2005) compiles the various regulatory cases of comparative advertising in India and identifies a need for strengthening regulations, introducing appropriate laws, and adequately enforcing the same. There is an immediate need in the market of quick dispute settlement program for gaining control in the section. New laws that defines the boundaries in such a manner that no loop hole is left are needed, so that the companies cannot misuse the technique for degrading the competitors product.

In the Second Classification, that is, the comparative advertising effectiveness studies, advertising effectiveness was measured either using the hierarchy of effects model as proposed by Lavidge and Steiner (1961) or the situational effects model. Using the first, researchers found no consensus on the effectiveness of comparative advertising over non-comparative advertising; thus, the literature on comparative advertising effectiveness is divided into two schools of thought.

On one hand, it was found that comparative advertisements are more effective than non-comparative advertisements, and the on the other hand it was reported that comparative advertising produces undesirable consequences and that they are offensive (Goodwin and Etgar 1980; Levine 1976; Shimp and Dyer 1978). Due to the instability in the results using the prior models researchers were not able to justify the hypothesis many a times. In other words, the answer to the question "Is comparative advertising better than non-comparative advertising?" is not a clear-cut "yes" or "no" but "It depends." For getting the desired hypothetical result one has to design comparative advertisement to fit shopper's psychology.

In the fourth classification, some researchers have explored the extent and nature of comparative print advertisements, particularly pertaining to comparative advertising in the U.S. The early two studies, Shimp (1975) and Brown and Jackson (1977), examined TV commercials to determine the frequency of comparative advertising, the types of products compared, the competitive advantages stressed, and the extent to which a competitor's name is mentioned. For the recent study Kalro; Sivakumaran; Marathe (2010) studied the effect of comparative advertising on the brand of the product and its impact on the mind of the consumer. There are different scenarios which can be found in more research studies.

Research over the years has analyzed Indian advertisements to understand various aspects like content used in the advertisement, cultural similarities, and differences in content and visuals, there has been hardly any research done on analyzing the content and nature of comparative advertising in India. In this study, we have used content analysis for the purpose of studying the nature of comparative advertising.

### Hypotheses based on concept

Comparative advertising as discussed in the paper earlier has many dimensions. These dimensions are the grounds for

analyzing the comparative advertising. The hypotheses developed are of many types and are based these dimensions. To study the trend of the comparative advertising in India we need to analyze these advertisements on the basis of these dimensions and the hypotheses build on the basis are:

### H1- Used by underdog or top-dog brands

On the basis of our first dimension, we thought of testing fact that as the no. of ads by top-dog brands in the area is increasing, are they using it more than underdog brands. Use of this technique by an underdog is the story every one familiar to the field is well aware of but the sudden rise in the no of advertisement by the top-dog brands has made everyone to look in to the matter. Now a day the effect of this technique can be seen on every consumer, it doesn't matter that to which class the consumer belongs too. Since the technique has started leaving its impact on the mind of the cream layer customers, the brand to which this class matters the most had to pay attention.

Normally it affects the upper class for the reason that this segment is mostly literate and pay attention to the facts and the factual representation is the very essence of this technique. So that's why comparative advertisement is having a fast acceptance among the audience.

So therefore our hypothesis one is that the top-dog brands are using it but lesser in comparison to the underdog brands.

### H2- Direct or Indirect Comparison

The various legislative developments and amendments in the law governing competitive advertising in India have gone hand in hand with India's economy. Comparative advertisement is permitted by section 30 of the Trade Marks Act, 1999 which allows the use of registered trademarks provided that it is honest use, that it does not take unfair advantage of the trademark and that it does not damage the goodwill associated with the trademark.

Restriction from the govt. has been removed now the question is whether the companies want to go for naming the competitor directly or not. In a low context culture country like U.S the situation is different the consumer of that culture responds better to the direct comparison. Now in a country like India the situation is changing as we are moving towards low context culture from high context culture due to technology adaptation so the trend in advertising is also changing.

So therefore our hypothesis two is that the use of direct comparison in advertisements is more than indirect.

### H3- Nature of the advertisement carries a negative or a positive way of addressing.

The advertisement can address the issue of comparison in two different ways the valence of the advertisement can either be positive or negative. By valence we mean the nature of advertisement, the approach with which we address can be puffery but should not be denigrating. The issue of valence had been a major one in the books of law. Several rules had been passed in too many countries just to make sure that the limits can be well defined to control denigration.

But in spite of all the efforts and laws till date the control on valence has never been established. The valence of comparative advertisement has been negative, as it serves one purpose extra then the advertisement having a positive valence, both increases the sales but only with negative valence you can decrease the market share of the competitors. It is not that negative valence ads are well received by the audience, positive ones has shown a better acceptability rate but at the end it all depends on the preference of the advertiser. So that's why our hypothesis four is that the no. of ads carrying negative valence will be more in no than the ads carrying positive valence.

