

21 Evaluating the Social, Ethical, and Economic Aspects of Advertising and Promotion



Source: Tamara Mellon

Learning Objectives

- LO 21-1** | Discuss various ethical perspectives on advertising and promotion.
- LO 21-2** | Discuss various social perspectives on advertising and promotion.
- LO 21-3** | Evaluate the social criticisms of advertising.
- LO 21-4** | Discuss the effect of advertising on consumer choice, competition, and prices.

Was the Beginning of #MeToo the End of Sexy Advertising?

There was a time not that long ago when sexy ads were in vogue. Watch commercials featuring Kate Upton and Paris Hilton for Carl's Jr. and almost any commercial from AXE or GoDaddy from a decade or more ago, and you will see what we mean. But now, Carl's says it would "stop using boobs to sell burgers," beer commercials are targeting friendship and community more than sex, and AXE has rebranded—less sex in ads. What happened? Can it be attributed to a sense of enlightenment? Are these companies' target markets losing interest in sex? Or is it something else?

Many, like journalist Sheena Butler-Young, believe that much of the decline that we see in the use of sexy ads can be attributed to the Me Too movement—a movement against sexual assault and sexual harassment that gained traction internationally around 2017. She cites the example of a recent Jimmy Choo's commercial that featured supermodel Cara Delevigne in a "barely there" minidress strutting down a street on a busy night in Manhattan to numerous catcalls and male gazes following her movements along the way. The commercial drew a great deal of scrutiny, and social media called out the spot as being "regressive" and "tone deaf" (and more!). After numerous complaints, the brand pulled the ad. While the company refused to comment on the incident, Butler-Young attributed the pulling of the ad to changing times in the wake of #MeToo.

Dafna Lemish, a professor of journalism and media studies at Rutgers University, notes that the overuse of sexy ads can be attributed to the feminist era of the 1960s, when positive movements in regard to sexual liberation, embracing the female form, and freedom of choice were won. Unfortunately, marketers commoditized the movement, and the trend in ads became the overuse of sexuality. The problem becomes amplified in advertising because "brands have mere seconds to make an impact, so they often rely on a shock factor," says Lemish. Unfortunately, the ads often distort men's perceptions of how to behave, thinking that women are available for sex at any time, she says.

Tamara Mellon, the cofounder of Jimmy Choo, makes the point that ads can be sexy without being sexist. Women can be sexy and empowered. She notes that in her current job (not at Jimmy Choo), the brand is extremely conscientious about how women are portrayed. She says they are never put in poses to make them look submissive, they are in strong athletic poses, and they are never under the age of 18. The very successful company Kate Spade became so with ads that featured women in high-fashion, yet modern garments.

An article in *Ad Age* by Jeanine Poggi also suggests the #MeToo movement may be affecting ads, but from a slightly different perspective. Poggi agrees that GoDaddy and Carl's Jr. have cut back on their objectification of women in recent years, but she still sees a gap between the roles of women and men who are depicted in ads. Citing

research conducted by Professor Raymond Taylor that analyzed Super Bowl ads over the past decade, Poggi notes that 76 percent of the ads featured men as the principle character, and twice as many male celebrities appeared than did females—only a slight improvement over the Super Bowl five years earlier. While 14 of the ads analyzed included no women, only one included no men. While one might attribute these results to the assumption that the Super Bowl is watched primarily by men and the ads are designed to appeal to men, the fact is that women constitute 49 percent of the audience, and prior research from years past indicate women are more likely than men to watch Super Bowl ads.

Professor Taylor explains that there is an opportunity to make “sensible, pro-women” statements that show empowerment that does not come “at the expense of men.” He suggests that the #MeToo movement often “involves bad actions from men toward women, but how do you frame it positively toward women without coming across badly toward men?” He suggests that men must become part of the solution.

Others are less likely to attribute the decline in use of sexy ads all to the #MeToo movement, however. A study conducted by John Wirtz at the University of Illinois examined 78 studies conducted from 1969 to 2017 analyzing thousands of participants’ reactions to sexy ads. Men were shown to like the ads more than women did, and sexy ads were remembered for a longer period of time. However, there was no impact on sales. So the old adage that “sex sells” is not necessarily true, according to Wirtz.

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Maybe it is not all about #MeToo. Maybe it’s the fact that sex doesn’t sell. Or maybe, it’s fear of reprisal in the form of bad publicity on social media. At this point, none of these factors can be held strictly responsible. Maybe they are all responsible. Nevertheless, #MeToo is a significant force to deal with and surely is contributing.

Sources: Jeanine Poggi, “Where Are the Women? Super Bowl Ads Face Scrutiny amid #MeToo Movement,” *Ad Age*, January 12, 2018, www.adage.com; Sheena Butler-Young, “The End of an Era: How the #MeToo Movement Is Raining on Advertising’s ‘Sex Sells’ Parade,” February 12, 2018, *Footwear News*, www.footwearnews.com; Sarah Rense, “The Sexiest Ads of All Time Are Bullsh*t,” *Esquire*, June 27, 2017, www.esquire.com.

If I were to name the deadliest subversive force within capitalism, the single greatest source of its waning morality—I would without hesitation name advertising. How else should one identify a force that debases language, drains thought, and undoes dignity?¹

The increase in the number of campaigns that support empowerment of women can have both positive and negative results. As shown in the opening

vignette to this chapter, while society issues may change some things for the public good, there are still others who will be skeptical about the motivations behind the ads, as well as those who just don't like the fact that they are being shown. The same holds true of ads that may feature interracial and/or LGBTQ (lesbian, gay, bisexual, transgender, and queer) relationships. When advertisers choose to use these forms of advertising they must be aware of the impact they may have on viewers and society as a whole—as well as on themselves.

The primary focus of this text has been on the role of advertising and promotion as marketing activities used to convey information to, and influence the behavior of, consumers. We have been concerned with examining the advertising and promotion function in the context of a business and marketing environment and from a perspective that assumes these activities are appropriate. However, as you can see in the lead-in, not everyone shares the viewpoints and/or perspectives. Advertising and promotion are the most visible of all business activities and are prone to scrutiny by those who are concerned about the methods that marketers use to sell their products and services.

Proponents of advertising argue that it is the lifeblood of business—it provides consumers with information about products and services and encourages them to improve their standard of living. They say advertising produces jobs and helps new firms enter the marketplace. Companies employ people who make the products and provide the services that advertising sells. Free-market economic systems are based on competition, which revolves around information, and nothing delivers information better and at less cost than advertising.

Not everyone, however, is sold on the value of advertising. Critics argue that most advertising is more propaganda than information; it creates needs and faults consumers never knew they had. Ads suggest that children need cell phones, that our bodies should be leaner, our faces younger, and our houses cleaner. They point to the sultry, scantily clad bodies used in ads to sell everything from perfume to beer to power tools and argue that advertising promotes materialism, insecurity, and greed.

One of the reasons advertising and other forms of integrated marketing communications are becoming increasingly criticized is that they are so

prevalent. Not only are there more ads than ever, but there are more places where these ads appear. Advertising professor David Helm notes: “Between the stickered bananas and the ads over the urinals and the ones on the floor of the supermarkets, we’re exposed to 3,000 commercial messages a day. That’s one every 15 seconds, assuming we sleep for 8 hours, and I’d guess right now there’s someone figuring out how to get us while our eyes are closed.”²

As marketers intensify their efforts to get the attention of consumers, resentment against their integrated marketing communications efforts is likely to increase. Concern is growing that there may be a consumer backlash as integrated marketing efforts move to new heights and marketers page 713 become increasingly aggressive. The growing practice of placing ads and logos everywhere seems a desperate last attempt to make branding work according to the old rules. As telemarketing, advertising in the digital and social media, in movie theaters, in classrooms, and seemingly everywhere else continues at a frenzied pace, the value of the messages decreases. The system seems headed for a large implosion. Groups such as Commercial Alert are concerned about intrusion of advertising and other types of marketing messages into all aspects of consumers’ lives. In addition to their concerns about the pervasiveness of commercially related messages, the organization is also concerned with other ad-related issues, as can be seen in Exhibit 21–1. Consumer advocacy groups also argue that many companies are obliterating the line between marketing communications and entertainment by creating and delivering ads and other messages that appear to be part of popular culture but have a persuasive intent.³ (You may recall our earlier discussion on native ads.)

XHIBIT 21–1

Commercial Alert, a project of Public Citizen, is concerned with the excessive amount of marketing messages consumers receive.

Source: Public Citizen



Advertising is a very powerful force, and this text would not be complete without a look at the criticisms regarding its social and economic effects as well as some defenses against these charges. We consider the various criticisms of advertising and promotion from an ethical and social perspective and then appraise the economic effects of advertising.

ADVERTISING AND PROMOTION ETHICS

LO 21-1

In the previous chapter, we examined the regulatory environment in which advertising and promotion operate. While many laws and regulations determine what advertisers can and cannot do, not every issue is covered by a rule. Marketers must often make decisions regarding appropriate and responsible actions on the basis of ethical considerations rather than on what is legal or within industry guidelines. **Ethics** are moral principles and values that govern the actions and decisions of an individual or group.⁴

A particular action may be within the law and still not be ethical. A good example of this involves target marketing. No laws restrict tobacco companies from targeting advertising and promotion for new brands to African Americans. However, given the high levels of lung cancer and smoking-related illnesses among the black population, many people would

consider this an unethical business practice. The same holds true for ads targeting children.

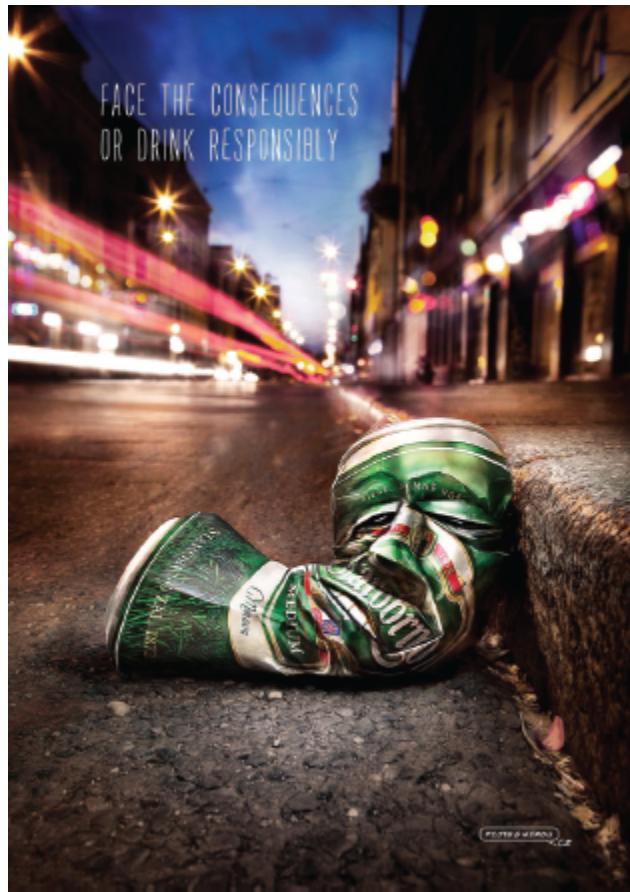
Throughout this text we have presented a number of ethical perspectives to show how various aspects of advertising and promotion often involve ethical considerations. Ethical issues must be considered in integrated marketing communications decisions. And advertising and promotion are areas where a lapse in ethical standards or judgment can result in actions that are highly visible and often very damaging to a company.

The role of advertising in society is controversial and has sometimes resulted in attempts to restrict or ban advertising and other forms of promotion to certain groups or for certain products. College students are one such group. The level of alcohol consumption and binge drinking by college students has become a serious problem. Alcohol-related problems have proliferated on college campuses in recent years and have resulted in many negative consequences including sexual abuse, assault, and even death, leading some companies to run ads like that shown in Exhibit 21–2.⁵ Several studies have shown that there has been a significant increase in page 714 binge drinking among college students and have advocated a ban on alcohol-related advertising and promotion to this segment (Exhibit 21–3).⁶ Many colleges and universities have imposed restrictions on the marketing of alcoholic beverages to their students. These restrictions include banning sponsorships or support of athletic, musical, cultural, or social events by alcoholic-beverage companies and limiting college newspaper advertising to price and product information ads.

XHIBIT 21–2

Many companies and organizations now run ads encouraging customers to drink responsibly.

Source: Heineken N.V.



XHIBIT 21–3

This image demonstrates just how big of a problem drinking can be.

Source: National Institute on Alcohol Abuse and Alcoholism

HIGH-RISK DRINKING AMONG COLLEGE STUDENTS



¹ Methodology for arriving at estimates described in Hingson, R.; Zha, W.; and Smyth, D. Magnitude and trends in heavy episodic drinking, alcohol-impaired driving, and alcohol-related mortality and overdose hospitalizations among emerging adults of college ages 18–24 in the United States, 1998–2014. *Journal on Studies on Alcohol and Drugs* 78(4):560–568, 2017. PMID: 28728436

² Methodology for arriving at estimates described in Hingson, R.; Heeren, T.; Winter, M.; and Wechsler, H. Magnitude of alcohol-related mortality and morbidity among U.S. college students ages 18–24: Changes from 1998 to 2001. *Annual Review of Public Health* 26:259–279, 2005. PMID: 15760289

³ SAMHSA, Center for Behavioral Health Statistics and Quality. Results from the 2016 National Survey on Drug Use and Health, Table 6.79B—Binge Alcohol Use in Past Month Among Persons Aged 18 to 22, by College Enrollment Status and Demographic Characteristics: Percentages, 2015 and 2016. <https://www.samhsa.gov/data/sites/default/files/NSDUH-DetTabs-2016/NSDUH-DetTabs-2016.htm#tab6-79B>. Accessed March 21, 2018.

