8. TRENDS IN ADVERTISING BY THE INDIAN CORPORATE SECTOR

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This contribution examines the trends in the advertising expenditure by India's large corporate bodies to bring out the relative importance of advertising expenditures by the different categories of companies. In order to undertake this exercise, a set of the largest 409 manufacturing companies of the Indian private sector was identified. The set includes only those public limited companies (i) having more than Rs. 1.00 crore risk capital at the end of March, 1984. Out of the total of 428 public limited companies identified on the basis of the above classification, nine companies engaged in electricity, eight in shipping and two in road transport were excluded from the sample. After excluding these 19 companies, our coverage was restricted to 409 companies.[1] The period covered under the study is 1975-76 to 1983-84. The 409 companies identified for this study were grouped under two categories, namely, the consumer goods producing companies, and the non-consumer goods producing companies. This identification was carried out on the basis of the Reserve Bank of India's (RBI) use based classification of industries.[2] The companies which could not be strictly classified as consumer goods producers due to their diversified range of production were classified as non-consumer goods producers. The non-consumer good producers included the companies producing intermediate goods as well.

Based on the RBI classification, there were 164 consumer goods producing companies and 245 non-consumer goods producing companies in our sample. The 409 companies were also classified on the basis of the extent of foreign holding in their equity capital; companies having 10 per cent or more foreign equity were taken to be Foreign Controlled Companies (FCCs).[3] These included the FCCs both registered and not registered under the Monopolies and Restrictive Trade Practices Act (MRTPA). The non-FCCs, *i.e.* those companies that have an Indian ownership and control were further sub-divided into two categories; those registered, and not registered under the MRTPA and were represented as the Indian MRTP companies and the Indian non-MRTP companies. For the purposes of data analysis three reference years, namely, 1975-76, 1979-80 and 1983-84 were selected. For convenience these years will be referred to as 1976, 1980 and 1984 respectively. These marked the beginning, the middle and the end of the period covered under this study.

It was expected that since the 409 companies constitute the top crust of the Indian

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1. For details and methodology, see K.S. Chalapati Rao "An Evaluation of Export Policies and the Export Performance of Large Private Sector Companies", Working Paper No. 17, Institute for Studies in Industrial Development (ISID), 1990, New Delhi.

2. See: RBI, "Use based classification of industries, used for the Index numbers of Industrial Production", Reserve Bank of India Bulletin, May, 1985, pg. 8-258.

3. See: Dhar, Biswajit, "Foreign Controlled Companies in India: An Attempt at Identification", Working Paper No. 16, Corporate Studies Group, IIPA, New Delhi.

private sector, each one of them would have gone in for company advertisements and the expenditure under this head would be available in their respective Annual Reports. It was, however, found that many of the 409 companies did not report advertisement expenditure as a separate item in their Annual Reports. The number of companies, reporting advertisement expenditure as a separate entry, fell from 210 in 1976 to 200 in 1980 and to only 193 in 1984[4]. The companies not reporting an advertisement expenditure include companies like DCM, WIMCO, Mafatlal, Parke Davis, Geoffrey Manners, General Electric Company of India and many others. Each one of them is a well known advertiser and yet, under one or the other technical reason these companies have not reported any advertisement expenditure.[5]

Since out of the total of 409 companies, the number of non reporters is as high as 199 in 1976 and 216 in 1984, our analysis of the trends in advertising is confined only to the companies reporting an advertisement expenditure. Table-1 provides the advertisement expenditure and sales turnover of the companies reporting an advertisement expenditure for the three reference years. The advertisement expenditure of these companies grew from Rs.27.71 crores in 1976 to Rs.46.80 crores in 1980 and to Rs. 82.27 crores in 1984. The sales turnover rose from Rs.4,375.61 crores in 1976 to Rs. 6,559.56 crores in 1980, and to Rs. 11,101.87 crores in 1984. The sales turnover registered a growth of 154.77 per cent, and the advertisement expenditure registered a growth of 196.90 per cent during the period of 8 years. If one looks at the average annual rate of growth, the sales turnover registered a growth rate of 19.35 per cent per annum, while the corresponding growth rate for the advertisement expenditure was 24.60 per cent.

