CHAPTER I*
Introduction
1.1 Background

Today’s business scenario is highly competitive, dynamic and full of intricacies. The competition in today’s market place is severe due to advances in technology, increased globalization and remarkable improvement in information accessibility to customers (Bovet and Sheffi, 1998). Competition has forced organizations to change dramatically due to rising customer expectations. Markets are cluttered worldwide and marketers are under continuous pressure to deliver most excellent to their customers.

Traditionally, the organizations believe in two ways of increasing profitability. First by decreasing product’s cost and second is by expanding existing market. Past researches have highlighted that although cost reduction is one of the advantageous ways but there are limits associated with it. It might also lead to mediocre quality, poor service and decreased visibility (Akerlof, 1970; Gould, 1982; Shapiro, 1983 and Albright, 1992). Thus, the second alternative i.e. increasing market seems to be more advantageous to organizations. Researchers have proven positive evidences for strong correlation between increased advertising and improved market share (Anderson et al., 1994).

Advertising is defined as non personal, paid form of communication usually persuasive in nature about products, services or ideas and with an identified sponsor (Bovee, 1992). According to Advertising Association of UK, “Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them”. Advertising represents an important way by which organizations reach out to their customers, both current and potential (Bendixen, 1993) and is a significant element of an organization’s promotional mix in today’s cut throat business situation.

There are varieties of advertising media options available to modern day marketers such as Print, TV, Internet, Films and Video Games. Advertising has drawn attention of numerous researchers and as a result a number of studies are seen towards different categories of advertisements. Researchers have worked on TV, Internet, Movies and Video Games as media (Newstead et al., 2009; Popova et al., 2011; Chul Yoo and Pena, 2011 and Wang et al., 2013) and relatively very less research is seen in Print Media advertising (Petty et al., 2001; Coulter, 2002; Samu and Bhatnagar, 2008). Further, numerous studies have also explored advertisement effectiveness in case of TV (Newstead et al., 2009; Wu and Newell, 2003; Hudson et al., 2002), Internet (Popova et al., 2011; Newman et al., 2004) and Movies (Panda,
2003; Russell, 2002). But the traditional ways of print advertising still holds a deeper penetration and superior coverage. An attempt is made to understand the advantages of print advertising as depicted in Figure 1.1.

![Figure 1.1: Advantages of Print Media Advertising](image)

With the increase in awareness of advertisement researchers have studied different ways by which its effectiveness can be measured. Measuring the effectiveness of an advertisement is essential as it would contribute a lot to the productivity of advertisers which in turn will help in making effective provisions for marketing budgets (Bedixen, 1993).

In this light, the present research work is an effort to understand the concept of advertisement effectiveness and to identify varied dimensions used to measure advertisement effectiveness with reference to different media forms. It also aims to find out the product specific drivers of print advertisement effectiveness esp. newspaper and establishing an interrelationship or linkage among these drivers. Subsequent section deals with the history of newspaper printing and its evolution around the world over decades in detail.
1.2 Newspaper Printing: At a Glance

One of the oldest and basic forms of mass communication, print media includes newspapers, magazines and journals. Print media has remarkable contribution in providing information and transfer of knowledge (Source: National Institute of Open Schooling/Notes). Having its own charm and relevance, print media makes a longer impact on the minds of the reader with more in-depth reporting and analysis. The history of print media lies in palm leaves which were used to write before Egyptians made paper by 3500 BC. The discovery of paper led Chinese to invent the art of printing during the period of the Tang dynasty in 600 AD (Source: Wikipedia). The printing technology in its modern form was developed by Johannes Gutenberg (1439) of Germany. It is believed that printing technology came to India in 1556 through Jesuit priests. The first book printed in India was Doctrina Christa by St. Francis Xavier (Source: http://www.nos.org/download-section.aspx).