A great deal of attention is being focused on the issue of whether alcoholic-beverage companies target not only college students but underage drinkers as well. The actions of beer, wine, and liquor marketers are being closely scrutinized in the wake of the distilled-spirits industry's decisions to reverse its long-standing ban on television and radio advertising. Alcohol advertising is regulated by the Tobacco Tax and Trade Bureau (TTB). In regard to the regulations of these ads, the TTB has made this statement: "The First Amendment allows for a lot of freedom of speech in general and therefore limits how much the federal government can regulate advertising, even in regard to alcohol. In general, advertisements of alcoholic products must be truthful and without deception. They must provide enough information about the identity of the product for the consumer's benefit and for them to be able to make an educated decision about what the product is or what it contains."⁷ The U.S. surgeon general has issued a report stating that alcohol is the most widely used substance of abuse among America's youth and urged marketers of alcoholic beverages to cut back on outdoor

advertising and end any remaining college newspaper advertising as well as event sponsorships.⁸ The report also called on the media, alcohol marketers, and colleges and universities to work to address the problem by not glamorizing underage alcohol use in movies and TV shows and minimizing youth exposure to alcohol advertising through the media as well as on the Internet.

Companies marketing alcoholic beverages such as beer and liquor recognize the need to reduce alcohol abuse and drunken driving, particularly among young people, as do government agencies. Many of these companies have developed programs and ads designed to address this problem. The same is true in Canada, where the Alberta Gaming and Liquor Commission (Alberta, Canada) has been running an advertising campaign that uses ads such as the one shown in Exhibit 21–2 to encourage drinkers to consume responsibly. The campaign also includes an age-verification splash page, a Facebook page, and images on Pinterest, Instagram, and Twitter. The Beer Institute and Distilled Spirits Council of the United States marketing codes also ban college newspaper ads, prohibit rite-of-passage ad appeals, and limit some outdoor ads. Both groups also require that ads be placed in media where 70 percent of the audience is 21 or older. Liquor ads have become much more frequently shown on cable TV in the United States.

Criticism often focuses on the actions of specific advertisers. Groups like the National Organization for Women and Women Against Pornography have been critical of advertisers for promoting sexual permissiveness and objectifying women in their ads. These groups have now been joined by the general public. You may recall from Chapter 17 the incident where Bud Light’s “Up for Whatever” campaign was criticized for the tagline “The perfect beer for removing ‘no’ from your vocabulary for the night,” which some people took as an endorsement of date rape. The company soon apologized and stopped printing the slogan on its labels. Nevertheless, the negative publicity that resulted was certainly not in Bud’s best interest⁹ (Exhibit 21–4). On the positive side, some beer companies are now thinking more about how their ads will be perceived by women. Coors Light’s “Climb On” campaign depicts men *and women* participating in _____ page 715 rugged sports like mountain climbing, white water rafting, and so on while Heineken introduced a campaign that suggests that women are

more attracted to men who drink less. The campaign features women singing the Bonnie Tyler song “I Need a Hero” as they walk away from ostensibly inebriated men (Exhibit 21–5). NOW posts ads it considers offensive to women such as this on the Love Your Body: Offensive Ads section of its website. (Exhibit 21–6).

XHIBIT 21–4

After receiving criticism, Anheuser-Busch issued an apology for the tagline on this label. To read the full statement, visit <http://newsroom.anheuser-busch.com/statement-on-bud-light-bottle/>.

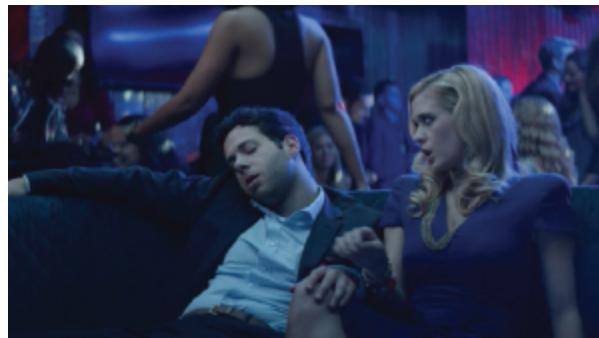
Source: Bud Light, Anheuser Busch



XHIBIT 21–5

This Heineken TV spot uses targeted marketing to say that women are more attracted to men who drink less.

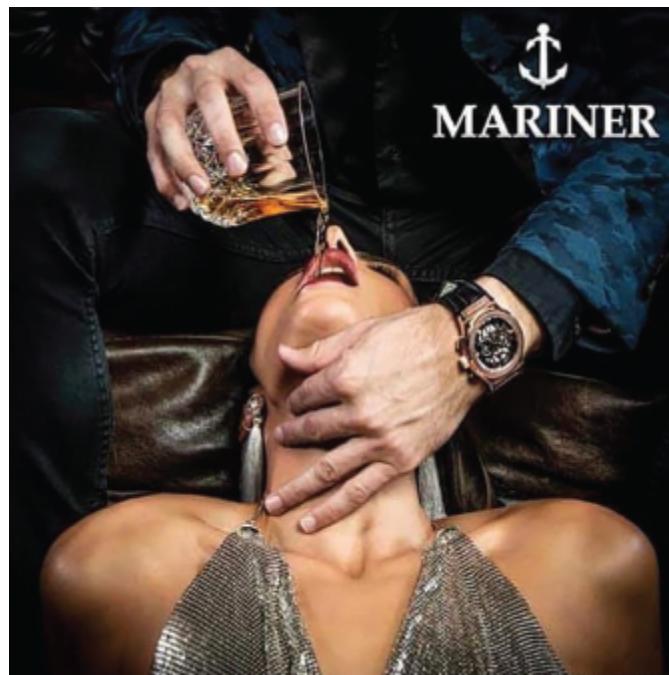
Source: Heineken N.V.



XHIBIT 21–6

In the Love Your Body: Offensive Ads section of their website, NOW posts ads such as this one that it considers offensive to women.

Source: *Mariner Watches*



As you read this chapter, remember that the various perspectives presented reflect judgments of people with different backgrounds, values, and interests. You may see nothing wrong with the ads for cigarettes or beer or sexually suggestive ads. Others, however, may oppose these actions on moral and ethical grounds. While we attempt to present the arguments on both sides of these controversial issues, you will have to draw your own conclusions as to who is right or wrong.

SOCIAL AND ETHICAL CRITICISMS OF ADVERTISING

Much of the controversy over advertising stems from the ways many companies use it as a selling tool and from its impact on society's tastes, values, and lifestyles. Specific techniques used by advertisers are criticized as deceptive or untruthful, offensive or in bad taste, and exploitative of certain groups, such as women or children. We discuss each of these criticisms, along with advertisers' responses. We then turn our attention to criticisms concerning the influence of advertising on values and lifestyles, as well as charges that it perpetuates stereotyping and that advertisers exert control over the media.

Advertising as Untruthful or Deceptive

One of the major complaints against advertising is that many ads are misleading or untruthful and deceive consumers. A number of studies have shown a general mistrust of advertising among consumers. These studies have shown that consumers don't find most commercials to be honest and do not trust them. Figure 21–1 shows that while there has been a slight increase in the level of trust in the media in the United States, the trust in media internationally remains the lowest of any institution trusted worldwide. The survey of 33,000 consumers showed that the level of trust of traditional and search media hit an all time high at 65 percent for both.¹⁰

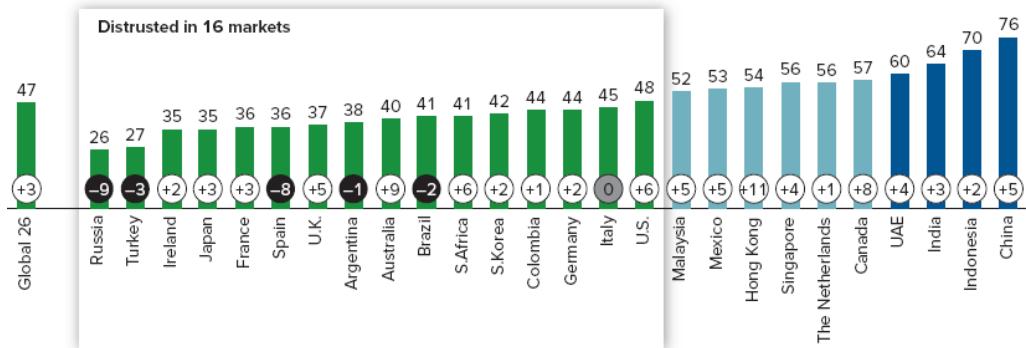
FIGURE 21–1

Global Trust in Advertising

Source: https://www.edelman.com/sites/g/files/aatuss191/files/2019-02/2019_Edelman_Trust_Barometer_Global_Report.pdf

**TRUST IN MEDIA RISES,
REMAINS LEAST-TRUSTED INSTITUTION**
Percent trust in media

Distrust Neutral Trust
- 0 + Y-to-Y Change



Attempts by industry and government to regulate and control deceptive advertising were discussed in Chapter 20. We noted that advertisers should have a reasonable basis for making a claim about product performance and may be required to provide evidence to support their claims. However, deception can occur more subtly as a result of how consumers perceive the ad and its impact on their beliefs.¹¹ The difficulty of determining just what constitutes deception, along with the fact that advertisers have the right to use puffery and make subjective claims about their products, tends to complicate the issue. But a concern of many critics is the extent to which advertisers are *deliberately* untruthful or misleading.

Sometimes advertisers have made false or misleading claims or failed to award prizes promoted in a contest or sweepstakes. However, these cases usually involved smaller companies and only a tiny portion of the hundreds of billions of dollars spent on advertising and promotion each year. Most advertisers do not design their messages with the intention to mislead or deceive consumers or run sweepstakes with no intention of awarding prizes. Not only are such practices unethical, but the culprits would damage their reputation and risk prosecution by regulatory groups or page 716 government agencies. National advertisers invest large sums of money to develop loyalty to, and enhance the image of, their brands. These companies are not likely to risk hard-won consumer trust and confidence by intentionally deceiving consumers.

The problem of untruthful or fraudulent advertising and promotion exists more at the local level and in specific areas such as Internet fraud, telemarketing, and other forms of direct marketing. Yet there have been many

cases where large companies were accused of misleading consumers with their ads or promotions. For example, automobile companies Kia and Hyundai were the targets of U.S. government and class action suits when the Environmental Protection Agency found both manufacturers guilty of posting inflated fuel-economy estimates on their vehicles.¹² Hyundai and Kia agreed to pay a \$100 million fine, give up \$200 million in emission credits, spend \$50 million setting up independent tests to certify mileage claims to settle with the U.S. government, and settle the class actions. In another case, Ford was required to lower mileage ratings for a second time in a year on its hybrids and compensated more than 200,000 owners of models such as the C-Max and Fusion hybrid.¹³ Mitsubishi admitted that it had manipulated fuel-economy tests and Volkswagen was caught manipulating emissions tests. Some companies test the limits of industry and government rules and regulations to make claims in an attempt to give their brands an advantage in highly competitive markets. This seems to be the case in the auto industry.

Many critics of advertising would probably agree that most advertisers are not out to deceive consumers deliberately, but they are still concerned that consumers may not be receiving enough information to make an informed choice. They say advertisers usually present only information that is favorable to their position and do not always tell consumers the whole truth about a product or service.

Some critics believe advertising should be primarily informative in nature and should not be permitted to use puffery or embellished messages. Others argue that advertisers have the right to present the most favorable case for their products and services and should not be restricted to just objective, verifiable information. They note that consumers can protect themselves from being persuaded against their will and that the various industry and government regulations suffice to keep advertisers from misleading consumers. Figure 21–2 shows the advertising ethics and principles of the American Advertising Federation, which many advertisers use as a guideline in preparing and evaluating their ads.

FIGURE 21–2

The American Advertising Federation Principles and Practices for Advertising Ethics

| | |
|--------------------|--|
| Principle 1 | Advertising, public relations, marketing communications, news, and editorial all share a common objective of truth and high ethical standards in serving the public. |
| Principle 2 | Advertising, public relations, and all marketing communications professionals have an obligation to exercise the highest personal ethics in the creation and dissemination of commercial information to consumers. |
| Principle 3 | Advertisers should clearly distinguish advertising, public relations and corporate communications from news and editorial content and entertainment, both online and offline. |
| Principle 4 | Advertisers should clearly disclose all material conditions, such as payment or receipt of a free product, affecting endorsements in social and traditional channels, as well as the identity of endorsers, all in the interest of full disclosure and transparency. |
| Principle 5 | Advertisers should treat consumers fairly based on the nature of the audience to whom the ads are directed and the nature of the product or service advertised. |
| Principle 6 | Advertisers should never compromise consumers' personal privacy in marketing communications, and their choices as to whether to participate in providing their information should be transparent and easily made. |
| Principle 7 | Advertisers should follow federal, state and local advertising laws, and cooperate with industry self-regulatory programs for the resolution of advertising practices. |
| Principle 8 | Advertisers and their agencies, and online and offline media, should discuss privately potential ethical concerns, and members of the team creating ads should be given permission to express internally their ethical concerns. |

Advertising as Offensive or in Bad Taste

Another common criticism of advertising is that ads are offensive, tasteless, irritating, boring, obnoxious, and so on. A number of studies have found that consumers feel most advertising insults their intelligence and that many ads are in poor taste.

Sources of Distaste Consumers can be offended or irritated by advertising in a number of ways. Some object when certain products or services such as contraceptives or personal hygiene products are advertised at all. Most media did not accept ads for condoms until the AIDS crisis forced them to reconsider their restrictions. The major TV networks gave their affiliates permission to accept condom advertising in 1987, but the first condom ad did not appear on network TV until 1991.