Considering the distribution of the total advertisement expenditure between the consumer goods producing and the non-consumer goods producing companies, one finds that when the total advertisement expenditure rose from Rs. 27.17 crores in 1976 to Rs. 82.27 crores in 1984, the expenditure by the consumer goods producing companies alone rose from Rs.22.41 crores to Rs. 66.34 crores over the 1976-84 span.

Table - 1

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4. It is important to note that among the companies reporting an advertisement expenditure there was no consistency. A company reporting in one year may not report any expenditure on account of advertisement in another year.

5. Under the Companies Act, 1956 it is obligatory to report expenditure on advertisement as a separate item. However, if the value of advertisement expenditure was less than one per cent of the sales turnover or Rs. 5,000 which ever is less, the company need not make a separate entry in the Annual Report. We have reasons to believe that most of the 409 companies do undertake advertisement expenditure. But, probably, the advertisement expenditure was less than one per cent of the overall turnover. Alternatively, advertisement expenditure has not been reported due to the process of 'window dressing'.

The Advertisement Expenditure and Sales Turnover for Companies Reporting Advertisement Expenditure

(Rs. in crores)

S.No.	Year	No.of Companies	Advertisement Expenditure Total	Sales Total
	(1)	(2)	(3)	(4)
1.	1976	210	27.71	4357.61
2.	1980	200	46.80	6559.56
3.	1984	193	82.27	11101.87
4.	Percentage growth 1976-84		196.90	157.77
5.	Average annual rate of growth		24.6	19.35

Source: Calculated from the ISID database of 409 companies.

Advertisement Expenditure as a Proportion of Sales

The size of advertisement expenditure incurred by the different categories of companies by itself may be important, but given the type of sample data, it appears appropriate to examine the advertisement expenditure by relating it to the size of the company's turnover. Table-2 shows the expenditure incurred by these companies as a proportion of their sales turnover.

At the aggregate level, the companies reporting advertisement expenditure allocate less than one percent of their sales turnover on advertising. However, with the steady rise in the absolute amounts incurred as advertisement expenditure, the ratio of the advertisement expenditure to the sales turnover has also risen from 0.64 in 1976 to 0.71 in 1980, and to 0.74 in 1984. This steady rise in the ratio is an indication of the growing importance of the advertisement culture with the Indian corporate sector as a whole. However, Table-2 also suggests that:

(i) The advertisement sales ratio rose more sharply for the consumer goods producing companies than the non-consumer goods producing companies, standing at the level of nearly 1.00 percent in 1976, 1.12 percent in 1980, and 1.20 percent in 1984.

(ii) The advertisement to sales ratio was higher for the FCCs than for the Indian companies and the highest for the consumer goods producing FCCs. It rose from 0.84 percent to 0.89 percent for the FCCs, and from 0.44 per cent to 0.59 per cent for the Indian companies over the 1976-84 span. The corresponding rise for the consumer producing FCCs was from 1.48 per cent to 1.54 per cent.

Table - 2

The Advertising expenditure incurred as a percentage of sales for the companies reporting an Advertisement expenditure

Category			Year 1976	1980	1984
(1)			(2)	(3)	(4)
Total (Reporting Companies)			0.64	0.71	0.74
	of which				
i)	a)	Total consumer goods producing	0.99	1.12	1.20
	b)	Total non consumer goods producing	0.29	0.30	0.28
ii)	FCCs		0.84	0.81	0.89
	a)	Consumer	1.48	1.23	1.54
	b)	Non-Consumer	0.25	0.34	0.29
iii)	Non FCCs (Total)		0.44	0.58	0.59
iv)	Indian MRTP companies		0.46	0.63	0.59
	a)	Consumer	0.61	0.96	0.83
	b)	Non-Consumer	0.25	0.27	0.30
v)	Indian Non-MRTP companies		0.42	0.53	0.59
	a)	Consumer	0.65	1.06	1.08
	b)	Non-Consumer	0.24	0.26	0.22

Source: Same as in Table 1.

(iii) Despite a very large difference in the size of the advertisement expenditure incurred by the Indian MRTP companies and the Indian non-MRTP companies, the advertisement to sales ratio was not as significantly different for these two categories of companies. In 1984, it stood at the level of 0.59 per cent for both. Again, while the proportion rose more sharply for the consumer goods producing companies under both the categories of companies, this rise was much sharper for the non-MRTP consumer goods producing companies (*i.e.* those not registered under the MRTPA). The ratio for the non-MRTP consumer goods producing companies rose from 0.65 per cent in 1976 to 1.08 in 1984. This may be due to the presence of non-MRTP FCCs in this category.