Discovery of paper and development of printing technology gave birth to newspaper printing. It is very difficult to point out a single newspaper as the first one. However, many researchers consider ‘The Peking Gazette’ of China as the first newspaper. Started in 618, initially it was hand written and distributed to the readers. Later it was printed and circulated to masses. The Peking Gazette continued its publication till the beginning of the twentieth century (Source: National Institute of Open Schooling/Downloads). The first newspaper in modern sense was published by Johann Carlous in 1605. The earliest newspaper in England was ‘The Weekly News’ which was launched in 1622 while ‘Public Occurrence’ which is considered to be foremost newspaper in USA, was launched in 1690. Table 1.1 briefs about major worldwide newspapers of early times in a chronological order.

Table 1.1: Major Worldwide Newspapers of Early Times

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Newspaper</th>
<th>Year of Inception</th>
<th>Place of Publication</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Peking Gazette</td>
<td>618</td>
<td>China</td>
</tr>
<tr>
<td>2.</td>
<td>Relation Aller Historien</td>
<td>1605</td>
<td>Germany</td>
</tr>
<tr>
<td>3.</td>
<td>The File</td>
<td>1609</td>
<td>Germany</td>
</tr>
<tr>
<td>4.</td>
<td>The Weekly News</td>
<td>1622</td>
<td>UK</td>
</tr>
<tr>
<td>5.</td>
<td>Oxford Gazette</td>
<td>1655</td>
<td>UK</td>
</tr>
<tr>
<td>6.</td>
<td>Public Occurrences</td>
<td>1690</td>
<td>USA</td>
</tr>
<tr>
<td>7.</td>
<td>The Boston Newsletter</td>
<td>1704</td>
<td>USA</td>
</tr>
<tr>
<td>8.</td>
<td>Daily Courant</td>
<td>1780</td>
<td>UK</td>
</tr>
<tr>
<td>9.</td>
<td>Pennsylvania Evening Post</td>
<td>1783</td>
<td>USA</td>
</tr>
</tbody>
</table>
The above table depicts that UK and USA played a major role in the development of newspaper printing across the world in early times. The development of newspaper industry continued in 20th and 21st century in other parts of the world also and saw the rise of tabloid journalism. Table 1.2 illustrates the major newspapers of 20th century published around the world in a sequential order.

### Table 1.2: Major Worldwide Newspapers of Modern Times

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Newspaper</th>
<th>Year of Inception</th>
<th>Place of Publication</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Houston Chronicle</td>
<td>1901</td>
<td>USA</td>
</tr>
<tr>
<td>2.</td>
<td>Daily News</td>
<td>1919</td>
<td>USA</td>
</tr>
<tr>
<td>3.</td>
<td>Le Monde</td>
<td>1944</td>
<td>France</td>
</tr>
<tr>
<td>4.</td>
<td>The People’s Daily</td>
<td>1948</td>
<td>China</td>
</tr>
<tr>
<td>5.</td>
<td>Hurriyet</td>
<td>1948</td>
<td>Turkey</td>
</tr>
<tr>
<td>6.</td>
<td>Bild</td>
<td>1952</td>
<td>Germany</td>
</tr>
<tr>
<td>7.</td>
<td>La Repubblica</td>
<td>1976</td>
<td>Italy</td>
</tr>
<tr>
<td>8.</td>
<td>El País</td>
<td>1976</td>
<td>Spain</td>
</tr>
<tr>
<td>9.</td>
<td>USA Today</td>
<td>1982</td>
<td>USA</td>
</tr>
<tr>
<td>10.</td>
<td>The Independent</td>
<td>1986</td>
<td>UK</td>
</tr>
<tr>
<td>11.</td>
<td>El Mundo</td>
<td>1989</td>
<td>Germany</td>
</tr>
</tbody>
</table>

The newspaper industry followed the trend of growth at the beginning of 21st century as well. With the rapid penetration and adoption of internet across the world, most of the prominent world newspapers established digital version (e-paper) of their newspaper also. The next section discusses the advancements of newspaper printing in India in detail.