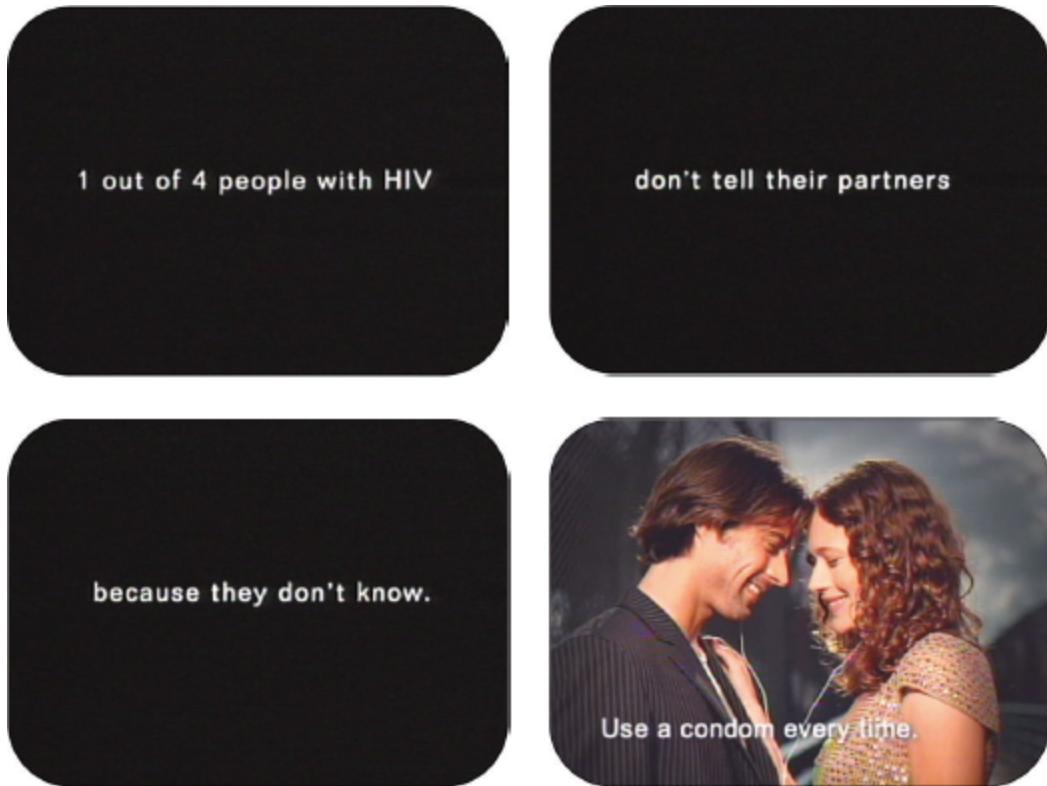
In 1994, the U.S. Department of Health's Centers for Disease Control and Prevention (CDC) began a new HIV prevention campaign that included radio and TV commercials urging sexually active people to use latex condoms. The commercials prompted strong protests from conservative and religious groups, which argued that the government should stress abstinence in preventing the spread of AIDS among young people. NBC and ABC agreed to broadcast all the commercials, while CBS said it would air certain spots.

Advertising for condoms has now been appearing on TV for over 20 years, but only in late-night time slots or on cable networks. However, in 2005 the broadcast networks agreed to accept commercials for condoms during prime time by agreeing to run health-oriented ads for the Trojan brand.¹⁴ The tone of the Trojan advertising was informational and provided facts and figures designed to raise viewers' consciousness and awareness about the potential consequences of unprotected sex among those who are sexually active (Exhibit 21–7). While condom ads remain scarce in traditional media, many appear frequently on YouTube (Exhibit 21–8).

XHIBIT 21–7

Many of the broadcast networks now accept ads for condoms during prime time that promote health-related uses.

Source: Church & Dwight Co., Inc.



XHIBIT 21–8

Condom ads are still scarce in traditional media, but many appear on YouTube.

source: Masti Condoms



There has been found to be a strong product class effect with respect to the types of ads consumers perceived as distasteful or irritating. The most irritating commercials tend to be for feminine hygiene products; ads for

women's undergarments and hemorrhoid products were close behind. Ads for personal products have become more common on television and in print, and the public is more accepting of them. However, advertisers must still be careful of how these products are presented and the language and terminology used. There are still many rules, regulations, and taboos advertisers must deal with to have their TV commercials approved by the networks.

Another way advertising can offend consumers is by the type of appeal or the manner of presentation. For example, many people object to appeals that exploit consumer anxieties. Fear appeal ads, especially for products such as deodorants, mouthwash, and dandruff shampoos, are often criticized for attempting to create anxiety and using a fear of social rejection to sell these products. Some ads for home computers were also criticized for attempting to make parents think that if their young children couldn't use a computer, they would fail in school.

Sexual Appeals The advertising appeals that have received the most criticism for being in poor taste are those using sexual appeals such as suggestiveness and/or nudity. In a longitudinal study of TV viewers in Australia, Michael Ewing found that the issue resulting in the most complaints to the country's advertising Standards Bureau involved sex, sexuality, and/or nudity—almost three times more than any other issue.¹⁵ Similar attitudes have been demonstrated in other countries as well. These techniques are often used to gain consumers' attention and may not even be appropriate to the product being advertised. Even if the sexual appeal relates to the product, people may be offended by it.

As you have seen in the lead-in to this chapter a common criticism of sexual appeals is that they can demean women (or men) by depicting them as sex objects. Ads for cosmetics and lingerie are among the most criticized for their portrayal of women as sex objects and for being implicitly suggestive, though many other products also make use of this appeal, including a number of clothing companies and shoe and liquor brands. One of the reasons for using sexy ads is the attention they get as well as the free exposure that often results from the ads through publicity and/or word of mouth. For example, sexy ad campaigns using actor Megan Fox, singer Beyoncé, and soccer

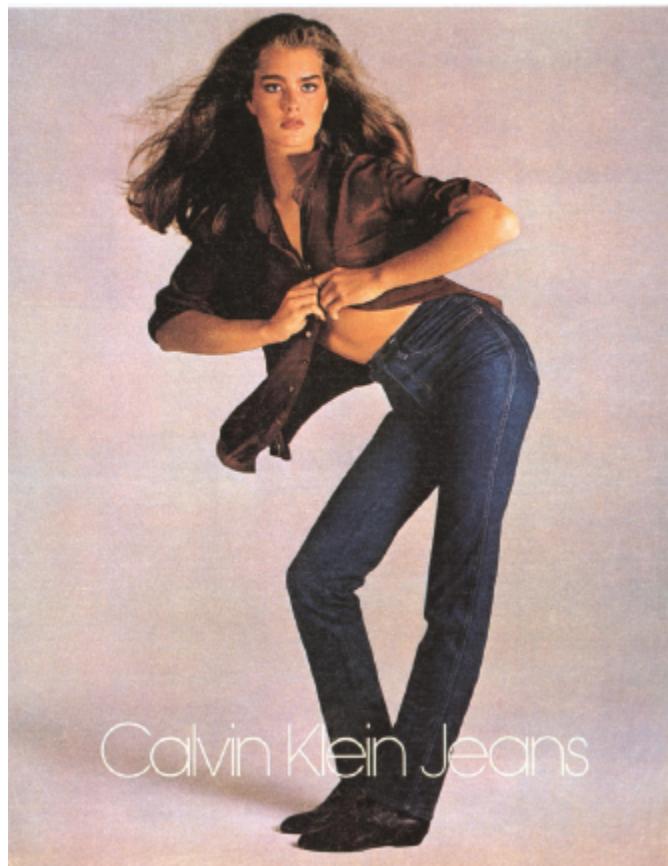
player David Beckham have each gathered over 12 million views in ads that have appeared for Armani, H&M, and H&M, respectively.¹⁶

A company that has used sexy ads in a direct attempt to garner publicity (and has done so quite successfully!) is Calvin Klein. Since the first controversial Brooke Shields ad in 1981, the company has released very sexy ads that push the limits of compliance and have been debated in a variety of media, from both pro and against perspectives—all the while gaining even more exposure for the ads (Exhibit 21–9).

XHIBIT 21–9

Calvin Klein started pushing the limits with this ad in 1981.

The Advertising Archives/Alamy



No doubt viewers will continue to hold different perspectives of the use of sex in advertising. Advertisers, however, are not likely to discontinue the practice. As noted by one company spokesperson responding to the criticisms, “Style is a matter of interpretation and like with all art we appreciate all points of view.”¹⁷

Attitudes toward the use of sex in advertising is a polarizing issue because opinions regarding its use vary depending on the individual’s values and religious orientation, as well as by age, education, and gender. One study found major differences between men and women in their attitudes toward sex in advertising.¹⁸ While almost half of men said they liked sexual ads, only 8 percent of women felt the same way. Women were also much more likely than men to say that sexual ads promote a deterioration of moral and social values and that they are demeaning of the models used in them.

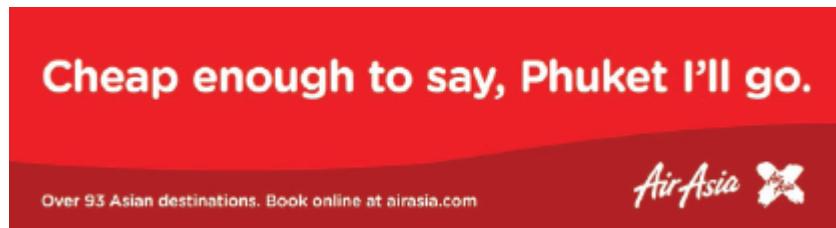
Shock Advertising With the increasing clutter in the advertising environment, advertisers continue to use sexual appeals and other techniques that offend some people but catch the attention of consumers and may even generate publicity for their companies. In recent years, there has been an increase in what is often referred to as **shock advertising**, in which marketers use nudity, sexual suggestiveness, or other startling images to get consumers’ attention. As discussed earlier in the chapter, shock advertising is nothing new; companies such as American Apparel and Calvin Klein have been using this tactic in their ads for quite a while. However, a number of other marketers have been criticized for using shock techniques in their ads as well as in other promotional materials. Mexican beer brand Tecate recently shocked people passing by its billboards in Los Angeles and San Francisco when the advertisement displayed a tree with the word *baño* (Spanish for “bathroom”) overlaying the image. The tongue-in-cheek message was meant to imply that it is easier for guys to go to the bathroom. While Tecate said the ad was not intended for the U.S. market, and took it down, one still wonders what it was meant to accomplish. The billboard for Air Asia shown in Exhibit 21–10 no doubt was designed to gain attention to the fact that the airline offered cheap airfares to Phuket, Thailand, albeit in a shocking manner. Clothing retailer Abercrombie & Fitch has been criticized numerous times for the content and images used in its quarterly catalogs,

which have included sex tips from porn star Jenna Jameson, a spoof interview with a shopping mall Santa portrayed as a pedophile, and nude photos. A few years ago the retailer promoted its Christmas catalog with an advertisement across the plastic covering stating, “Two-hundred and eighty pages of sex and Xmas fun” (Exhibit 21–11) Officials in four states threatened or pursued legal action against the company, which responded by implementing a policy of carding would-be buyers of the catalog to ensure they are at least 18 years old.¹⁹

XHIBIT 21–10

Tecate’s billboard gained attention and criticism.

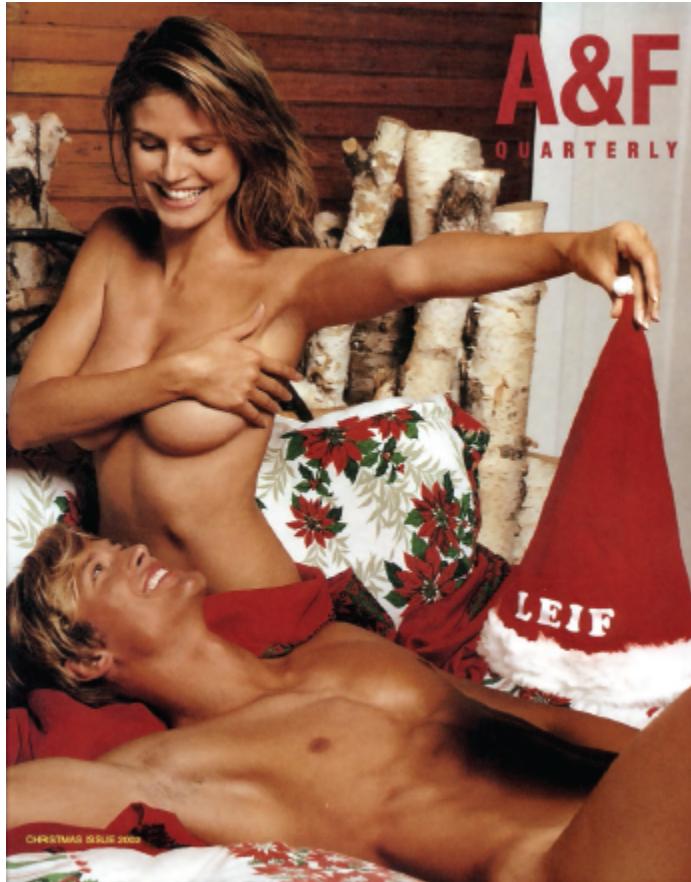
ource: *Air Asia*



XHIBIT 21–11

Abercrombie & Fitch’s catalogs were criticized over the use of sex and nudity.

ource: *Splash News/Newscom*



Many advertising experts argue that what underlies the increase in the use of shock advertising is the pressure on marketers and their agencies to do whatever it takes to get their ads noticed—we have seen this in earlier chapters. However, critics argue that the more advertisers use the tactic, the more shocking the ads have to be to get attention. How far advertisers can go with these appeals will probably depend on the public's reaction. When consumers think the advertisers have gone too far, they are likely to pressure the advertisers to change their ads and the media to stop accepting them.

Interestingly, one of the most well-known employers of shock advertising is fashion brand Benetton. As far back as 1965, Benetton's marketing strategy was to challenge social norms using very shocking ads to champion social issues. From ads featuring the Pope kissing Ahmed el-Tayeb, the imam of Egypt's al-Azhar Mosque, to a picture of an HIV-positive patient as he lay dying in a hospital bed, the controversy led to increased brand awareness for the brand, discussions, the opening of more stores, and increased sales. However, over time awareness remained high, but the _____ page 720

controversy and accompanying discussions did not—nor did sales. By 2016 the company changed its creative from “shockvertising” to “never shocking”²⁰

Not all shock ads are designed to gain one’s attention to commercial products. Exhibit 21–12 is an excellent example of how cause marketers are now employing this tactic.

XHIBIT 21–12

Not all shock ads are for commercial products. Here, Greenpeace asks people to rethink their use of plastic straws.