Size of the Advertisement Expenditure:

After an analysis of the proportion of the sales turnover incurred as advertising expenditure by the different categories of companies, it may be useful to study how the individual companies are distributed on the basis of the actual size of the advertising expenditure incurred by a company. Table 3 shows the frequency distribution of the

companies reporting an advertising expenditure based on the size of the advertising expenditure. It would be seen that the majority of the companies had an yearly advertising budget of nearly half a crore of rupees. Their number, however, witnessed a decline from 198 in 1976 to 146 in 1984 (See Table-3). Even among the companies spending upto half a crore of rupees annually, the majority spent only upto Rs. 5.0 lakhs annually. Their numbers also declined from 116 in 1976 to 73 in 1984. Similar was the case of the companies spending between Rs. 0.50 crores to Rs. 0.25 crores annually, whose number fell from 62 in 1976 to 52 in both 1980 and 1984. For the companies spending between a quarter of a crore and half a crore, the number stood at 20 in 1976 and 21 in 1984. In contrast to the decline in the number of companies spending upto Rs. 0.50 crore on advertising, one finds that the number of companies spending between Rs. 0.5 crore and Rs. 1 crores rose from 8 in 1976 to 19 in 1980 and 22 in 1984. The number of companies with more than Rs. 1 crore individually as advertisement expenditure rose from 4 in 1976 to 11 in 1980 and 25 in 1984. The four companies, spending more than Rs. 1 crore on advertising in 1976 were Hindustan Lever Ltd. (Rs. 2.98 crores), Rallis India Ltd. (Rs. 1.29 crores), Union Carbide (India) Ltd. (Rs. 1.22 crores), and Peico Electronics and Electricals Ltd. (Rs. 1.12 crores) and it is interesting to note that all four of them were FCCs. By 1980, the eleven companies spending more than Rs. 1.00 crores included seven FCCs and four Indian companies. The seven FCCs were Hindustan Lever Ltd., Glaxo Laboratories (I) Ltd., I.T.C. Ltd., Peico Electronics and Electricals Ltd., Dunlop (I) Ltd. and Richardson Hindustan Ltd. The four Indian companies who joined these FCCs were Reliance Industries Ltd., Grasim Industries Ltd., Jay Engineering Works Ltd., and Mohan Meakin Ltd., Bombay Dyeing Manufacturing Co. Ltd. The advertisement expenditure of the top advertisers seems to have jumped in a very significant manner. The highest advertisement expenditure by a single company was nearly Rs. 3.00 crore in both 1976 and 1980 but it rose sharply to more than Rs. 7.00 crores for 1984. In 1984, there were three companies reporting more than Rs. 3.00 crores individually as advertisement expenditure. The companies were Hindustan Lever Ltd; Reliance Industries Ltd, and Food Specialties Ltd., with the respective advertisement expenditures of Rs. 8.09 crores, Rs. 4.71 crores and Rs. 3.54 crores.

Coming to the distribution of the consumer goods producing companies on the basis of the size of advertisement expenditure incurred by an individual company, Table-4 indicates that though the majority of the consumer goods producing companies spent upto Rs. 1.00 crore on advertising, the proportion of those spending upto half a crore of rupees has fallen from more than four fifths in 1976 to nearly 55 per cent in 1984. By 1984, therefore, nearly 45 percent of the consumer goods producing companies spent more than half a crore of rupees on advertising. Again, while the 1976-80 phase saw a sharp rise in the number of consumer goods producing companies spending between half a crore and one crore of rupees, their numbers rising from 8 to 17; the rise in the post 1980 was sharper for those spending more than one crore; their numbers rising from 10 in 1980 to 23 in 1984.

Table - 3

The Frequency Distribution of the Reporting Companies based on the size of the Advertising Expenditure

Range of Ad. Expenditure (Rs. Crores)	1976	Year 1980	1984
(1)	(2)	(3)	(4)
Upto 0.05	116	96	73
0.05 - 0.25	62	52	52
0.25 - 0.50	20	22	21
Upto 0.50	198	170	146
0.50 - 1.00	8	19	22
1.00 - 1.50	3	8	11
1.50 - 2.00	0	1	4
2.00 - 2.50	0	0	6
2.50 - 3.00	1	2	1
More than 3.50	0	0	3
Total	210	200	193

Source: Same as in Table 1.

