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Historical Perspective and Evaluation of Advertising Firms in Bangladesh

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Abstract

Advertising has become a part of the economic & social fabric of a nation. It provides information about the product, service, ideas etc. It influences the choices we make. A descriptive framework has been made in order to understand the history of advertising in Bangladesh, categories of advertisement, advertising prices of different mediums, major clients of advertisement in our country, and legal aspect of advertising in Bangladesh. This study adopts with qualitative in nature. This research enables researchers to understand the history, trends and influential aspect of an advertisement in our country. After all these research will unveil the overall trends and quality of advertisement in Bangladesh.

Key Words

Advertising History, Above Line category, Below Line Category, Advertising Agencies, Channels, Advertising Budget, Discount of Advertising, Advertising Tariff, Clients of Advertising Agency, Code of Advertising.

1. Introduction

Advertising is non-personal communication of information, usually paid for and pervasive in nature, informing about product, services, ideas or experiences by identified sponsor through various media (Belch 2009).

Advertising is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor (Kotler 1999).

The advertising agency has evolved to provide the specialized knowledge, skills, and experience needed to produce to produce effective advertising campaign (Sandage 1967).

The development of advertising agency can be divided roughly into four periods: Period of early growth 1841-65: The first advertising agency of record in the United States was Volney B. Palmer. In 1841, Palmer organized a newspaper advertising and subscription agency. At this early date, there were no directories of newspapers and no published rates space to be sold to the advertiser. Wholesaling period 1865-80: The new competitive tool was supplied by George P. Rowell, who opened an agency in 1965. Throughout the wholesaling period, the agent continued as a seller of space for publishers. Semi service period 1880-1917: The wholesaling phase of agency work was checked when publishers began to establish their own sales departments for selling space. Some of these departments sold direct to the advertiser; others, to the general advertising agency. Early in the semi service period, agencies offered to write the copy for the advertiser, thus giving added weight to their claim of being servants of the advertiser. Service Period 1917-present: By 1917 the idea of service had grown until not only was copywriting done for the advertiser but many other things as well. During the service period, many agencies have grown to the position of advertising and marketing counselors for advertisers. Market research, media testing,

merchandising service, lay out construction; art work, the supervision of engraving, etc. now constitute agency service (Sandage 1967).

There was very little advertising practice in Bangladesh before independence (1971) due to inadequate industrialization and learning. Demands for specialized advertising agencies were very limited. Pioneers in the field such as **Bitopi**, **East Asistic** (now Asiatic), and **Interspan** entered the market almost in the year 1967. Other advertising companies started their business after independence. Now the total numbers of advertising firms are almost seven hundreds (**Asiatic**).

2. Objectives of the Study

- To find out the historical background of advertising agencies in Bangladesh;
- To find out trends and influential aspect of advertising agencies in Bangladesh;

3. Research Methodology

This research is qualitative in nature. That is why this study required both primary and secondary information that has been collected from various advertising agencies, relevant persons, Ministry of Information, Ministry of Health and various Channels through interview.

4. Findings

There is no formal way for tracking of advertising agencies in the country. According to formal media sources, a total of 150 agencies are registered with Bangladesh Television (BTV). However, maximum market share is hold by the top nine advertising agencies of the country. These agencies are **Adcomm**, **Asiatic**, **Bitopi**, **Unitrend**, **Grey**, **Interspeed**, **Popular**, **Madonna** and **Matra**. Other advertising agencies claim only a low share, while the rest is accrued to in-house advertisement of business firms and enterprises.

There are various types of advertising agencies in Bangladesh. Advertisement media in Bangladesh can be classified in two categories based on the placement strategy – **Above the Line (ATL) category** and **Below the Line (BTL) category**.

ATL includes newspapers, magazines, radio, television, and satellite & cable television. Placement strategies under **BTL** includes event management, in-house advertisement (company performing own advertisement) at point of purchase, outdoor advertisement (billboards, hoarding, neon signs), innovative activities (jatra, street drama) and advertisement on vehicle bodies and fliers.