Source: Greenpeace



Advertising and Children

Another controversial topic advertisers must deal with is the issue of advertising to children. TV and the Internet are two vehicles through which

advertisers can reach children easily. Estimates are that children between the ages of 7 and 16 in the United States spend approximately 3 hours a day online on the average, with those 15 to 16 spending 4.8.²¹ These numbers continue to increase. A study conducted by the *Campaign for a Commercial-Free Childhood* estimated that children ages 2 to 11 see more than 25,000 commercials a year on TV alone, not to mention the ones they may see on the Internet, cell phones, video games, and so on.²² Companies spend approximately \$17 billion a year advertising to children, with most of this advertising falling into four categories: toys, food, clothing, and accessories.²³ Children are targeted because the ads influence their purchases as well as influencing other family members' purchases. In addition, if the child continues to use the product into adulthood, his or her lifetime value as a customer increases significantly. Perhaps this is why Camel cigarettes has often come under fire for marketing to youth. Interestingly, but not surprisingly, the most popular brand of cigarettes among teens just happens to be Camel.²⁴

More recently, there has been strong public criticism of companies marketing vapes to children and teens (Exhibit 21–13). The e-cigarettes come in a variety of flavors, and the companies who market them are being purchased by the large cigarette companies. A review of the Silicon Valley startup Juul —purchased by Altria, one of the world's largest tobacco companies—by researchers from Stanford Research Into the Impact of Tobacco Advertising—reviewed thousands of Juul's Instagram page 721 posts, e-mails, and ads from 2015 to 2018 and came to the conclusion that they “were patently youth-oriented” and appeared to borrow directly from the tobacco industry playbook. The company's campaign also featured ads on Facebook and Twitter, as well as sampling events in major U.S. cities with social influencers distributing free Juuls at movie and music events. A later campaign employed social media as well as billboards. Katy Perry was shown with the Juul's device at the Golden Globes. None of the promotions featured adults.

XHIBIT 21–13

Juul switched its emphasis to appeal more to adults as the FDA took notice of Juul's ads that seemed to target young people.

source: JUUL Labs, Inc

Paid Advertisement

IT'S TIME TO RAISE THE LEGAL AGE TO PURCHASE TOBACCO PRODUCTS, INCLUDING VAPOR, FROM 18 TO 21.

**BECAUSE WHEN YOUTH NEVER START SMOKING
AND VAPING, THEY NEVER HAVE TO STOP.**

About 80% of high school students turn 18 before graduating.

And in most states, they can then legally purchase tobacco and vapor products. Some illegally share with or sell those products to underage classmates.

This "social sourcing" accounts for nearly 80% of youth access to vapor products.*

Raising the legal age of purchase to 21+ reduces this social sourcing and can drive steep drops in underage usage.

JUUL Labs applauds the states that have gone to 21+ and supports making it the standard nationwide.

**FOR ADULT
SMOKERS ONLY**

JUUL LABS

JUUL.com/T21

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Paid for by JUUL Labs, Inc.

*Sussman A et al., "Youth Access to Tobacco Products in the United States: Findings from Wave 1 (2013-2014) of the Population Assessment of Tobacco and Health (PATHTM) Study," 2016, <https://www.ncbi.nlm.nih.gov/pmc/articles/3340576/>.

Juul argued that the product and its ads were targeted to adults who were having trouble quitting smoking. When the FDA and media took notice of the rising concern, the company switched its emphasis to the slogan “Make the switch,” featuring testimonials from grown-ups.²⁵

Concern has also been expressed about marketers’ use of other promotional vehicles and techniques such as radio ads, point-of-purchase displays, premiums in packages, product placements, and commercial characters as the basis for TV shows. A number of advocacy groups have petitioned the FTC to investigate a YouTube app that offers kids the opportunity to watch hundreds of channels of entertainment and educational programs. But, according to the watchdog groups, there are numerous branded content programs from McDonald’s, Mattel, and Hasbro mixed in. In assisting the groups to draft the FTC complaint, University of Arizona professor Dale Kunkel said, “this is the most hyper-commercialized media for kids I have ever seen.” A spokesperson for YouTube claimed that the company consulted with numerous child advocacy and privacy groups in the development of the app, and were always open to feedback on ways to improve the app.²⁶

Critics argue that children, particularly young ones, are especially vulnerable to advertising because they lack the experience and knowledge to understand and critically evaluate the purpose of persuasive advertising appeals. Research has shown that preschool children cannot differentiate between commercials and programs, do not perceive the selling intent of commercials, and cannot distinguish between reality and fantasy.²⁷ The study also concluded that children must understand how advertising works in order to use their cognitive defenses against it effectively. Because of children’s limited ability to interpret the selling intent of a message or identify a commercial, critics charge that advertising to them is inherently unfair and deceptive and should be banned or severely restricted.

At the other extreme are those who argue that advertising is a part of life and children must learn to deal with it in the **consumer socialization process** of acquiring the skills needed to function in the marketplace. They say existing restrictions are adequate for controlling children’s advertising and that marketplace knowledge plays an important role in adolescents’ skepticism toward advertising. They contend that greater knowledge of the

marketplace appears to give teens a basis by which to evaluate ads and enables them to recognize the persuasion techniques used by advertisers.²⁸

Children are also protected from the potential influences of commercials by network censors and industry self-regulatory groups such as the Council of Better Business Bureaus's Children's Advertising Review Unit (CARU). CARU has strict self-regulatory guidelines regarding the type of appeals, product presentation and claims, and disclosures and disclaimers, and the use of premiums, safety, and techniques such as special effects and animation. Commercial Alert's Parents' Bill of Rights is shown in Figure 21–3.

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FIGURE 21–3

Commercial Alert's Parents' Bill of Rights

Source: Reprinted with permission from Commercial Alert, <http://www.commercialalert.org>.



Commercial Alert's

PARENTS' BILL OF RIGHTS

WHEREAS, the nurturing of character and strong values in children is one of the most important functions of any society;

WHEREAS, the primary responsibility for the upbringing of children resides in their parents;

WHEREAS, an aggressive commercial culture has invaded the relationship between parents and children, and has impeded the ability of parents to guide the upbringing of their own children;

WHEREAS, corporate marketers have sought increasingly to bypass parents, and speak directly to children in order to tempt them with the most sophisticated tools that advertising executives, market researchers and psychologists can devise;

WHEREAS, these marketers tend to glorify materialism, addiction, hedonism, violence and anti-social behavior, all of which are abhorrent to most parents;

WHEREAS, parents find themselves locked in constant battle with this pervasive influence, and are hard pressed to keep the commercial culture and its degraded values out of their children's lives;

THEREFORE, BE IT RESOLVED, that the U.S. Congress and the fifty state legislatures should right the balance between parents and corporations and restore to parents some measure of control over the commercial influences on their children, by enacting this Parents' Bill of Rights, including,

[Leave Children Alone Act.](#) This act bans television advertising aimed at children under 12 years of age. (federal)

[Child Privacy Act.](#) This act restores to parents the ability to safeguard the privacy of their own children. It gives parents the right to control any commercial use of personal information concerning their children, and the right to know precisely how such information is used. (federal, state)

[Advertising to Children Accountability Act.](#) This act helps parents affix individual responsibility for attempts to subject their children to commercial influence. It requires corporations to disclose who created each of their advertisements, and who did the market research for each ad directed at children under 12 years of age. (federal)

[Commercial-Free Schools Act.](#) Corporations have turned the public schools into advertising free-fire zones. This act prohibits corporations from using the schools and compulsory school laws to bypass parents and pitch their products to impressionable schoolchildren. (federal, state)

[Fairness Doctrine for Parents.](#) This act provides parents with the opportunity to talk back to the media and the advertisers. It makes the Fairness Doctrine apply to all advertising to children under 12 years of age, providing parents and community with response time on broadcast TV and radio for advertising to children. (federal)

Please make copies of the Parents' Bill of Rights, and give or mail them to your members of Congress, state legislators and candidates. Ask them to turn the provisions into law. Distribute this at day care centers, schools, churches, synagogues, coffee shops, grocery stores and other places where parents gather. Call 503.235.8012 to volunteer or to find out how you can help enact the Parents' Bill of Rights into law.

Commercial Alert • www.commercialalert.org • 4110 SE Hawthorne Blvd. #123, Portland, OR 97214-5246 • 503.235.8012

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As we saw in Chapter 20, the major networks also have strict guidelines for ads targeted to children. For example, in network TV ads, only 10

seconds can be devoted to animation and special effects; the final 5 seconds are reserved for displaying all the toys shown in the ad and disclosing whether they are sold separately and whether accessories such as batteries are included.²⁹

Concerns over advertising and other forms of promotion directed at children diminished somewhat during the late 1990s and the early part of the new century. However, the issue has once again begun receiving a considerable amount of attention as various groups are calling for restrictions on advertising targeted to children. The American Psychological Association (APA), the nation's largest organization of psychologists, issued a report criticizing the increasing commercialization of childhood and calling for new curbs on marketing aimed at children.³⁰ The APA report faulted marketers for taking advantage of an ever-fragmenting media landscape of cable channels and the Internet to target children. The report noted that marketing activities focused on America's youth have reached unprecedented levels and called for restrictions on advertising in TV programming that appeals primarily to children under the age of eight and a total ban on advertising in programs aimed at very young children in this group. The report also found that the Internet is a particularly effective, and thus potentially harmful, means of sending advertising messages to children as websites often blur or even ignore the boundaries between commercial and noncommercial content. Marketing and advertising trade groups have been critical of the report and continue to defend their right to advertise on the basis that parents of younger children, rather than the children themselves, make purchase decisions.³¹

In addition to concerns over the increasing amount of advertising targeted to children, there are a number of other issues that consumer groups and regulatory agencies have raised with respect to young people. These include an increase in the number of ads encouraging children to call 900 numbers, visit websites, and general concerns over the content of children's programming, particularly with regard to violence. The marketing of violent entertainment to minors and the advertising practices and rating systems of the film, music, and electronic game industries are also being monitored very carefully. The issue of what young consumers are watching, listening to, communicating, and playing and how much violence that entertainment

contains became an area of great concern following a flurry of shootings at schools.

As discussed in the previous chapter, there is also growing concern over how marketers are using the Internet and social media to communicate with and sell to children. Studies have claimed that advertisers avoid many of the regulations designed to protect children by advertising on the Internet and mobile instead of traditional media. Noting that the Internet is less regulated, there are increasing claims that advertising regulators are failing to protect children who are the targets of aggressive marketing through ads as well as in Internet video games. They argue that children and youth can be reached through games, ads, brand pages, and social networking sites, and as a result, marketers have increased their efforts to reach these groups and that these efforts may be even more fruitful than TV given the stronger attraction to online activities.

Advertising to children will remain a controversial topic. Some groups feel that the government is responsible for protecting children from the potentially harmful effects of advertising and other forms of promotion, while others argue that parents are ultimately responsible for doing so.

It is important to many companies to communicate directly with children. However, only by being sensitive to the naiveté of children as consumers will they be able to do so freely and avoid potential conflict with those who believe children should be protected from advertising and other forms of promotion.

Social and Cultural Consequences

LO 21-2

Concern is often expressed over the impact of advertising on society, particularly on values and lifestyles. While a number of factors influence the cultural values, lifestyles, and behavior of a society, the overwhelming amount of advertising and its prevalence in the mass media lead [page 724](#) many critics to argue that advertising plays a major role in

influencing and transmitting social values. In his book *Advertising and Social Change*, Ronald Berman says:

The institutions of family, religion, and education have grown noticeably weaker over each of the past three generations. The world itself seems to have grown more complex. In the absence of traditional authority, advertising has become a kind of social guide. It depicts us in all the myriad situations possible to a life of free choice. It provides ideas about style, morality, behavior.³²

Mike Hughes, president and creative director of the Martin Agency, notes that advertising has a major impact on society: “Ads help establish what is cool in society; their messages contribute to the public dialogue. Gap ads show white, black, and Hispanic kids dancing together. Hilfiger ads showed it’s cool for people to get along. IKEA showed a gay couple.” He argues that advertising agencies have a social and ethical responsibility to consider the impact of the advertising messages they create for their clients.³³ Gap, JCPenney, McDonald’s, Levis, and Amazon Kindle among many others have all produced ads that are lesbian, gay, bisexual, and transgender friendly, like the one shown in Exhibit 21–14.³⁴

XHIBIT 21–14

Many companies now produce ads that are LGBTQ friendly.

Source: Ad Council



Shaun & Aaron
were denied a wedding
announcement in their
local newspaper.

In 31 states in this country, it's legal to discriminate against LGBT Americans. That means you can be fired from your job, evicted from your home, or even denied medical services because of who you are or who you love.

Everyone has the right to marry. Not everyone has basic rights.

Get the facts at BeyondIDo.org



While there is general agreement that advertising is an important social influence agent, opinions as to the value of its contribution are often negative. Advertising is criticized for encouraging materialism, manipulating consumers to buy things they do not really need, perpetuating stereotypes, and controlling the media.

LO 21-3

Advertising Encourages Materialism Many critics claim advertising has an adverse effect on consumer values by encouraging **materialism**, a preoccupation with material things rather than intellectual or spiritual concerns. They argue that a major contributor to materialism is advertising that

- Seeks to create needs rather than merely showing how a product or service fulfills them.
- Surrounds consumers with images of the good life and suggests the acquisition of material possessions leads to contentment and happiness and adds to the joy of living.
- Suggests material possessions are symbols of status, success, and accomplishment and/or will lead to greater social acceptance, popularity, sex appeal, and so on.

Advertising for products such as expensive automobiles and luxury goods like clothing, jewelry, and alcoholic beverages is often criticized for promoting materialistic values (Exhibit 21–15).

XHIBIT 21–15

Critics argue that advertising contributes to materialistic values.

Source: Hyundai Motor America



This criticism of advertising assumes that materialism is undesirable and is sought at the expense of other goals. But many believe materialism is an

acceptable part of the **Protestant ethic**, which stresses hard work and individual effort and initiative and views the accumulation of material possessions as evidence of success. Others argue that the acquisition of material possessions has positive economic impact by page 725 encouraging consumers to keep consuming after their basic needs are met. Many Americans believe economic growth is essential and materialism is both a necessity and an inevitable part of this progress.

It has also been argued that an emphasis on material possessions does not rule out interest in intellectual, spiritual, or cultural values. Defenders of advertising say consumers can be more interested in higher-order goals when basic needs have been met and point out that consumers may purchase material things in the pursuit of nonmaterial goals. For example, a person may buy an expensive stereo system to enjoy music rather than simply to impress someone or acquire a material possession.

Even if we assume materialism is undesirable, there is still the question of whether advertising is responsible for creating and encouraging it. While many critics argue that advertising is a major contributing force to materialistic values, others say advertising merely reflects the values of society rather than shaping them. They argue that consumers' values are defined by the society in which they live and are the results of extensive, long-term socialization or acculturation.

