ETHICS IN ADVERTISING

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Pada dasarnya perilaman mengandung dua aspek utama, yaitu aspek komersial dan aspek sosial. Dalam konteks aspek komersial, iklan cenderung untuk memanipulasi pikiran dengan memberikan informasi kepada konsumen bahwa produk/ijusan yang diiklankan tersebut merupakan yang terbaik, dan penasaran akan tidak peduli apapun keuntungan membutuhkan atau tidak produk/ijusan tersebut. Sedangkan dalam konteks aspek sosial, iklan cenderung untuk memberikan informasi yang berguna bagi konsumen dalam memahami produk, jasa, dan peranannya penghasil produk/ijusan sehingga membudayakan konsumen dalam pengambilan keputusan untuk membeli produk/ijusan sesuai dengan pilihanya. Namun, karena pemusatan iklan lebih berorientasi kepada profi, maka mereka cenderung awal lebih mengutamakan aspek komersial dari pada aspek sosial dalam perilaman.

Artikel ini mencoba membahas tanggungjawab sosial pemusatan iklan untuk memberikan informasi kepada konsumen dalam memilih berbagai alternatif produk yang tersedia dan mendidik masyarakat dalam menilai keunggulan produk apa saja yang tidak harus dibeli berdasarkan informasi yang benar, tanpa adanya manipulasi terhadap pikiran konsumen.

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One of the major problems in advertising is the lack of a clear and acceptable code of conduct. Since the primary objective of any advertiser is profit-oriented, social concerns are only peripheral to him and that also provided that these social concerns have a significant impact on the long-term economic environment of the advertiser. Advertising is primarily meant to influence the independent thinking of the consumer and change his behaviour. In a way, advertising can be considered as a brainwashing catalyst, which is intended to manipulate the consumer into thinking that the advertised product is the best for him, and it does not matter much whether the consumer really needs the product or not. In that respect, advertising can be considered manipulative with its accompanying social significance. On the other hand advertising is a major force in society, providing valuable service to its members as well, so that, it "tends to help us understand the products, services and institutions that we encounter in our culture and provides us with some understanding of our relation to them". However, it is the manipulative aspect of advertising that is considered the socially detrimental aspect. This manipulative aspect is responsible for leading consumers to purchase things they do not need or
should not need. This, the critics contend, is the misdirection of economic opportunities. As a distinguished historian, Toynbee (1961) stated:

"A considerable part of our ability, energy, time and material resources is being spent today on inducing us to spend our money in a manner that we should not have dreamed of wanting if we had been left to ourselves."

In this regard advertising has a social responsibility to inform the people of the various choices available and educate them about the superiority of a given product by putting forth hard facts about the characteristics of the product. Thus the consumer can freely decide for themselves as to which product to buy and which products to avoid. There are some issues of concern where advertisements need to be more responsible in community needs. These areas are:

1) Advertising is considered to be an environmental pollutant. Most advertising is presented by people because it is simply too much to abstain. It is too pervasive and too interfering in people's personal lives. In that respect it is considered to pollute the mental environment. This is specially true about TV advertising. As one industry task force put it: "TV advertising is 'intrusive' and the TV medium reaches a heterogeneous audience of all ages, all educational levels, all religions, all regional and ethnic groups, etc. It is often impossible for a commercial to speak openly and conversely to a major portion of a TV program's audience without seeming inappropriate or intrusive or even offensive to another segment of this same program's audience."

However, because of advertising's acknowledged economic and convoluted role in the free enterprise economy, it is almost impossible to cast its role in the total marketing mix.

2) The issues of morals and taste in advertising. Since advertising is so central, the same forms of it may become a burden on the consumer. Such advertising may be offensive, misleading or simply annoying. For example, some people would not think they consider all liquor advertising as morally offensive. Similarly, in some countries where prostitution is legal, prostitutes are permitted to advertise their services. In India and America, it would not only be illegal, but also morally offensive. Sex is considered to be such a private affair in India that all advertisements concerning feminine hygiene, contraceptives are likely to be considered by a majority of people as offensive and tasteless.

On the other hand, the product itself may not be morally offensive, but its presentation may be. Too many commercial, overly expressive commercials and commercials that discourage consumer intelligence are considered to be in bad taste. Even though some proponents of advertising argue that the advertising is directed towards the audience which is the average mass of people not the chosen elite. Hence the advertisement advertise what they believe the audience wants to see and how and they are willing to absorb the dissatisfaction of a few whom may find some advertising below their expected standards of decency. According to Teker (1974):

"The critics of advertising... seem to urge that the business of earning a living be combined with other activities they regard more highly. They desire the veracity, and the selfish appeals in advertising. The content of advertising is a reflection of the audience to which it is directed. If we were all philosophers or poets, the content..."
of advertising would change accordingly.