### 1.3 Newspaper Printing in India

Newspaper printing in India finds its footprint in the city of Calcutta (now Kolkata) which was the capital of India from 1774 to 1922. ‘Bengal Gazette’ is considered as first Indian newspaper launched from Calcutta in 1780. Started by a British James Augustus Hickey, it was popularly known as ‘Hickey’s Gazette’. Known by the title ‘Calcutta Advertiser’ also, its first issue had two pages only which were increased to four pages later. It was of the size of
35cms x 24cms only. Following Hickey’s footsteps, the second newspaper ‘The Indian Gazette’ was also launched from Calcutta in 1780. Subsequently, ‘The Calcutta Gazette’ (1784) and ‘The Bengal Journal’ (1785) were published from Calcutta in English language. Gradually newspapers started coming out from other parts of the country also. A table summarizes details about prominent Indian newspapers from year 1780 to till date in a chronological order (Refer Appendix 1 (a)).

It is evident that history of newspaper printing in India is more than 200 years old with more than 35 centenarian newspapers (Source: www.nos.org). It is also clear that before independence, most of the Indian newspapers were published in English or local languages while post-independence focus shifted to Hindi and English at large. In short, print in India is an uncomplicated means of individual empowerment. Aam Aadmi (The Common Man) in India is neither a global citizen nor a netizen who has easy access to information that empowers him. Print esp. newspaper is local and hence a tangible means of individual’s empowerment (Raghunath, 2012).

It is expected that the Indian newspaper industry will grow firmly for another decade and a half due to growing literacy (Robin Jeffrey, 2012). While print dailies are struggling in much of the world, they are booming in India (AFAQS! Reporter, August-2013). According to a common report by CII and PwC (2013), the Indian print industry witnessed moderate growth while newspaper advertising has witnessed higher growth than subscription. Table 1.3 illustrates an overview, present and projected scenario of Indian print industry in terms of circulation and revenue.

Table 1.3: Present Scenario of Indian Print Industry

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Total Adverting</td>
<td>150</td>
<td>162</td>
<td>179</td>
<td>200</td>
<td>222</td>
<td>248</td>
<td>10.6%</td>
</tr>
<tr>
<td>Total Circulation</td>
<td>75</td>
<td>79</td>
<td>82</td>
<td>86</td>
<td>89</td>
<td>93</td>
<td>4.5%</td>
</tr>
<tr>
<td>Total Industry Size</td>
<td>224</td>
<td>241</td>
<td>261</td>
<td>285</td>
<td>311</td>
<td>340</td>
<td>8.7%</td>
</tr>
<tr>
<td>Total Newspaper Revenue</td>
<td>211</td>
<td>228</td>
<td>248</td>
<td>272</td>
<td>298</td>
<td>327</td>
<td>9.1%</td>
</tr>
<tr>
<td>Total Magazine Revenue</td>
<td>13</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>13</td>
<td>14</td>
<td>0.9%</td>
</tr>
<tr>
<td>Total Industry Size</td>
<td>224</td>
<td>241</td>
<td>261</td>
<td>285</td>
<td>311</td>
<td>340</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

Source: KPMG in India Analysis, 2013

‘p’ stands for projected industry size
It is evident that newspapers will remain pervasive and will continue to form part of fabric on Indian landscape (Technology, Media and Telecommunications, India Predictions 2013 by Delloitte). In an another report of FICCI-KPMG (2013) on Indian Media and Entertainment Industry, Indian print industry continues to be a promising long term growth story and will be worth 340 billion by 2017 registering CAGR of 8.7%.

1.4 Motivation for Research
At present business scenario is characterized by high competition and dynamism. Technological developments, increased globalization and ease of information accessibility to consumers are responsible for extremely aggressive industrial and trade situations (Bovet and Sheffi, 1998). Markets are messy globally and marketers are constantly burning their midnight oil bring best for their customers. In such an aggressive trade scenario, advertisements play an important role for organizations to be in touch with their present and future customers (Bendixen, 1993). The advent of technology has equipped the modern day marketers with new and innovative advertising media options to connect to their target audience and researchers have worked on TV, Internet, Movies and Video Games as media (Newstead et al., 2009; Popova et al., 2011; Chul Yoo and Pena, 2011 and Wang et al., 2013) in present times.