The argument that advertising is responsible for creating a materialistic and hedonistic society is addressed by Stephen Fox in his book *The Mirror Makers: A History of American Advertising and Its Creators*. Fox concludes advertising has become a prime scapegoat for our times and merely reflects society. Regarding the effect of advertising on cultural values, he says:

To blame advertising now for those most basic tendencies in American history is to miss the point. It is too obvious, too easy, a matter of killing the messenger instead of dealing with the bad news. The people who have created modern advertising are not hidden persuaders pushing our buttons in the service of some malevolent purpose. They are just producing an especially visible manifestation, good and bad, of the American way of life.³⁵

The ad shown in Exhibit 21–16 was developed by the American Association of Advertising Agencies (4A's) and suggests that advertising is a reflection of society's tastes and values, not vice versa. The ad was part of a campaign that addressed criticisms of advertising.

XHIBIT 21–16

The advertising industry argues that advertising reflects society.

Source: American Association of Advertising Agencies



IS ADVERTISING
A REFLECTION OF SOCIETY?
OR IS SOCIETY A
REFLECTION OF ADVERTISING?

Some people say that advertising determines America's tastes.
Which is another way of saying that advertising determines your tastes.
Which is, in turn, another way of saying that you don't have a mind of your own.
Well, time and time again the advertising industry has found that you do have a mind of your own. If a product doesn't interest you, you simply don't buy it.
And if the product's advertising doesn't interest you, you don't buy that either.
Think of it as a sort of natural selection.

Good products and good advertising survive.
Bad products and bad advertising perish.
All according to the decisions you make in the marketplace.
So we've concluded that advertising is a mirror of society's tastes. Not vice versa.
Our conclusion is based on a great deal of thought. And many years of reflection.

ADVERTISING.
ANOTHER WORD FOR FREEDOM OF CHOICE.
American Association of Advertising Agencies

Individuals from a variety of backgrounds are concerned over the values they see driving our society. They believe that materialism, greed, and selfishness increasingly dominate American life and that advertising is a major reason for these undesirable values. The extent to which advertising is responsible for materialism and the desirability of such values are deep philosophical issues that will continue to be part of the debate over the societal value and consequences of advertising.

Advertising Makes People Buy Things They Don't Need A common criticism of advertising is that it manipulates consumers into buying things they do not need. Many critics say advertising should just provide information useful in making purchase decisions and should not attempt to persuade. They view information advertising (which reports price, performance, and other objective criteria) as desirable but persuasive advertising (which plays on consumers' emotions, anxieties, and psychological needs and desires such as status, self-esteem, and attractiveness) as unacceptable. Persuasive advertising is criticized for fostering discontent among consumers and encouraging them to purchase products and services to solve deeper problems.

Defenders of advertising offer a number of rebuttals to these criticisms. First, they point out that a substantial amount of advertising is essentially informational in nature. Also, it is difficult to separate desirable informational advertising from undesirable persuasive advertising. Shelby Hunt, in examining the *information-persuasion dichotomy*, points out that even advertising that most observers would categorize as very informative is often very persuasive. He says, "If advertising critics really believe that persuasive advertising should not be permitted, they are actually proposing that no advertising be allowed, since the purpose of all advertising is to persuade."³⁶

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Defenders of advertising also take issue with the argument that it should be limited to dealing with basic functional needs. In our society, most lower-level needs recognized in Maslow's hierarchy, such as the need for food, clothing, and shelter, are satisfied for most people. It is natural to move from basic needs to higher-order ones such as self-esteem and status or self-actualization. Consumers are free to choose the degree to which they attempt to satisfy their desires, and wise advertisers associate their products and services with the satisfaction of higher-order needs.

Proponents of advertising offer two other defenses against the charge that advertising makes people buy things they do not really need. First, this criticism attributes too much power to advertising and assumes consumers

have no ability to defend themselves against it. Second, it ignores the fact that consumers have the freedom to make their own choices when confronted with persuasive advertising. While they readily admit the persuasive intent of their business, advertisers are quick to note it is extremely difficult to make consumers purchase a product they do not want or for which they do not see a personal benefit. If advertising were as powerful as the critics claim, we would not see products with multimillion-dollar advertising budgets failing in the marketplace. The reality is that consumers do have a choice and they are not being forced to buy. Consumers ignore ads for products and services they do not really need or that fail to interest them (see Exhibit 21–17).

XHIBIT 21–17

The 4A's responds to the claim that advertising makes consumers buy things they do not need.

Source: American Association of Advertising Agencies



DESPITE WHAT SOME PEOPLE THINK, ADVERTISING CAN'T MAKE YOU BUY SOMETHING YOU DON'T NEED.

Some people would have you believe that you are putty in the hands of every advertiser in the country.

They think that when advertising is put under your nose, your mind turns to oatmeal.

It's mass hypnosis. Subliminal seduction. Brain washing. Mind control. It's advertising.

And you are a pushover for it.

It explains why your kitchen cupboard is full of food you never eat. Why your garage is full of cars you never drive.

Why your house is full of books you don't read, TV's you don't watch, beds you don't use, and clothes you don't wear.

You don't have a choice. You are forced to buy.

That's why this message is a cleverly disguised advertisement to get you to buy land in the tropics.

Got you again, didn't we? Send in your money.

ADVERTISING
ANOTHER WORD FOR FREEDOM OF CHOICE.
American Association of Advertising Agencies

Advertising and Stereotyping Advertising is often accused of creating and perpetuating stereotypes through its portrayal of women, ethnic minorities, and other groups.

Women As you have read, the portrayal of women in advertising is an issue that has received a great deal of attention through the years. In addition to the sexual portrayals discussed, advertising has received much criticism for stereotyping women and failing to recognize the changing role of women in our society. Critics have argued that advertising often depicts women as preoccupied with beauty, household duties, and motherhood or shows them as decorative objects or sexually provocative figures. Portrayals of adult women in American television and print advertising have emphasized passivity, deference, lack of intelligence and credibility, and punishment for

high levels of effort. In contrast, men have been portrayed as constructive, powerful, autonomous, and achieving.

While sexism and stereotyping still exist, advertising's portrayal of women is improving in many areas. Many advertisers have begun to recognize the importance of portraying women realistically. The increase in the number of working women has resulted not only in women having more influence in family decision making but also in more single-female households, which means more independent purchasers.

They note that as women have crossed the boundary from the domestic sphere to the professional arena, expectations and representations of women have changed as well. For example, a number of magazines, such as *Ms.* and *Working Mother*, now incorporate and appeal to the sociocultural shifts in women's lives. Many advertisers are now depicting women in a diversity of roles that reflect their changing place in society. In many ads, the stereotypic character traits attributed to women have shifted from weak and dependent to strong and autonomous. The ad for Network Solutions shown in Exhibit 21–18 is an example of how advertisers are changing the way they portray women in their ads. One reason for these changes is the emergence of females in key agency roles. Women advertising executives are likely to be more sensitive to the portrayal of their own gender and to strengthen the role of women beyond stereotypical housewives or a position of subservience to men.

XHIBIT 21–18

Many advertisers now portray women in powerful roles.

ource: Network Solutions LLC

*My client just added 1 BR and .5 BA.
No problem—I'll bring this job home on time.*

*So why is it so hard to get
my own Web site built?*

With Network Solutions® Easy Build-It-Myself Web Site™ tools and templates—or our Do-it-For-Me Web Site Design™ services—it's easy to get a Web site built to your specific blueprint. Call or visit us to learn more, and to find out all the ways we can help take your business farther.

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NetworkSolutions.

Go Farther™

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African Americans and Hispanics African Americans and Hispanics have also been the target of stereotyping in advertising. For many years, advertisers virtually ignored all nonwhite ethnic groups as identifiable subcultures and viable markets. Ads were rarely targeted to these ethnic groups, and the use of blacks and Hispanics as spokespeople, communicators, models, or actors in ads was very limited.

Ads are increasingly likely to be racially integrated. As seen in Digital and Social Media Perspective 21–1, advertisers have begun breaking the

taboo against suggesting interracial attraction. A number of companies now run interracial ads—but not without risk. Advertisers are also finding that advertising developed specifically for the African American market, such as the Levi's ad shown in Exhibit 21–19, is an effective way of reaching this ethnic market. A recent article in *Ad Age* took a historical perspective to cite five groundbreaking advertising campaigns that moved the needle on black representation in ads. Campaigns by McDonald's, Pepsi, Nike, P&G, and Lexus were pointed out as examples of how things can change for the better.³⁷

XHIBIT 21–19

Many marketers are creating ads specifically for the African American market.

Source: Levi Strauss & Co.



There is little question that advertising has been guilty of stereotyping women and ethnic groups in the past and, in some cases, still does so. But as the role of women changes, advertisers are changing their portrayals to remain accurate and appeal to their target audience. Advertisers are also trying to increase the incidence of minority groups in ads while avoiding stereotypes and negative role portrayals. They are being careful to avoid

ethnic stereotyping and striving to develop advertising that has specific appeals to various ethnic groups. Increases in the size and purchasing power of ethnic minorities are leading companies to give more attention to multicultural marketing.

Other Groups While the focus here has been on women and ethnic minorities, some other groups feel they are victims of stereotyping by advertisers. Many groups in our society are battling against stereotyping and discrimination, and companies must consider whether their ads might offend them. Creative personnel in agencies sometimes feel restricted as their ideas are squelched out of concern that they might offend someone or be misinterpreted. However, advertisers must be sensitive to the portrayal of specific types of people in their ads, for both ethical and commercial reasons.

One area where significant changes have taken place recently is in advertising targeted to LGBTQ consumers. In 1995 IKEA broke new ground with a TV commercial featuring a gay couple shopping for furniture. Target and Subaru have also aired gay-friendly ads, as have Kohl's, Tylenol, and Campbell's Soup, among many others. For years, beer companies targeted this market by placing ads in local gay media to support or sponsor AIDS awareness, Gay Pride festivals, and the Gay Games. A number of beer companies, including Anheuser-Busch and MillerCoors, now run gay-specific, brand-specific ads in national gay publications. Bud page 728 Lite revealed the commemorative bottle in Exhibit 21–20.

XHIBIT 21–20

Bud Light shows support for the LGBTQ community through its packaging.

source: Anheuser-Busch Inc.



Digital and Social Media Perspective 21–1 >>>

How do Consumers React to Interracial Ads?

“The times, they are a changing.” These famous song lyrics were written by singer Bob Dylan over 40 years ago to reflect that events were taking place in America that would change the future of the country. At the time, Dylan probably hoped—but never realized—that these words would become prophetic. Well, for many of us, but not all.

A relatively unassuming commercial called “Just Checking” featuring an interracial family with a little girl expressing concern for her father’s health was aired in 2013—almost exactly 40 years to the day of Dylan’s song release—by Cheerios. Yes, Cheerios, the cereal, not some edgy brand trying to get attention. (The iconic Cheerios brand has been around since 1945!) And, even though the United States has had a black president for two terms, there are still many out there who apparently haven’t gotten Dylan’s message. The response to the commercial, which was viewed over 2 million times on YouTube, received such racist and vitriolic feedback that General Mills had to disable the comments section of the posting. As noted by media and pop culture columnist Barbara Lippert, “A progressive-looking commercial collides with the ugliness of the Internet.” At the same time, it should be reported that while comments referring to Nazis, “troglodytes,” and even “racial genocide” were way too frequent, there were also many positive reactions to the commercial commending the brand for being progressive, timely, and considerate. Within a few days, Cheerio’s Facebook page was flooded with positive comments praising the ad, with more than a million “likes,” and

YouTube ratings reflected over 21,000 “thumbs up” compared to less than 1,500 “thumbs down.”

Three years later Old Navy received a similar reaction to its ad. The ad was simply supposed to promote a sale—30 percent off an entire Old Navy purchase. But some took the ad, which featured an interracial family, to promote a larger message on race. Social media users took to Twitter, calling the ad “absolutely disgusting” and supportive of “the genocide of the white race” and threatened to boycott the store. Old Navy was not backing down and gave this response: “We are a brand with a proud history of championing diversity and inclusion. At Old Navy, everyone is welcome.” Even Senator John McCain’s son—a Navy helicopter pilot whose wife is African American—responded to the racial accusations of “miscegenation,” “anti-white propaganda,” and “white genocide” being levied against Old Navy, calling them “ignorant racists.” Later, Swift McCain tweeted a photo of herself and her husband with the caption: “I was just in @OldNavy this weekend! Bought something for me and my husband. #LoveWins.” As with the Cheerios ad, the number of positive responses far outnumbered the negative ones—with many posting pictures of their interracial families online.

So what do you do if you are Old Navy or General Mills? Well—according to most marketing experts—the right thing. Other than disabling the comments section on the YouTube video, Cheerios stood by the spot, keeping it on the air, as well as on YouTube. As noted by Camille Gibson, vice president of marketing for Cheerios, in an e-mail comment, “There are many kinds of families, and Cheerios celebrates them all.” Gibson explained that the comments section on the YouTube video was disabled because Cheerios is a family brand and not all of the comments were family-friendly. Navy stuck by its position stating that it was proud of the ad, calling it a message of diversity and inclusion.

Praise from the marketing community was overwhelmingly positive. (While some skeptics wondered if “Just Checking” was an attempt to get attention, they were few and far between.) Allen Adamson, managing director of Landor Associates, told CBS News that he applauded General Mills for standing by the ad, noting that “the traditional approach depicting the old ‘Leave It to Beaver’ family, while offending no one, is not very realistic.” Meagan Hatcher-Mays, a celebrity fashion columnist, in a post on Jezebel commented, “this commercial is a huge step for interracial families like mine who want to be seen in public together and maybe eat some heart-healthy snacks.” Numerous others took the same position, commending and cheering on Cheerios marketers for their actions. Old Navy received similar acclaim.