The tariff structure of advertisement varies depending upon the type of media and the time or space used. A 30-second's advertisement on Bangladesh Television is charged Tk.9, 450 at peak hours (7 PM till the end of day's transmission) and the amount increases by surcharge (50 % for fixed time, 70 % for immediately before or after the news, 80 % for mid-breaks in films and 100 % for mid-break in news). Rates are almost half during transmission hours before 7 PM. The commercial time allowed to a sponsor in a 60-minute program is up to 180 seconds and the rate charged per episode or program is Tk.80,000 early time, Tk.1,00,000 for peak time.

Bangladesh Television offers a discount of 25 % on advertisements of books and magazines not containing any advertisement and activities of registered cultural organizations.

However, imposes an additional surcharge of 60 % on spot and sponsored advertisement for all products, which are produced or assembled outside the country.

Rates charged by the Bangladesh Radio are much less: Tk.600 for each transmission of a 15-second's advertisement from 1st to 51st time. Bangladesh Radio charges Tk.45, 000 for sponsorship of a cricket match and Tk.30, 000 for that of a football match (**Bangladesh Betar**). Private TV channels' charges are more than above mentioned.

Advertisement tariff for newspapers varies between Tk.400 and Tk.800 for per column inch in inside pages; it is about three times higher in back pages.

The growth of advertising industry since 1967 demonstrates a direct relationship between the economic growth of the country and purchasing power. In our country economic growth of this industry is slow but rising. Informal advertising agencies are continually springing up in competition with formal ones.

The clientele of advertising agencies primarily comprise of private national companies (**PNCs**), multinational companies (**MNCs**), and Non-Government Organizations (**NGOs**). The MNCs comprise maximum media share followed by the PNCs comprising.

The major client of the print media is the government. The advertising business is governed by the competition prevailing in the market; products having high competition advertise more. Also consumer goods hold higher portion of the advertising budget. Also evident the industries having a very high local demand depend on advertising.

Export oriented companies having gradually started to use the expertise of the advertising industry especially in the area of brochure development.

The legal aspect of advertising is controlled by the government through a requirement of the media to sign contracts with advertising agencies or the advertiser for all types of advertisement.

The general terms and conditions of the contract are to conform to law and regulations relating to printing, publication and mass communication. The Ministry of Information is the primary controlling authority and may decide to change all or a part of terms and conditions of contracts with the advertising media.

Advertisements related to drugs, cigarette and the like require prior permission of the Ministry of health. Also, the government has set an ethical code of conduct, although not adopted as a legal document, for advertising agencies and for the media.

The code urges the agencies to refrain from advertising products like alcohol, cigarette, baby medicine, food and cereal, undergarments for both men and women, and contraceptives (except birth control pills).

The media in general is expected to abide by social norms and moral value, refrain from direct attacks on any religion, person or organization, as well as from obscenity and vulgarism, and from using historical leaders and political leaders in advertisements.

5. Conclusion

Advertising is the most difficult and challenging task of a firm. It is difficult to say that when and where advertising firms started their business in Bangladesh. Whatever Bitopy, East Asiatic, (Asiatic) started their business in 1967. Other firms entered into the market after independence (1971). Advertising firms in Bangladesh are not well organized. So it is hard to collect data from these firms.

People of Bangladesh are well known to Above Line Category Advertisement (Newspapers, magazines, radios, televisions and satellite channels). Below Line Category advertisement is a new concept in Bangladesh. Few people are familiar with the concept of event management, in house advertising, at point of purchase etc.

In Bangladesh price of advertisement depends on popularity of channels. Bangladesh government is the main client of print media on the contrary multinational companies bear advertisement than private national companies. Legal aspect is totally controlled by the Ministry of Information and Ministry of Health.

Demand for advertisement has increased. In our country most of the advertisements are emotion based than creative (GP's Adv). Maximum advertising companies pay more attention on product than the benefits and experiences are produced by the goods (Banglalink's Adv).

Many advertising firms represent fake information in their advertisement (fair & lovely). In our country advertising is not pre and post tested by customers. They try to do link between product and advertisement. They forget that they should do link among publicity, product attributes, benefits, values, culture, personality, and customer.

If we want to get retrieve from it, we need to acquire both theoretical and practical knowledge about it. If the students get modern lab facility from university then they will be able to produce effective advertisement. And this industry will be more attractive for career development. So each business faculty should introduce advertising laboratory for gathering practical knowledge. And that is expected to all of us. As it is a potential industry in Bangladesh.

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