#### Research methodology

Normally in such type of studies, the research technique used is content analysis. In most of the communication content based studies as standard methodology content analysis is used. In our study content analysis helps in studying what advertisements do and are.

For collecting our sample we came across various websites, newspapers and magazines. After covering major areas of Medias where print ad is advertised we encountered more than 700 individual advertisements, out of which only 50(6.887%) was the number of comparative advertisements. Each of the advertisement was checked carefully to see whether they used comparative claims or not. The no was found very close to that of 7% mentioned in Millward Brown database.

We followed the coding procedure in which we coded each ad separately according to our hypothesis. It was coded as direct or indirect, superiority or parity and single or multiple competitors. Coding was done very carefully as sample size was not large enough. We implemented chi-square on the sample to testify our hypothesis.

## Results

### H1- Used by underdog or top-dog brands

H0 – the number of comparative advertisements done by underdog brands are not more than advertisements done by top-dog brands.

H1 – the number of comparative advertisements done by underdog brands are more than advertisements done by top-dog brands.

Out of the 50 samples that were studied 70% of the advertisements were from the underdog brands i.e. Where the brands were in affordable price range of the masses and the remaining 30% were belonging to the high level brands.

O<sub>i</sub> – the no. of advertisements by underdog brands was 35 and the no. of advertisements by top-dog brands was 15.

E<sub>i</sub> – the expected no. was taken on the basis of expected mean which was 25

N= 50, X<sub>2</sub> = 8, the table value for X<sub>2</sub> is 3.841 for d(f)=1 at 5% Here the prediction was accepted alternate hypothesis is acceptable as the calculated value of X<sub>2</sub> is more than tabulated value. This proves that numbers of advertisements by top-dog brands are less than underdog brands.

**H2 - Direct or Indirect Comparison**

H0 – the number of direct advertisements are not more than indirect.

H1 – the number of direct advertisements are more than indirect.

Out of the 50 samples that were studied 72% of the advertisements were direct i.e. Where they made explicit reference to the competitor and the remaining 28% were of indirect nature

O<sub>i</sub> – the no. of direct advertisements was 36 and the no. of indirect was 14.

E<sub>i</sub> - the expected no. was taken on the basis of expected mean which was 25

N= 50, X<sub>2</sub> = 9.68, the table value for X<sub>2</sub> is 3.841 for d(f)=1 at 5%

Our prediction regarding H1 that no of explicit reference to the competitors is higher than hesitant attacks was supported. This era companies are shifting their style of comparative advertising from indirect to direct.

H3- Nature of the advertisement carries a negative or a positive way of addressing.

H0 – the number of negative valence ads are not more than positive valence.

H1 – the number of negative valence ads are more than positive valence.

Out of the 50 samples that were studied 96% of the advertisements negative valence i.e. Where they tried to denigrate competitor brand and the remaining 4% only were of positive valence.

O<sub>i</sub> – the no. of superiority claiming negative valence advertisements was 48 and the no. of positive valence was 2.

E<sub>i</sub> - the expected no. was taken on the basis of expected mean which was 25

N= 50, X<sub>2</sub> = 42.32, the table value for X<sub>2</sub> is 3.841 for d(f)=1 at 5%

The value is much higher which means that the alternate hypothesis where the no of negative valence ads are much more in practice in the area than the positive valence ads. The trend shows that the objective of advertisement in most cases is to prove superiority.

**Discussion and Implementation**

As we have discussed earlier the major implication of the research is in two broad areas. The implication of the study is useful and will help understand the scenario of the market in both the areas. The study sheds light on the fact that the paradigm is shifting and the trend is changing at a pace with the dynamism in the market. If we relate it to the consumers also the behaviour of the consumer is changing, in the sense that the consumer is becoming more and more acceptable to the changes in the market.

The study bring to the light the fact that the style of comparative advertisement is more acceptable by the consumer due to the reason that consumer pre purchase dilemma is decreased. Cognitive dissonance is an irritating feeling where the consumer is seeking for a solution and some how comparative advertisement is the answer. It provides the

consumer with hardcore facts on the basis of which satisfaction is attained easily by the consumer.

**Conclusion**

The trend of comparative advertising is gradually gaining its pace in the south asian continent and is making an upward shift. Its popularising its use from bottom dog brands to top dog brands. India seems to follow the U.S trend yet in another feild, the pattern in which comparative advertising is gaining momentum is very similar. In future we can expect a rise in the frequency of such advertising, as it serves best in the kind of market and competition we are experiencing now.

**Notes**

1. Colgate Palmolive (India) Ltd. vs Hindustan Lever Ltd., a judgement of the MRTP Commission, 18/11/1998, Citation: 1999(2) CPJ 19.
2. ASCI's self regulation code,
3. ASCI's report of board of governors, April 2007 to March 2008.
4. Pepsi Co. Inc. v. Hindustan Coca Cola Ltd., 2001 (21) P.T.C. 722.
5. MRTP Act 1969, number 54.

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