Old Navy Official @OldNavy



Oh, happy day! Our #ThankYouEvent is finally here. Take 30% off your entire purchase: oldnvy.me/1LUMNBD



Source: Old Navy

But in marketing, we also have to look at the bottom line. How did the commercials impact the brands? Besides the millions of exposures the brands received on social media, the publicity surrounding the ads and the brands was enormous. In many cases those posting said the ads made them want to shop in the stores even more than before. But cultural strategist Denitria Lewis seemed to imply that the ads can cut both ways. Lewis notes that for some “It’s frightening to see a couple that is antithesis of what you think a wholesome family would be. I don’t know if the general public is prepared to have their brands tell them how to live.” Lewis also stated that there are many people who believe we live in a post racism society, but “If you pay only a modest bit of the attention to the news, you know we don’t.” And for those who still don’t like the idea of being interracial, those who portray themselves as supporting this position are likely to lose their support.

The question is, given that these ads ran so long ago (three to six years), what is the current status of perceptions of these ads now? Have we changed our attitudes in regard to biracial couples in ads? Marketers certainly think so—the number of these

commercials has more than doubled since these ads appeared, now being run by JPMorgan Chase, State Farm, Coors Light, Macy's, Tide, and Cadillac, among others. The prevalence of these commercials "is a reflection of modern society," says Sarah Block, executive vice president of Leo Burnett USA. "It's portraying the situation that is out in the world." Marty Kohr, a lecturer at Northwestern University agrees, citing data from a 2017 Pew Research Center study that showed 39 percent of respondents said interracial marriage was good for society—up from 24 percent in 2010. Others agree, noting that the commercials help to attract consumers who come from biracial families or relationships and reflect the world we live in today. "But perhaps the biggest selling point is they help to attract the broad base of customers whose values align with those portrayed through these ads—inclusion and diversity," according to Americus Reed, marketing professor at the University of Pennsylvania's Wharton School. Reed says that in today's world, consumers want to know what a company's values are and if they align with their own.

So while all of the negativity generated by the commercials actually resulted in many good things for both Old Navy and Cheerios, the fact remains that all is not well that ends well. As noted by Charles Malik Whitfield, the father in the Cheerios ad, "Let's not pretend racism doesn't exist. Let's not pretend that we've come so far." We wonder what Bob Dylan would think.

Sources: Hallie Golden, "Inside the Biracial Advertising Boom," *Daily Beast*, February 5, 2018, www.thedailybeast.com; Joanne Kaufman, "A Sign of 'Modern Society': More Multiracial Families in Commercials," *The New York Times*, June 3, 2018, www.nytimes.com; Eun Kyung Kim, "Old Navy Ad with Interracial Family Prompts Social Media Outrage—and Support," *USA Today*, May 3, 2016, www.usatoday.com; Marie Solis, "Old Navy's Ad Showing an Interracial Family Drew Stomach-Churning Racist Backlash," September 30, 2016, www.mic.com; Christopher Heine, "Cheerios' Interracial Ad Spiked Its Online Branding by 77%," www.adweek.com, June 7, 2013; Bruce Horovitz, "Hate Talk Won't Derail Mixed-Race Cheerios Ad," www.USAtoday.com, June 3, 2013; Morgan Whitaker, "Interracial Family in Cheerios Ad Sparks Online Backlash," www.morganwinn.com, June 3, 2013; Sheila Shayon, "General Mills Cheered for Defying Racial Backlash over Cheerios Ad," www.brandchannel.com, June 6, 2013; Stacy Lambe, "An Internet High-Five to Cheerios for Showcasing Diverse Families," www.qeerty.com, June 2, 2013.

More advertisers are turning to gay themes in their mainstream commercials, though often subtly. (Interestingly, sometimes ads are perceived as targeting gays when that was not the intention, resulting in very positive feedback from this segment nevertheless.) The Miller Brewing Co. took a bold step by airing one of the first gay-themed commercials on network television. One ad was for Miller Lite beer and showed a gay couple holding hands in a straight bar to the dismay of two women who are interested in them. Levi Strauss created a spot with alternative endings, one of which was

designed to appeal to the gay market. The spot featured a young, attractive male in his second-floor apartment slipping on his Levi's. The motion of yanking up his jeans inexplicably causes the street below his apartment to get pulled up as well, crashing through his floor and bringing with it an attractive female in a telephone booth who he walks away with. In a version of the ad that aired on Logo, MTV's gay cable network seen in more than 27 million homes, an attractive man is in the phone booth and the two men run off together in the same manner as their heterosexual counterparts.³⁸

Like the interracial discussion earlier in this chapter, not everyone approves of LGBTQ ads, however. An emotional 90-second McDonald's video for McCafe that was posted on the company's Facebook page in Taiwan that depicted a young man coming out to his father was viewed more than 3.6 million times, with the original post gaining more than 92,000 likes and 11,800 shares. However, an anti-gay religious group called for a boycott of the video, saying it was inappropriate since many children eat at McDonald's (Exhibit 21–21).

XHIBIT 21–21

McDonald's was threatened with a boycott by a religious group in Taiwan when it posted this video on its Facebook page.

source: McDonald's



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Advertising and the Media The fact that advertising plays such an important role in financing the media has led to concern that advertisers may influence or even control the media. It is well documented that *economic*

censorship occurs, whereby the media avoid certain topics or even present biased news coverage, in acquiescence to advertiser demands. In fact, as far back as 1992, Professors Lawrence Soley and Robert Craig say, “The assertion that advertisers attempt to influence what the public sees, hears, and reads in the mass media is perhaps the most damning of all criticisms of advertising, but this criticism isn’t acknowledged in most advertising textbooks.”³⁹ We will address this important issue in this book by considering arguments on both sides.

Arguments Supporting Advertiser Control Advertising is the primary source of revenue for nearly all the news and entertainment media in the United States. Some critics charge that the media’s dependence on advertisers’ support makes them susceptible to various forms of influence, including exerting control over the editorial content of magazines and newspapers; biasing editorial opinions to favor the position of an advertiser; limiting coverage of a controversial story that might reflect negatively on a company; and influencing the news and program content of television.

Newspapers and magazines receive nearly 70 percent of their revenue from advertising; commercial TV and radio derive virtually all their income from advertisers. Advertising in digital media is increasing at a rapid rate and, as we have seen, now exceed all other media expenditures. Small, financially insecure newspapers, magazines, or broadcast stations are the most susceptible to pressure from advertisers, particularly companies that account for a large amount of the media outlet’s advertising revenue. In some local markets, automobile and furniture advertisers may constitute as much as 80 percent of the TV stations’ ad revenues. As you might imagine, the stations may tread lightly when reporting news that does not portray these industries positively. A local newspaper may be reluctant to print an unfavorable story about a car dealer or supermarket chain on whose advertising it depends. For example, a number of years ago more than 40 car dealers canceled their ads in the *San Jose Mercury News* when the paper printed an article titled “A Car Buyer’s Guide to Sanity.” The dealers objected to the tone of the article, which they felt implied consumers should consider car dealers unethical adversaries in the negotiation process. A study by Soontae An and Lori Bergen surveyed advertising directors at 219 daily

newspapers in the United States and found frequent conflicts between the business side and editorial side of the newspaper operations. Advertising directors at small newspapers or chain-owned newspapers were more likely to endorse scenarios where editorial integrity was compromised to please, or refrain from offending, their advertisers.⁴⁰

Individual TV stations and even the major networks also can be influenced by advertisers. Programming decisions are made largely on the basis of what shows will attract the most viewers and thus be most desirable to advertisers. Critics say this often results in lower-quality television as educational, cultural, and informative programming is usually sacrificed for shows that get high ratings and appeal to the mass markets. It is well recognized that advertisers often avoid TV shows that deal with controversial issues. Most advertisers also have contract stipulations allowing them to cancel a media buy if, after prescreening a show, they are uncomfortable with its content or feel sponsorship of it may reflect poorly on their company.

Advertisers have also been accused of pressuring the networks to change their programming. Many advertisers have withdrawn commercials from programs that contain too much sex or violence, often in response to threatened boycotts of their products by consumers if they advertise on these shows. For example, groups such as the American Family Association have been fighting sex and violence in TV programs by calling for boycotts. As you read in Chapter 17, ads have been pulled from Fox News. Advertisers pulled their ads from the *Roseann* show after Roseann Barr made racist comments, leading to the show's cancellation.

Arguments against Advertiser Control The commercial media's dependence on advertising means advertisers can exert influence on their character, content, and coverage of certain issues. However, media executives offer several reasons why advertisers do not exert undue influence over the media.

First, they point out it is in the best interest of the media not to be influenced too much by advertisers. To retain public confidence, they must report the news fairly and accurately without showing bias or attempting to avoid controversial issues. Media executives point to the vast array of topics they cover and the investigative reporting they often do as evidence of their objectivity. They want to build a large audience for their publications or stations so that they can charge more for advertising space and time.

Media executives also note that an advertiser needs the media more than the media need any individual advertiser, particularly when the medium has a large audience or does a good job of reaching a specific market segment. Many publications and stations have a broad base of advertising support and can afford to lose an advertiser that attempts to exert too much influence. This is particularly true for the larger, more established, financially secure media. For example, a consumer-product company would find it difficult to reach its target audience without network TV and could not afford to boycott a network if it disagreed with a station's editorial policy or program content. Even the local advertiser in a small community may be dependent on the local newspaper, since it may be the most cost-effective media option available.

Most magazine and newspaper publishers insist they do not allow advertiser pressure to influence their editorial content. They argue that they have long regarded the formal separation of their news and business departments as essential to their independence and credibility. Many magazines and newspapers have traditionally discouraged employees on the publishing side—including advertising, circulation, and other business departments—from interacting with those on the editorial side, who write and edit the articles. This is done by separating editorial and advertising offices, barring the sales force from reading articles before they are printed, and prohibiting editorial employees from participating in advertising sales calls.

Most print media are very concerned over ensuring that decisions on the writing, editing, and publishing of stories are made on journalistic merit rather than on whether they will attract or repel advertisers. However, the new economics of the publishing industry is making it difficult to maintain the separation: Competition from TV, direct media, and the Internet is increasing,

and newspaper and magazine readership and revenues continue to decline. There have been several well-publicized situations in the past where major magazines and newspapers were found to have given favorable editorial consideration to an advertiser. However, the media usually hold their ground when challenged by companies that threaten to pull their advertising, or even do so, when they find editorial coverage objectionable. For example, in April 2005 General Motors canceled all of its advertising in the *Los Angeles Times* after a series of articles in the newspaper were unflattering to the automaker. GM, which was spending an estimated \$21 million in the *Times* each year, claimed that “factual errors and misrepresentations” in various articles led it to withdraw its advertising in the paper. The paper had run several articles that were critical of certain GM vehicles, and also suggested that some senior GM executives should be dismissed because of the company’s sales and profit woes. GM’s advertising boycott of the *Los Angeles Times* lasted four months and was finally ended after executives from the two sides met to resolve their differences.⁴¹ At the same time, more recent negative reports regarding the false mileage claims of Kia and Hyundai and other autos resulted in no backlash against the media.

The media in the United States are basically supported by advertising; this means we can enjoy them for free or for a fraction of what they would cost without advertising. The alternative to an advertiser-supported media system is support by users through higher subscription costs for print media and increased rates for cable and satellite TV access. Note that the decrease in newspaper subscriptions has led some papers to reduce their publication schedules and begin charging or increasing rates for online subscriptions. The ad in Exhibit 21–22, part of a campaign by the International Advertising Association, explains how advertising lowers the cost of print media for consumers. Another alternative is government-supported media like those in many other countries, but this runs counter to most people’s desire for freedom of the press. Although not perfect, our system of advertising-supported media provides the best option for receiving information and entertainment, as evidenced in Ethical Perspective 21–1.

XHIBIT 21–22

This ad points out how advertising lowers the cost of newspapers for consumers.

source: International Advertising Association

WITHOUT ADVERTISING, YOUR NEWSPAPER WOULD COST YOU A BUNDLE.

Did you know that every ad in your newspaper helps pay for the rest of the essential pages? The fact is, your paper would cost you about \$5.00 a day without advertisements. A price that would make news indeed.

Advertising. That's the way it works.

© 1999 IAA



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Ethical Perspective 21–1 >>>

Promoting a Belief Can Be a Risky Strategy

As a stockholder you have to wonder: What's the point? Is it really worth it to take a stand on a controversial issue? Is it really worth risking losing customers, profits, and brand image because you think some cause needs your backing? Is this really what you are supposed to be doing in your job?

Apparently, some big name companies believe that it is important enough for them to take the risk. Consider, these recent examples:

Gillette—In 1969, the razor blade manufacturer launched an advertising campaign with the theme “The Best a Man Can Get,” positioning the brand as the best razor available. Looking back, it was an extremely successful campaign, selling millions of

razor blades. Now, 30 years later, Gillette has launched a new campaign with a similar title, but a very different objective in mind. The new campaign, titled “We Believe” and carrying the tagline “The Best Men Can Be,” sounds the same but is clearly different, leaving many to ask just what the company is doing, and why. Gillette’s statement as to why is based on a look back at the original campaign and the belief that it was –besides being effective in selling razors—aspirational. But the company feels that in today’s environment, some men have lost their way, and clearly are not at their “best”—caught between the past and a new era of masculinity, and as a successful brand, it is in part Gillette’s responsibility to help correct the situation. Believing that brands can influence culture, and have the responsibility to do so, Gillette is embarking on a new objective to make men better and is asking men to join them.

But what does it take to make men better? And what can Gillette do? The company says that going forward, it will pay very special attention to *all* of its marketing activities, including the ads it runs, the words it chooses, the images it sends to social media, and anything else that will position Gillette to help break down the negative stereotypes of men that have developed. That includes committing \$1 million a year for three years to nonprofit organizations that develop and implement educational programs that are designed for the same purpose.



Source: Procter & Gamble

Of course, Gillette still has to maintain its customer base. And what does this (mostly men) group think about this move? In the first week after the campaign launched, social sentiment decreased by 29 percent. The company was excoriated on social media, particularly on Twitter. There was an increase of 9,328 percent in social engagement, so the ads were definitely driving conversation. But in which direction? According to Ace Metrix—a technology company that measures video advertising effectiveness—the campaign was received well by viewers of all ages, genders, ethnicities, incomes, and geographical areas. The ads scored well above norms for attention-getting and likeable. And, Ace Metrix said, despite the very loud and vocal naysayers, the ads were far less polarizing than social media claimed. A full 65 percent of respondents surveyed said that the ad made them more or much

more likely to purchase the Gillette brand, while two-thirds said the message was the best thing about the ad. Only 8 percent claimed they did not like the ad and were less or much less likely to purchase the brand after watching it. Ace's "emotional finger printing" measure revealed that very strong emotions were evoked, with the ad rating the highest of any tested since January 2014 on the attributes "powerful" and "corporate responsibility."