All the 8 companies reported in Table 3, that spent between Rs. 0.50 crore and Rs. 1.00 crore in 1976 on advertising, 17 of the 19 companies spending between Rs. 0.50 crores and Rs. 1.00 crores in 1980 and 16 of the 22 companies in 1984 were consumer goods producers. Similarly, all the 4 companies reported in Table 3 that spent more than Rs. 1.00 crore on advertising in 1976, 10 out of the 11 companies spending more than Rs. 1.00 crores in 1980 and 23 out of the 25 companies in 1984 were consumer goods producing companies. All the 3 companies spending more than Rs. 3 crores individually in 1984 were also those producing consumer goods (See Table 3 and 4.)

Having ascertained the fact that the consumer goods producers are the top spenders, it is also important to look into the advertising expenditure of the heavy spendors *i.e.* the non-consumer goods producing companies spending heavily on advertising. The two non-consumer goods companies spending between Rs. 0.5 crore and 1 crore of rupees on advertising in 1980 were Kirloskar Oil Engines Ltd. (spending Rs. 0.53 crores) and Tata Engineering and Locomotive Co. Ltd. (spending 0.51 crores). The non-consumer goods producing companies spending between half a crore and one crore in 1984 were Greaves Cotton and Co. Ltd., Advani Oerlikon Ltd., National Organic Chemical Industries Ltd., Nirlon Synthetic Fibres and Chemical Ltd., and MRF Ltd.,. Dunlop (I) Ltd. was the only non-consumer goods company that spent more than Rs. 1.00 crore on advertising in 1980. In 1984, it was joined by Modi Rubber Ltd.

Table - 4
The Frequency Distribution of the Consumer Goods Producing Companies based on the Size of the Advertising Expenditure (1976-84)

Range of Ad. Expenditure (Rs. Crores)	Year 1976	1980	1984
(1)	(2)	(3)	(4)
Upto 0.05	40	29	20
0.05 - 0.25	21	29	18
0.25 - 0.50	17	14	11
Upto 0.50	86	64	49
0.50 - 1.00	8	17	16
Upto 1.00	94	81	65
1.00 - 1.50	3	7	10
1.50 - 2.00	0	1	4
2.00 - 2.50	0	0	5
2.50 - 3.00	1	2	1
More than 3.00	0	0	3
Total	98	91	88

Source: Same as in Table 1.

It is important to take note of the extent of concentration in the advertisement expenditure of the corporate sector. Table 5 indicates that the Top 50 advertisers of each the 3 years alone accounted for more than 80 percent of the total advertisement expenditure of the corporate sector, with the Top 20 accounting for nearly 55 percent of the total advertisement expenditure. The share of the Top advertisers stood at 40 percent in 1976 and 36 percent in 1984.

The nature and distribution of the advertising expenditure reveals that the consumer goods manufacturers and the FCCs were very dominant among the top 50 advertisers.

Table 6 gives a list of the Top 50 advertisers of the three reference years along with their respective rankings and advertisement expenditures in the three years. The advertisement expenditures are listed only for those years, in which the companies had a ranking among the Top 50.

Since the Top 50 advertisers for all the 3 reference years are not the same, the first fifty names in the list include the Top 50 advertisers of 1984. The others, that do not figure among the Top 50 advertisers of 1984, but have been a part of the Top 50 advertisers for at least one of the other two reference years have been given later, alphabetically, in order to take a note of the changes in the composition and characteristics of the Top 50 advertisers over the 1976-84 span.

Table 5

The Share of Top Advertisers in the Total Advertising Expenditure

(Rs. Crores)

SNo.	Category	Year		
		1976	1980	1984
	(1)	(2)	(3)	
1.	Top 10	11.12	16.26	31.82
		(40.13)	(34.74)	(36.68)
2.	Top 20	15.55	24.76	45.92
		(56.12)	(52.91)	(55.82)
3.	Top 50	22.13	37.89	67.88
		(79.86)	(80.96)	(82.51)
	Total Ad. expenditure	27.71	46.80	82.27

Note: (Figures in parentheses indicate the per cent share in the total Advertising expenditure of the reporting companies).
Source: Same as in Table 1.