However, the conventional ways of print advertisements still holds a deeper penetration and enhanced coverage while relatively very less research is seen in Print Media Advertising (Petty et al., 2001; Coulter, 2002; Samu and Bhatnagar, 2008). Typically in Indian scenario, the subject of measuring advertisement effectiveness in print media context has not drawn much attention of the researchers though statistics shows that print media has a major share in Indian advertising business.

In a report ‘Advertising Outlook - 2013’; MADISON Media has revealed that TV, the biggest shareholder till 2012, lost its share marginally, to let Print become the leader once again in 2013. In addition, the report also advocates that newspaper is expected to contribute a major share of revenue pie in years to come as in the year 2013 as illustrated in Figure 1.2.

It is apparent that newspapers have major share in Indian print industry and advertising is the key driver of the same. Moreover, print still maintains its stance as a powerful and necessary component of an advertisement campaign. An understanding of advertisement effectiveness would contribute to the productivity of advertisers which in turn will help in making effective
provisions for marketing budgets (Bedixen, 1993). Hence present study is undertaken to understand the concept of advertisement effectiveness and its various dimensions in context of print media.

![Advertisement Split - 2013](image)

**Source**: Advertising Outlook by MADISON Media, 2013

**Figure 1.2**: Advertisement Split and Revenue Share in 2013

The identification of subsequent research gaps through review of literature and detailed discussion with experts further motivated to carry this research:

- Till date, debate exists over the clear definition of print advertisement effectiveness and its measures. Moreover, a variety of dimensions are used in context of different advertising media to measure advertisement effectiveness.
- The subject of advertisement effectiveness is vague and perceived by a range of researchers in different ways. No generic advertisement effectiveness measures are available esp. for Print Media.
- Most of the research work on measuring advertisement effectiveness is done in USA, UK and other foreign countries (Assael *et al.*, 1967; Carter and David, 1968; Gronhaug *et al.*, 1991; Hudson *et al.*, 2002). Only few researchers have explored this research area in context of Indian advertising scenario.
- No studies are seen in understanding and defining the interrelationships among common advertisement effectiveness measures for selective products in context of print media.
In the view of above mentioned research gaps, the present research work attempts to understand advertisement effectiveness in response to emerging and competitive Indian advertising scenario. The research is also aimed at finding out the product specific drivers of print advertisement effectiveness and establishing an interrelationship or linkage among various drivers.

1.5 Scope of the Work
Scope of the present research work is limited to the assessment of advertisement effectiveness for Hindi newspapers only. Select editions of Madhya Pradesh (Indore) and Uttar Pradesh (Mathura) region were taken into consideration for the present study. Hindi newspapers were considered for the research as more than 50% of Indian population is Hindi heartland (Census of India, 2001) (Refer Annexure I(b)).

1.6 Research Objectives
Based on the gaps identified in the literature and subsequent discussions with the subject experts following research objectives are finalized for the present research work:

- To understand the concept of advertisement effectiveness and its measures for a variety of media in Indian context.
- To identify product specific advertisement effectiveness measures in context of print media.
- To understand and define the interrelationships or linkages among different advertisement effectiveness measures with reference to a specific product category.
- To develop a conceptual framework of advertisement effectiveness in context of Indian advertising scenario.

1.7 Research Methodology
The research methodology for present research study constituted of four phases. Each phase is discussed in brief below while detailed discussion on research methodology is done in Chapter III. Figure 1.3 depicts the various phases of adopted research methodology for present work.
Figure 1.3: Phases of Adopted Research Methodology

Phase I
- Literature Review
- Identifying Key Variables
- Discussion with Experts and Academicians
- Problem Formulation

Phase II
- Focused Group
- Expert Interviews
- Detailed Analysis of Newspaper Content
- Identification of Product Categories

Phase III
- Deciding on Delphi Panel
- Delphi Rounds – I, II and III
- Finalized Ad Effectiveness Dimensions for Print Media
- Establishing Contextual Relationship among Dimensions

Phase IV
- Developing Product Specific ISM Models
- Synthesis and Documentation

Figure 1.3: Phases of Adopted Research Methodology
Phase I consists of four sections viz. literature review, identification of key variables, discussion with experts and formulation of the problem. An extensive review of literature was carried out that helped in identifying the key advertisement effectiveness dimensions and major gaps in the research area. Several international and national journals were referred and a total of 272 research papers were read to have a clear understanding of the subject.