Nike—Colin Kaepernick was a quarterback for the NFL's San Francisco 49ers. He was also a spokesperson for Nike. In a protest of police shootings of two black Americans, Kaepernick kneeled in front of the 49ers bench rather than saluting the flag. Public reaction was intense—and divided. The president of the United States spoke out vehemently against the quarterback, people threatened a boycott against Nike, and the NFL had a dilemma it still doesn't know how to deal with, years later.

Nike, which is no stranger to provocative issues in its ads, had a dilemma—to keep Kaepernick or let him go, given all the controversy he created. At a raging debate at Nike headquarters in Beaverton, Oregon, many of the top management wanted to cancel his contract, concerned about the negative publicity he was generating, and Nike's \$220 million/year contract with the NFL. Others argued to let him stay, given Nike's attempts to reach the young urban market it was trying to appeal to. In the end, Nike figured it was worth the risk. The contract remained in effect, but the quarterback was sidelined for about a year with no ads including him. However, the protest did not go away, and Kaepernick was gaining fame as his stature as a civil rights figure grew. GQ named him its Citizen of the Year, and organizations like Amnesty International and the American Civil Liberties Union honored him.

Finally, due in part to contract obligations, and Nike's long-time positioning of "Just Do It," the quarterback was returned to ads, but first on social media only. However, given it was the 30th anniversary of the "Just Do It" campaign and Kaepernick represented that image perfectly, the media exposure was increased to include the opening NFL game on Thursday night, college football, tennis, and Major League Baseball. The message? "Believe in something. Even if it means sacrificing everything."

As one would expect, the negative feedback was enormous. Boycotts of Nike were threatened. People were burning their Nike clothes, threatening never to buy Nike products again. But, as with Gillette, there was a positive side as well. Nike dominated social media following the campaign debut. There were 3.4 million mentions of the brand on Twitter in the first 21 hours—400,000 of these mentioning "Just do it," and only 120,000 mentioning "boycott Nike" or something similar. Kaepernick had more than 1.5 million mentions during the same time period and later signed a lucrative deal with Nike. Nike signed a new 10-year deal with the NFL.

Gillette and Nike are not the only companies to take risks to run campaigns relating to issues they believe in. The good news is, in both cases, the risk seems to be worth it. Unless you are on the other side of the issue.

Sources: Aaron Goldman, "Purpose before Profit: Analyzing the New Gillette Campaign," January 24, 2019, www.4cinsights.com; "Gillette Ad Is a Hit with Consumers," *Brandnew*, January 2019, www.brandnewmag.com; Julie Creswell, Kevin Draper, and Sapna Maheshwari, "Nike Nearly Dropped Colin Kaepernick before Embracing Him," *The New York Times*, September 26, 2018, www.nytimes.com;

Darren Rovell, "Colin Kaepernick Featured in Nike Ad Running Thursday," *ESPN*, September 5, 2018, www.espn.com.

Summarizing Social Effects

We have examined a number of issues and have attempted to analyze the arguments for and against them. Many people have reservations about the impact of advertising and promotion on society. The numerous rules, regulations, policies, and guidelines marketers comply with do not cover every advertising and promotional situation. Moreover, what one individual views as distasteful or unethical may be acceptable to another.

Negative opinions regarding advertising and other forms of promotion have been around almost as long as the field itself, and it is unlikely they will ever disappear. However, the industry must address the various concerns about the effects of advertising and other forms of promotion on society. Advertising is a very powerful institution, but it will remain so only as long as consumers have faith in the ads they see and hear every day. Many of the problems discussed here can be avoided if individual decision makers make ethics an important element of the IMC planning process.

The primary focus of this discussion of social effects has been on the way advertising is used (or abused) in the marketing of products and services. It is important to note that advertising and other IMC tools are also used to promote worthy causes and to deal with problems facing society (drunk driving, drug abuse, and the obesity crisis, among others). For example, the Partnership at Drugfree.org (formerly the Partnership for a Drug Free America) has created a website and uses social media, as well as print and TV ads to drive awareness and action around teen substance abuse (Exhibit 21–23). The Partnership is funded primarily by donations from individuals, corporations, foundations, and the public sector. The organization has also partnered with the U.S. Office of National Drug Control Policy (ONDCP), and the joint campaign "Above the influence.com." Above the Influence (ATI) won an Effie Award given for sustainability for its long-term effectiveness. Youth who are aware of ATI advertising are consistently more likely to have stronger anti-drug beliefs compared to those unaware of campaign advertising. However, concern with the misuse and abuse of

prescription drugs is increasing and The Partnership created The Medicine Abuse Project, using ads to address this problem. As an example, when the organizations discovered that Urban Outfitters, the national retail store popular with teens, was selling products made to look like prescription pill bottles that made light of prescription drug misuse and abuse, they launched an advocacy effort and petition to ask the company to remove these products from their stores and website. The successful effort led Urban Outfitters to halt sales of the products. Campaigns for nonprofit organizations and worthy causes are often developed pro bono by advertising agencies, and free advertising time and space are donated by the media. Exhibit 21–24 shows an outdoor ad from a successful public service campaign for recycling. The board was provided pro bono from Lamar Advertising to nonprofit Recycle Across America.

XHIBIT 21–23

In this commercial “Phases,” a teen is shown stealing money from his mother’s purse; The Partnership at Drugfree.org helps families address teen drug abuse.

Source: *Partnership for Drug-Free Kids*



XHIBIT 21–24

This Recycle Across America ad is an example of the pro bono space donated by an outdoor media company.

Source: *Recycle Across America and Lamar Advertising*



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ECONOMIC EFFECTS OF ADVERTISING

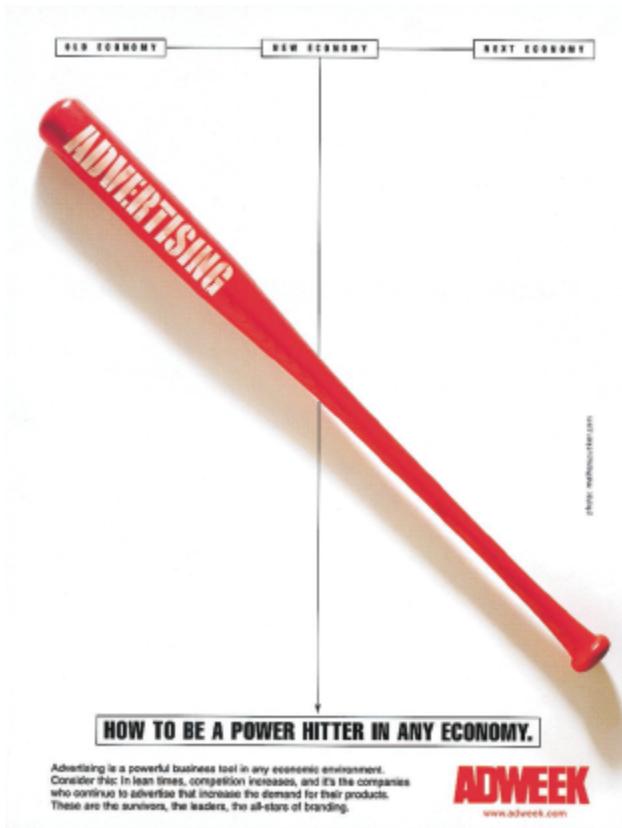
LO 21-4

Advertising plays an important role in a free-market system like ours by making consumers aware of products and services and providing them with information for decision making. Advertising's economic role goes beyond this basic function, however. It is a powerful force that can affect the functioning of our entire economic system (Exhibit 21–25).

XHIBIT 21–25

This ad from *ADWeek* promotes the economic value of advertising by comparing the companies that continue to advertise as the all-stars of branding.

source: *Adweek*



Advertising can encourage consumption and foster economic growth. It not only informs customers of available goods and services but also facilitates entry into markets for a firm or a new product or brand; leads to economies of scale in production, marketing, and distribution, which in turn lead to lower prices; and hastens the acceptance of new products and the rejection of inferior products.

Critics of advertising view it as a detrimental force that not only fails to perform its basic function of information provision adequately but also adds to the cost of products and services and discourages competition and market entry, leading to industrial concentration and higher prices for consumers.

In their analysis of advertising, economists generally take a macroeconomic perspective: They consider the economic impact of advertising on an entire industry or on the economy as a whole rather than its effect on an individual company or brand. Our examination of the economic impact of advertising focuses on these broader macro-level issues. We consider its effects on consumer choice, competition, and product costs and prices.

Effects on Consumer Choice

Some critics say advertising hampers consumer choice, as large advertisers use their power to limit our options to a few well-advertised brands. Economists argue that advertising is used to achieve (1) **differentiation**, whereby the products or services of large advertisers are perceived as unique or better than competitors', and (2) brand loyalty, which enables large national advertisers to gain control of the market, usually at the expense of smaller brands.

Larger companies often end up charging higher prices and achieve a more dominant position in the market than smaller firms that cannot compete against them and their large advertising budgets. When this occurs, advertising not only restricts the choice alternatives to a few well-known, heavily advertised brands but also becomes a substitute for competition based on price or product improvements.

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Heavily advertised brands dominate the market in certain product categories, such as soft drinks, beer, and cereals. But advertising generally does not create brand monopolies and reduce the opportunities for new products to be introduced to consumers. In most product categories, a number of different brands are on the store shelves and thousands of new products are introduced every year. In 2017, there was over \$18.5 billion worth of bottled water (13.7 billion gallons) sold in the United States. There were over 170 bottled water brands.⁴² The opportunity to advertise gives companies the incentive to develop new brands and improve their existing ones. When a successful new product such as a smartphone or tablet is introduced, competitors quickly follow and use advertising to inform consumers about their brand and attempt to convince them it is superior to the original. Companies like Virgin Atlantic Airways recognize that advertising has been an important part of their success (Exhibit 21–26).

XHIBIT 21–26

Virgin Atlantic Airways chair Richard Branson acknowledges the importance of advertising.

Source: Virgin Atlantic Airways

"Back in 1983, the world wasn't crying out for another airline to London. People accepted what was available. But then, they didn't know any better. As a frequent flyer myself, I always felt being cooped up in a plane could be made more enjoyable. If you had a guest at your house you wouldn't sit him facing a blank wall and put a rubber chicken in his lap, now would you?

So I set out to create an airline people would actually enjoy flying.

I'd give them more space to sit in, more flight attendants to serve them, and more forms of entertainment to...entertain them.

I'd also offer Upper Class' passengers the only sleeper seats available in any business class to London. A Sony Video Walkman™ with 25 films to choose from and free chauffeured limousine service to and from each airport. And, of course, gourmet meals and vintage wine in lieu of foul fowl.

Now, having all these niceties would have done me absolutely no good if I kept their existence to myself. So I put every available dollar into getting the word out.

The dollars were hardly momentous at first. But that didn't stop us. We applied some creativity and over a Memorial day weekend, while everyone crowded the parks and beaches, we introduced Virgin Atlantic Airways to the people of New York. With skywriting.

Virgin is now 7 years old, serving 5 major airports and has the highest transatlantic load factor of any airline.

Print, television and radio messages have replaced skywriting. And more than 40 million advertising dollars later, no one has shed a tear for rubber chickens!"

AAAA
American Association of Advertising Agencies

If you would like to learn more about the power of advertising, please write to Department D, AAAA, 665 Third Avenue, New York, New York 10017. Premium rates apply. © 1990 American Association of Advertising Agencies, Inc. Advertising Age, April 27, Photo: Steve E. Eason for delivery. Sony Video Walkman™ is a trademark of Sony. This advertisement prepared by Kinsley Ray & Partners, New York.



Richard Branson, Chairman, Virgin Atlantic Airways.

Effects on Competition

One of the most common criticisms economists have about advertising concerns its effects on competition. They argue that power in the hands of large firms with huge advertising budgets creates a **barrier to entry**, which makes it difficult for other firms to enter the market. This results in less competition and higher prices. Economists note that smaller firms already in the market find it difficult to compete against the large advertising budgets of the industry leaders and are often driven out of business. Take the U.S. wireless market as an example. While there are a number of wireless

providers, the market is dominated by seven major providers. Verizon and AT&T hold the major share of the market, with an estimated 300 million subscribers between them. These companies are also two of the largest advertisers, spending over \$2 billion a year each. As you might imagine, to try to break into this market would be extremely difficult, if not impossible.

Large advertisers clearly enjoy certain competitive advantages. First, there are **economies of scale** in advertising, particularly with respect to factors such as media costs. Firms such as Procter & Gamble and PepsiCo, which spend several billion dollars a year on advertising and promotion, are able to make large media buys at a reduced rate and allocate them to their various products.

Large advertisers usually sell more of their product or service, which means they may have lower production costs and can allocate more monies to advertising, so they can afford the costly but more efficient media like network television. Their large advertising outlays also give them more opportunity to differentiate their products and develop brand loyalty. To the extent that these factors occur, smaller competitors are at a disadvantage and new competitors are deterred from entering the market.

While advertising may have an anticompetitive effect on a market, there is no clear evidence that advertising alone reduces competition, creates barriers to entry, and thus increases market concentration. High levels of advertising are not always found in industries where firms have a large market share. These findings run contrary to many economists' belief that industries controlled by a few firms have high advertising expenditures, resulting in stable brand shares for market leaders.

Defenders of advertising say it is unrealistic to attribute a firm's market dominance and barriers to entry solely to advertising. There are a number of other factors, such as price, product quality, distribution effectiveness, production efficiencies, competitive strategies, and even government legislation. For many years, products such as Coors beer and Hershey's chocolate bars were dominant brands even though these companies spent little on advertising. Hershey did not advertise at all until 1970. For 66 years, the company relied on the quality of its products, its favorable reputation and image among consumers, and its extensive channels of distribution to market its brands. Industry leaders often tend to dominate

markets because they have superior product quality and the best management and competitive strategies, not simply the biggest advertising budgets. SPANX is another good example. The billion-dollar company was started without a single cent being spent on advertising—primarily [page 736](#) because founder Sara Blakely didn't have any money to buy it. Starting the company with only \$5,000, Blakely relied on word of mouth and endorsements from celebrities like Oprah, Brooke Shields, Julia Roberts, and Gwyneth Paltrow, and other marketing factors like packaging and product benefits. Even today, SPANX spends very little on advertising⁴³ (Exhibit 21–27).