It is interesting to note from the table that Hindustan Lever Ltd. has remained the largest advertiser through the entire period of our study.

Most of the other important consumer goods producing FCCs besides the 80 that are a part of the Top 50 advertisers have either retained their relative ranking in the three years or have improved it. Peico Electronics and Electricals (formerly Philips India) for instance, held the 4th position in 1976, suffered a marginal deterioration in its relative position in 1980, but in 1984, it occupied back the position held in 1976. Union Carbide (I) Ltd. also occupied a very prominent 3rd position in 1976. After occupying the 13th position in 1980, it again rose to a prominent 6th position in 1984. Similar was the case of VST Industries Ltd., Johnson & Johnson Ltd. and Hindustan Ciba-Geigy Ltd.

Among the FCCs which have shown a near quantum jump in their rankings, the notable ones are: Food Specialities and the Bombay Dyeing & Manufacturing Company Ltd. Food Specialities Ltd. was a non-reporter in 1976 and was at the 12th position in 1980. In 1984, it was next only to the Hindustan Lever and the Reliance Industries. Bombay Dyeing and Manufacturing Company Ltd. also did not report any advertisement expenditure in the year 1976, but occupied the 3rd position in 1980. Its position in 1984 was the 13th. Similar was the case of Dunlop (I) Ltd., and I.T.C Ltd. Dunlop (I) Ltd. occupied the 18th position in 1976, rose sharply to the 9th position in 1980 and occupied the same for 1984 as well. I.T.C. jumped from 31st position in 1976 to the 6th in 1980 and to the 5th in 1984. Some other FCCs that have improved their rankings significantly are Bata, Tube Investment, Crompton Greaves Ltd.

Table - 6

Top 50 Advertisers with their Respective Rankings and Expenditures for 1976, 1980 and 1984

(Rs. Crores)

		Rank	Ad. Exp	Rank	Ad. Exp	Rank	Ad. Exp
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Hindustan Lever Ltd.	1	8.09	1	2.91	1	2.98
2.	Reliance Industries Ltd.	2	4.71	2	2.91	16	0.40
3.	Food Specialities Ltd.	3	3.54	12	0.99	-	-
4.	Peico Electronics & Electricals Ltd	4	2.61	7	1.22	4	1.12
5.	I T C Ltd	5	2.30	6	1.23	31	0.26
6.	Union Carbide (I) Ltd	6	2.25	13	0.94	3	1.22
7.	Escorts Ltd.	7	2.20	15	0.90	23	0.30
8.	Glaxo Laboratories (I) Ltd	8	2.08	5	1.44	10	0.60
9.	Dunlop India ltd.	9	2.03	9	1.19	18	0.38
10.	Jay Engineering Works Ltd.	10	2.00	8	1.21	8	0.76
11.	Grasim Industries Ltd.	11	1.78	4	1.46	9	0.71
12.	Crompton Greaves Ltd.	12	1.64	27	0.55	14	0.44
13.	Bombay Dyeing & Mfg. Co. Ltd.	13	1.59	3	1.66	-	-
14.	Richardson Hindustan Ltd.	14	1.52	11	1.01	6	0.80
15.	Bata India Ltd.	15	1.34	23	0.68	-	-
16.	Blow Plast Ltd.	16	1.33	32	0.47	-	-
17.	Herbertsons Ltd.	17	1.31	34	0.44	-	-
18.	Modi Rubber Ltd.	18	1.23	45	0.30	48	0.14
19.	Reckitt & Colman of (I) Ltd.	19	1.19	26	0.56	-	-
20.	Tube Investment of (I) Ltd.	20	1.16	33	0.44	33	0.32
21.	Johnson & Johnson Ltd.	21	1.14	17	0.77	21	0.20
22.	VST Industries Ltd.	22	1.11	43	0.32	28	-
23.	Raymond Woollen Mills Ltd.	23	1.09	-	-	-	0.40
24.	Voltas Ltd.	24	1.06	14	0.93	15	0.10
25.	Boots Co. of India Ltd.	25	1.02	21	0.69	45	0.14
26.	Berger Paints India Ltd.	26	0.90	-	-	49	0.10
27.	Modi Spinning & Wvg Mills Co. Ltd.	27	0.86	16	0.82	17	0.39
28.	Hoechst India Ltd.	28	0.83	-	-	47	0.15
29.	Mohan Meakin Ltd.	29	0.81	10	1.03	5	0.85
30.	M R F Ltd	30	0.78	-	-	-	-
31.	Hindustan Ciba-Giegy Ltd	31	0.75	22	0.68	20	0.33
32.	Bayer India Ltd	32	0.73	36	0.42	27	0.28
33.	National Radio & Electronics Co Ltd	33	0.72	37	0.39	24	0.29
34.	Rallis India Ltd.	34	0.71	19	0.70	2	1.20
35.	Madura Coats Ltd	35	0.70	-	-	-	-

(Contd...)