Review of literature made it apparent that the subject of advertisement effectiveness is vague and perceived by varied researchers in different ways. Thus in order to comprehend the subject clearly, discussions with business and academic experts was carried out. Detailed discussion with experts resulted in problem formulation and finalization of research objectives also.

Phase II consists of two sections viz. Interviews with Experts and Academicians and detailed analysis of newspaper content. Interviews with experts were conducted to decide on content analysis period and newspapers for which content analysis is to be carried out. It not only helped to find out answers to poised questions but also assisted in the smooth execution of content analysis.

Content of each of the identified newspaper was collected under a variety of parameters as suggested by experts and academicians. Detailed analysis of newspapers resulted in the identification of product categories which are prominently advertised in identified Hindi newspapers. It also helped in the analysis of newspaper content under various parameters.

Phase III of the study consists of three sections viz. Deciding on Delphi Panel, Execution of Various Delphi Rounds/Iterations and Finalized Advertisement Effectiveness Dimensions for Print Media. A Delphi panel of 23 members was formed using Convenience Purposive Sampling for the present study and no. of panel members remained same throughout the study. Attempts were made to include wide range of viewpoints in the study. In the context of present research work, three iterations/rounds were carried out with the panel of experts to reach to a consensus. The execution of Delphi technique is discussed in detail in Chapter-V.
• Last phase (Phase IV) of the research employed Interpretive Structural Modeling (ISM) technique to understand the interrelationships amid various dimensions. Findings are synthesized and documentation is done in the standard format for the study in the same phase. Before developing the ISM model specific to a particular product category, contextual relationships among various dimensions were set for each of the product category which indicated whether or not one dimension leads to another.

Keeping in mind the contextual relationship for each dimension, Structural Self-Interaction Matrix (SSIM) and Reachability Matrix are developed. Finally Reachability Matrix is partitioned into levels to construct the ISM model for a specific product category (Barve et al., 2006).

1.8 Organization of the Thesis
The research study which is carried out is organized in seven chapters. Brief outline of the chapters is as under:

Chapter II covers the extensive literature review on advertisement effectiveness and measures used in context of different media. Detailed review of literature resulted in identifying major gaps and framing research questions related to the area of study.

Chapter III presents the research methodology adopted for present study which constituted of four phases. Methodology of each phase is discussed in detail separately in each chapter. Justification of various tools used in the study is discussed in the end of the chapter.

Chapter IV explains the research method implemented to identify the prominently advertised product categories in identified Hindi newspapers and compilation and analysis of newspaper content under various parameters as suggested by experts.

Chapter V deals with the execution of Delphi method to refine and narrow down the dimensions of advertisement effectiveness in context of recognized product categories. Detailed discussion of three rounds which were carried out with the panel of experts to reach to a consensus is done.
Chapter VI deals with modeling of finalized advertisement effectiveness measures using Interpretive Structural Modeling (ISM). The developed ISM models established linkages among advertisement effectiveness dimensions and allowed for a systemic view of the relationships among them.

Chapter VII presents summary of work done, research findings along with major contributions of the study and implications of the research for academia and advertising professionals.

1.9 Summary
The chapter introduced the background and various aspects related to newspaper printing in Indian context. In addition, it presented the motivation and scope for present research work. In continuation, this chapter has also discussed the related research issues, objectives of the study and research methodology adopted for the work followed by an outline of the organization of the thesis. The next chapter presents a detailed and comprehensive review of literature on advertisement effectiveness and its measures.