* Economic Impact
  + Consumer Choice
    - Advertising increases product categories and brands
    - Advertising helps to create new brands and improve old ones
  + Business Cycle
    - Business cycle goes up -> advertising contributes to the increase
    - Business cycle goes down -> advertising encourages people to buy
* Social Impact
  + Focuses on complete information and absence of externalities
  + **Deception**
    - Important product claims that are factually false, by omission, or conveys a false impression
      * Deceives or misleads reasonable people
      * Product information was important to the consumer
  + **Unfairness**
    - Inadequacy of complete information or some other externality
    - How can we tell?
      * No prior substantiation
      * Advertising to children and the elderly
      * Omitting important product information
    - FTC needs to show that
      * An alleged unfair practice involves substantial, unavoidable injury to consumers
      * The injury is not reasonably avoidable by consumers themselves
      * The injury is not outweighed by benefits to consumers and competition
  + **Puffery**
    - Exaggerated and subjective claims that cannot be proven true or false. E.g. “Better Ingredients. Better Pizza”
  + **Better** and **Complete** information is required
  + **Impact on our value system**
    - Advertising promotes a materialistic way of life
    - Promotes happiness, social acceptance, status and sex appeal
* Remedies for Unfair or Deceptive Advertising
  + Federal Trade Commission (FTC)
    - If an ad is found to be unfair or deceptive
      * Negotiate with the advertiser for a **consent decree**
        + Agreeing to stop the objectionable ad BUT does not admit any wrongdoing
      * Issue a **cease-and-desist** order
        + Prohibits further use of the ad
        + Violation leads to a fine of $11,000 per showing of the ad
      * Corrective Advertising
        + Run corrective ads that explain and correct the previous claims
  + FDA Example [YAZ Birth Control Pills]:
    - Promoted the drug as not only for birth control, but also to help cure acne and premenstrual syndrome
      * Campaign cost: $20 million dollars
      * Screening of ads for the next six years
    - Original ad v=JbW3l3K5aDM
    - Corrected advertisement v=EO-G6O0IHq0