(1)		(2)	(3)	(4)	(5)	(6)	(7)
36.	Bajaj Auto Ltd	36	0.70	-	-	-	-
37.	Khatau Makanji Spg & Wvg Mills Co Ltd	37	0.64	25	0.57	19	0.33
38.	Nirlon Synthetic Fibres & Chml Ltd	38	0.62	31	0.50	36	0.22
39.	National Organic Chml Inds Ltd	39	0.62	-	-	-	-
40.	Mahindra & Mahindra Ltd	40	0.61	-	-	-	-
41.	Breaves Cotton & Co. Ltd.	41	0.59	50	0.27	-	-
42.	Advani Oerlikon Ltd.	42	0.58	-	-	-	-
43.	Oriental Carpet Mfrs. Pvt Ltd.	43	0.57	38	0.39	44	0.16
44.	Sylvania & Laxman Ltd.	44	0.55	-	-	42	0.17
45.	Goodlass Nerolac Paints Ltd.	45	0.55	41	0.35	40	0.17
46.	Alembic Chemical Works Co Ltd	46	0.54	18	0.74	13	0.42
47.	Nicholas Laboratories India Ltd.	47	0.52	-	-	11	0.65
48.	Tata Engineering & Locomotive Co Ltd	48	0.48	30	0.57	-	-
49.	Widia India Ltd	49	0.48	44	0.32	-	-
50.	Kirloskar Electric Co Ltd	50	0.47	49	0.27	35	0.22
51.	Asian Paints India Ltd	-	-	24	0.58	41	0.17
52.	Blue Star Ltd	-		39	0.39	37	0.21
53	Boehringer Knoll Ltd.	-	-	-	-	32	0.25
54.	Cynamid India Ltd	-	-	20	0.69	7	0.76
55.	East India Hotels Ltd	-	-	35	0.42	22	0.34
56.	G T C Industries Ltd	-	-	-	-	26	0.28
57.	Gabriel India Ltd.	-	-	-	-	50	0.16
58.	Geep Industrial Syndicate Ltd.	-	-	-	-	30	0.26
59.	German Remedies Ltd.	-	-	46	0.28	-	-
60.	Gujarat State Fertilizers Co Ltd.	-	-	48	0.27	-	-
61.	Hindustan Motors Ltd.	-	-	-	-	12	0.55
62.	I D L Chemicals Ltd.	-	-	47	0.27	-	-
63.	Kirloskar Oil Engines Ltd.	-	-	28	0.53	25	0.25
64.	Motor Industries Co Ltd.	-	-	40	0.39	29	0.26
65.	Pfizer Ltd.	-	-	29	0.52	38	0.26
66.	Roche Products Ltd.	-	-	42	0.34	34	0.23
67.	Searle India Ltd.	-	-	-	-	43	0.16
68.	Shalimar Paints Ltd.	-	-	-	-	46	0.15
69.	Warner Hindustan Ltd.	-	-	-	-	39	0.19

Source: Same as in Table 1.

If one goes by the nature of the products promoted by the Top 50 one is struck by the presence of 8 drug manufacturers in the list. These were Glaxo, Hoechst, Boots, Richardson, Bayers, Searles, German Remedies, and Warner Hindustan. Companies like Glaxo and Hoechst went up on the list and so did Boots. Richardson Hindustan and Bayer India Ltd. could maintain their place among the Top 50 whereas the others fell out. The

presence of the drug companies in the list of the Top 50 can be explained by the fact that the drug companies also sell branded formulations that do not need prescriptions. Companies like Glaxo need to advertise their baby foods and Glucose formulations including Glucon-C and Glucon-D. Bayer (I) Ltd. advertises its Baygon spray and RHL advertisers its Vicks-Vaporub, inhaler and Vicks action 500 tablets for severe cold.