XHIBIT 21–27

SPANX has been successful even with no advertising.

Source: *Rebecca Sapp/Contributor/Getty Images*



While market entry against large, established competitors is difficult, companies with a quality product at a reasonable price often find a way to break in. Moreover, they usually find that advertising actually facilitates their market entry by making it possible to communicate the benefits and features of their new product or brand to consumers.

Effects on Product Costs and Prices

A major area of debate among economists, advertisers, consumer advocates, and policymakers concerns the effects of advertising on product costs and prices. Critics argue that advertising increases the prices consumers pay for products and services. First, they say the large sums of money spent on advertising a brand constitute an expense that must be covered and the consumer ends up paying for it through higher prices. As discussed in the previous chapter, concern has been expressed that the tremendous increase in direct-to-consumer drug advertising by pharmaceutical companies is driving up the cost of prescription drugs. Critics argue that the millions of dollars spent on advertising and other forms of promotion are an expense that must be covered by charging higher prices.

A second way advertising can result in higher prices is by increasing product differentiation and adding to the perceived value of the product in consumers' minds. The fundamental premise is that advertising increases the perceived differences between physically homogeneous products and enables advertised brands to command a premium price without an increase in quality.

Critics of advertising generally point to the differences in prices between national brands and private-label brands that are physically similar, such as aspirin or tea bags, as evidence of the added value created by advertising. They see consumers' willingness to pay more for heavily advertised national brands rather than purchasing the lower-priced, nonadvertised brand as wasteful and irrational. The prescription drug industry is again a very good example of this, as critics argue that the increase in advertising is encouraging consumers to request brand-name drugs and steering them away from lower-priced generics. However, consumers do not always buy for rational, functional reasons. The emotional, psychological, and social benefits derived from purchasing a national brand are important to many people.

Proponents of advertising offer several other counterarguments to the claim that advertising increases prices (one of the arguments of the anti-pharmaceutical groups). They acknowledge that advertising costs are at least partly paid for by consumers. But advertising may help lower the overall cost of a product more than enough to offset them. For example, advertising may help firms achieve economies of scale in production and distribution by

providing information to and stimulating demand among mass markets. These economies of scale help cut the cost of producing and marketing the product, which can lead to lower prices—if the advertiser chooses to pass the cost savings on to the consumer. The ad in Exhibit 21–28, from a campaign sponsored by the American Association of Advertising Agencies, emphasizes this point.

XHIBIT 21–28

This ad refutes the argument that reducing advertising expenditures will lead to lower prices.

Source: *The American Association of Advertising Agencies*



We admit it. Advertising has a tremendous impact on prices. But you may be surprised by what kind of impact.
In addition to being informative, educational and sometimes entertaining, advertising can actually lower prices.
It works like this: Advertising spurs competition which holds down prices. And since advertising also creates a mass market for products, it can bring down the cost of producing each product, a savings that can be passed on to consumers.
Moreover, competition created by advertising provides an incentive for manufacturers to produce new and better products.
Which means advertising can not only reduce prices, but it can also help you avoid lemons.

ADVERTISING
ANOTHER WORD FOR FREEDOM OF CHOICE.
American Association of Advertising Agencies

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Advertising can also lower prices by making a market more competitive, which usually leads to greater price competition. It has been shown that for some products, advertising has helped to keep the costs down. Finally, advertising is a means to market entry rather than a deterrent and helps

stimulate product innovation, which makes markets more competitive and helps keep prices down.

Overall, it is difficult to reach any firm conclusions regarding the relationship between advertising and prices. After an extensive review of this area, Farris and Albion concluded, “The evidence connecting manufacturer advertising to prices is neither complete nor definitive . . . consequently, we cannot say whether advertising is a tool of market efficiency or market power without further research.”⁴⁴

Summarizing Economic Effects

Economists’ perspectives can be divided into two principal schools of thought that make different assumptions regarding the influence of advertising on the economy.⁴⁵ Figure 21–4 summarizes the main points of the “advertising equals market power” and “advertising equals information” perspectives.

FIGURE 21–4

Two Schools of Thought on Advertising’s Role in the Economy

| Advertising = Market Power | Advertising = Information |
|---|---|
| Advertising affects consumer preferences and tastes, changes product attributes, and differentiates the product from competitive offerings. | Advertising informs consumers about product attributes but does not change the way they value those attributes. |
| Consumers become brand-loyal and less price-sensitive and perceive fewer substitutes for advertised brands. | Consumer buying behavior |

| | | |
|--|-------------------------------------|--|
| Potential entrants must overcome established brand loyalty and spend relatively more on advertising. | Barriers to entry | Advertising makes entry possible for new brands because it can communicate product attributes to consumers. |
| Firms are insulated from market competition and potential rivals; concentration increases, leaving firms with more discretionary power. | Industry structure and market power | Consumers can compare competitive offerings easily and competitive rivalry increases. Efficient firms remain, and as the inefficient leave, new entrants appear; the effect on concentration is ambiguous. |
| Firms can change higher prices and are not as likely to compare on quality or price dimensions. Innovation may be reduced. | Market conduct | More informed consumers pressure firms to lower prices and improve quality; new entrants facilitate innovation. |
| High prices and excessive profits accrue to advertisers and give them even more incentive to advertise their products. Output is restricted compared with conditions of perfect competition. | Market performance | Industry prices decrease. The effect on profits due to increased competition and increased efficiency is ambiguous. |

Advertising Equals Market Power

The belief that advertising equals market power reflects traditional economic thinking and views advertising as a way to change consumers' tastes, lower their sensitivity to price, and build brand loyalty among buyers of advertised brands. This results in higher profits and market power for large advertisers, reduces competition in the market, and leads to higher prices and fewer choices for consumers. Proponents of this viewpoint generally have negative attitudes regarding the economic impact of advertising.

Advertising Equals Information

The belief that advertising equals information takes a more positive view of advertising's economic effects. This model sees advertising as providing consumers with useful information, increasing their price sensitivity (which moves them toward lower-priced products), and increasing competition in the market. Advertising is viewed as a way to communicate with consumers and tell them about a product and its major features and attributes. More informed and knowledgeable consumers pressure companies to provide high-quality products at lower prices. Efficient firms remain in the market, whereas inefficient firms leave as new entrants appear. Proponents of this model believe the economic effects of advertising are favorable and think it contributes to more efficient and competitive markets.

There are many people who use the Internet as an information source for comparing prices and getting others' reviews of the products, often then going to a brick-and-mortar store to make the purchase.

It is unlikely the debate over the economic effects and value of advertising will be resolved soon. Many economists will continue to take a negative view of advertising and its effects on the functioning of the economy, while advertisers will continue to view it as an efficient way for companies to communicate with their customers and an essential component of our economic system. The International Advertising Association has been running a campaign for several years to convince consumers around the world of the economic value of advertising. Ads like the one shown in Exhibit 21–29 are used in countries where consumers may be less familiar with the concept of advertising. The goal of the campaign is to get consumers in these countries to recognize the role advertising plays in contributing to their economic well-being.

XHIBIT 21–29

This ad is part of a global campaign by the International Advertising Association to educate consumers about the economic value of advertising.

Source: International Advertising Association

WHEN ADVERTISING DOES ITS JOB, MILLIONS OF PEOPLE KEEP THEIRS.

Good advertising doesn't just inform. It sells. It helps move product and keep businesses in business. Every time an ad arouses a consumer's interest enough to result in a purchase, it keeps a company going strong. And it helps secure the jobs of the people who work there.

Advertising. That's the way it works.



The global partnership of advertisers, agencies and media

The advertising industry in the United States continually promotes the value of advertising. Major advertising associations, such as the 4A's and the American Advertising Federation (AAF), along with trade associations for various media, often run campaigns reminding the general public of advertising's contributions to the economy as well as to consumers' social well-being. However, sometimes the industry must also remind advertisers themselves of the value of advertising. Recently the AAF, which is the advertising industry's primary trade organization, decided to take action to change the way advertising is viewed by companies. It decided that the best way to get marketers to recognize the value of advertising was to practice what it preaches, and thus an integrated marketing communications campaign was developed to redefine advertising in the eyes of corporate executives.

The campaign was targeted at corporate executives who were responsible for establishing and maintaining budget levels for advertising. The theme of the campaign, "Advertising. The way great brands get to be

great brands,” cautions corporate executives not to neglect their brand development. The great brands campaign promoted the economic power of advertising by featuring companies synonymous with quality advertising and for whom advertising has played a critical role in building brand equity. Exhibit 21–30 shows one of the ads from the campaign featuring Intel, the market leader for computer chips and microprocessors.

XHIBIT 21–30

The AAF promotes the value of advertising in building strong brands.

Source: American Advertising Federation



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Figure 21–5, excerpts from a speech given by famous ad executive Leo Burnett, summarizes the perspective of most advertising people on the economic effects of advertising. Advertising and marketing experts agree that advertising and promotion play an important role in helping to expand

consumer demand for new products and services and in helping marketers differentiate their existing brands.

FIGURE 21–5

This Message Describes the Positive Economic Effects of Advertising

To me it means that if we believe to any degree whatsoever in the economic system under which we live, in a high standard of living and in high employment, advertising is the most efficient known way of moving goods in practically every product class.

My proof is that millions of businessmen have chosen advertising over and over again in the operations of their business. Some of their decisions may have been wrong, but they must have thought they were right or they wouldn't go back to be stung twice by the same kind of bee.

It's a pretty safe bet that in the next 10 years many Americans will be using products and devices that no one in this room has even heard of. Judging purely by past performance, American advertising can be relied on to make them known and accepted overnight at the lowest possible prices.

Advertising, of course, makes possible our unparalleled variety of magazines, newspapers, business publications, and radio and television stations.

It must be said that without advertising we would have a far different nation, and one that would be much the poorer—not merely in material commodities, but in the life of the spirit.

Leo Burnett

Source: Excerpts from a speech given by Leo Burnett on the American Association of Advertising Agencies's 50th anniversary, April 20, 1967.

Summary —

Advertising is a powerful institution and has been the target of considerable criticism regarding its social and economic impact. The criticism of advertising concerns the specific techniques and methods used as well as its effect on societal values, tastes, lifestyles, and behavior. Critics argue that

advertising is deceptive and untruthful; that it can be offensive, irritating, or in poor taste; and that it exploits certain groups, such as children. Many people believe advertising should be informative only and advertisers should not use subjective claims, puffery, embellishment, or persuasive techniques.

Advertising often offends consumers by the type of appeal or manner of presentation used; sexually suggestive ads and nudity receive the most criticism. Advertisers say their ads are consistent with contemporary values and lifestyles and are appropriate for the target audiences they are attempting to reach. Advertising to children is an area of particular concern, since critics argue that children lack the experience, knowledge, and ability to process and evaluate persuasive advertising messages rationally. Although an FTC proposal to severely restrict advertising to children was defeated, it remains an issue.

The pervasiveness of advertising and its prevalence in virtually all media have led critics to argue that it plays a major role in influencing and transmitting social values. Advertising has been charged with encouraging materialism; manipulating consumers to buy things they do not really want or need; perpetuating stereotypes through its portrayal of certain groups such as women, minorities, and older adults; and controlling the media.

Advertising has also been scrutinized with regard to its economic effects. The basic economic role of advertising is to give consumers information that helps them make consumption decisions. Some people view advertising as a detrimental force that has a negative effect on competition, product costs, and consumer prices. Economists' perspectives regarding the effects of advertising follow two basic schools of thought: the advertising equals market power model and the advertising equals information model. Arguments consistent with each perspective were considered in analyzing the economic effects of advertising.

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Key Terms

shock advertising 719
consumer socialization process 721
materialism 724
Protestant ethic 724
differentiation 734
barrier to entry 735
economies of scale 735

Discussion Questions

- 1.** The war on cigarette smoking by teens has now been replaced by the war on vaping—particularly flavored vaping products. There are those who say that it is the responsibility of the government to protect teens, while others feel that teens must make their own decisions. Take a position on this issue and argue in support of that position. (LO 21-3)
- 2.** There is little doubt that the use of sexy advertising like that employed by Calvin Klein and Carl's Jr. has declined over the past few years. Is this a result of #MeToo, or just advertisers changing attitudes toward the effectiveness of this form of advertising? Support your position. (LO 21-2)
- 3.** Does advertising make college students drink, or drink more? Explain both sides of this issue and provide your decision. (LO 21-1)
- 4.** Many people believe that there should be severe restrictions placed on advertising to children under the age of 13. Others believe that children must learn to discriminate truth from lies and that it is part of the learning process. Discuss both sides of this issue. (LO 21-3)
- 5.** Various studies have indicated that younger consumers are less likely to watch TV, listen to the radio, or read magazines and newspapers. If this is true, one might expect a reduction in sales of heavily advertised products. Is this happening? If so, provide examples. If not, explain why this is not happening, again providing examples. (LO 21-4)
- 6.** What are some of the different ways companies use shock ads? Do you think they are designed to create sales, or to bring attention to specific issues? Do they work? Give examples. (LO 21-2)

7. The chapter discussed the empowerment of females in advertising. Give examples of some of the companies that have used this form of advertising. Why do you think they have done this? Is it for altruism or financial gain? (LO 21-1)

8. The chapter discusses how many marketers are struggling with their multicultural marketing efforts and suggests that one reason may be the lack of diversity in advertising agencies. What are some of the reasons for the low number of minorities, such as African Americans, working in advertising? How can the industry address this problem? (LO 21-2)

9. The CEOs of Abercrombie & Fitch and American Apparel have both been variously characterized as either manipulators of the media for their ability to generate publicity for their companies or petulant. Both have lost their jobs in the face of declining sales. Are they geniuses or just sexist? Support your argument. (LO 21-1)

10. Companies like Old Navy and General Mills have employed the use of interracial ads, and have stirred up both controversy and support. Comments have been made that while some believe that we are in a postracism era, others disagree. Provide arguments for both sides and explain the potential impact on the brands. (LO 21-3)



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22 Personal Selling



Source: British Airways

Learning Objectives