Among the Indian companies figuring among the top 50 advertisers, the cases of Reliance Industries Ltd., and Raymond Wollen Mills Ltd., from the textile group, and Blow Plast Ltd., Herbertsons Ltd. and Voltas Ltd. from among the others, need a special mention. Reliance Industries Ltd. rose from the 16th position in 1976 to the 2nd position in both 1980 and 1984. Blow plast also rose from a non-reporter in 1976 to the 32nd position in 1980, and from there it rose to the 16th position in 1984 due to its diversification from moulded luggage to toys and moulded furniture. Voltas with the launch of its volfarm ketchup coupled with aggressive marketing, could compete with the well established old brand 'Kisaan'.

From the engineering sector, Bajaj Auto Ltd. and MRF Ltd. deserve a special mention, both of which occupied the 36th and 30th positions respectively in 1984.

Our study on the concentration of the advertisement expenditure would remain incomplete without a mention of the all time top advertiser, The Hindustan Lever Ltd. HLL had an Advertising budget of Rs 2.98 crores in 1976, Rs. 2.91 crores in 1980 and Rs. 8.09 crores in 1984. This company alone accounted for a share of nearly 10 per cent in the total advertisement budget of the selected companies in the corporate sector as a whole; 12 to 13 per cent in the advertisement budget of the consumer goods producing companies; and 16 to 17 per cent in the expenditure by the FCCs (See Table 7).

Table - 7
The Advertising Expenditure of Hindustan Lever Ltd. and its Percentage Share in the Expenditure by Different Categories of Companies

		Percentage Share		
	Category	1976	1980	1984
	(1)	(2)	(3)	(4)
1.	Ad. expenditure of Hindustan Lever Ltd. (Rs. crores)	2.98	2.91	8.09
2.	Percent age share of the Ad. expenditure by Hindustan Lever in the Ad. expenditure by			
	i) Consumer goods producing companies	13.30	7.89	12.19
	ii) FCCs	17.22	10.81	15.96
	iii) Total Ad. expenditure	10.75	6.22	9.83
	iv) Top 50 advertisers	13.47	7.68	11.95

Source: Same as in Table 1.

To sum up, the trends in advertising by the large Indian corporate sector indicate that:

1. Advertising in India is primarily a phenomenon of the consumer goods producing companies.
2. FCCs single handedly accounted for a dominant share in the total advertisement expenditure. The Indian Big business, as represented by the Indian MRTP companies, accounted for a sizeable share in the total advertisement budgets of the corporate sector, though lower than that of FCCs.
3. Consumer goods producing FCCs accounted for more than four fifths of the expenditure by the FCCs, and more than half the expenditure by the total reporting companies. These companies emerged as the most important contributors to the advertisement budgets of the corporate sector.
4. Among the FCCs, the ex-FERA companies and the foreign subsidiaries were the prime contributors to the advertisement budget of the FCCs and majority of them were consumer goods producing companies.
5. Trends similar to above were also reflected in the proportion of the sales turnover spent on adver-tising, the exception to the rule being the Indian non-MRTP companies producing consumer goods, that spent more than 1.00 percent of their sales turnover on advertising in both 1980 and 1984.
6. Advertisement expenditure by the Indian Corporate Sector are highly concentrated. Top 50 advertisers accounted for nearly 80 per cent of the total advertisement budgets, whereas the Top 10 advertisers accounted for nearly 40 per cent of the total advertisement budgets.
7. The Top 50 advertisers were primarily the consumer goods producers and the majority of them were FCCs. Again, a majority of the FCCs constituting the Top 50 also belonged to the categories of either the ex-FERA companies or the foreign subsidiaries.
8. Hindustan Lever Ltd., the all time top advertiser accounted for nearly 10 per cent of the expenditure by the corporate sector as a whole, as represented by the companies under study.

These trends are observed when the sample does not include some of the important consumer goods producing FCCs like Hindustan Cocoa Products Ltd., Britannia Industries Ltd., Ponds (I) Ltd., Colgate Palmolive (I) Ltd., and many more, due to the non availability of data. If these were included, the trends would have favoured even more sharply, the dominance of the consumer goods producing FCCs in the advertisement budgets of the Corporate Sector in India.