However, in spite of the cultural and educational level of the recipients of such advertisements, it still remains the responsibility and civic duty of the advertiser to truthfully and sincerely inform the consumer of the characteristics and qualities of a product and let the consumer make the decision about buying the product, rather than manipulating to, consumer to believe in a product in order to buy it.

Ethics and Advertising

New York is the first and the most common stop for all American tourists coming to Europe and India. A tourist walking on Fifth Avenue in the mid-forties streets would find some stores with large signs saying "Going Out of Business Sale: 50-70 percent off. This would be a great temptation buy some electronic products. The tourist would be very happy thinking that he got a last-minute bargain before the store closed for good. What the tourist does not know is the "Going Out of Business Sale" has been on for the past 15-20 years and he could get the same item cheaper at some more reputable stores. Is it ethical for the store to advertise falsely and lure the customers in such manner? Is it morally acceptable to mislead the client, as in this case, where the only favourable argument is that nobody forced the customer to buy the merchandise? To buy not to buy was his and his choice alone, but his thinking was indeed manipulated into believing the advertisement and trusting the advertiser. At best, the ethics of such selling techniques are debatable.

Ethics is probably the most difficult concept to define. It is inapproachable to assess the idea of morality or the concept of right and wrong. "Nothing is good or bad but thinking makes it so" does not leave much grounds for a universal definition of what is ethically right and what is morally wrong. The concept may have some facets that are universal in nature, but much of it may be defined with reference to the values established by a particular society. For example, accepting bribes may be unethical in some societies and may be a way of life for others, for getting things done. Even in India where corruption was once talked of in hush tones has become a mass culture. Sex before marriage in India may largely be considered as immoral, while it is con- ceded as desirable in America. Kissing is forbidden in the Indian films but rape is a part of its story. It is proper for women in some societies to be subservient to men, while in others; there is emphasis on the equality of sexes. Artificial birth control techniques may be a taboo in Catholic Christian societies, and may be mandatory in Russia and China. Thus ethical conduct is not easy to understand and the determina- tion of ethical conduct is subjective and vague, varying among different cultures and different environmental conditions. The concept of morality does not differ in interpretation and application from culture to culture, but seems to have changed over the period of time within the same culture. With reference to the changes in the moral values over time in America, a study conducted by US News and World Report (1985) showed that certain sub-jects, Americans have simply changed their minds about morality. For example gambling used to be widely condemned. Now, even churches run bingo games, which are a form of gambling. Drinking also used to be widely condemned. Now over two-thirds of Americans do drink. Premarital sex was taboo today couples live together before marriage. According to studies con-ducted by Cosmopolitan magazine, nearly...
70 percent of American married women have at least one extramarital affair while married. This was unheard of only a few years before. DeGeorge has defined ethics as "a theory of morality which attempts to systematize moral judgement and establish definite moral principles". As this definition suggests, moral principles and moral judgement are also subjective in nature and depend much upon the value system of the individual. But, how do you determine the validity of the value system of the individual or the judgement about his ethical behaviour? For example, lying in itself may be unethical but lying to save a life might become ethical. A terrorist to a government may be an immoral criminal but to his own people he is a hero. Killing someone may be religiously unethical, but war heroes are decorated on the basis of the number of 'enemies' they killed. Based upon these controversies, Baumhart (1968) asks a number of questions relative to ethical behaviour. For example, is there a set standard against which the ethical standards can be measured? Or is there a situational code of ethics according to which the ethical merit of an activity can be evaluated? Is the evaluation of ethical and unethical conduct consistent among culture and countries? Does it vary from individual to individual? Who decided what is right and what is wrong? Is it the individual, family, organisation or the community?

As far as advertising and marketing ethics are concerned, the concept of right and wrong, fair and unfair, just and unjust, is reflected either by organizational policies or by social reactions to a given advertisement or a marketing strategy. Carroll (1984) considers some such issues as follows:

1) Suppose a firm is advertising for vegetable soup on television. Is it ethical to put small matches at the bottom of the bowl of soup so that the soup will look thicker?

2) A salesman for an electrical machine is anxious to sell his equipment. Is it ethical for him to offer a bribe to the purchasing agent as an inducement to buy?

Suppose that instead of bribe, he gives some money out of his own commission, does it make the transaction ethical?

It is a very common practice among travel agents to give back a part of their commission to the customer so that the customer can save some money. Is this transaction unethical when nobody is hurt and everybody is happy, since the travel agent gave a part of his own commission back to the client of his own free will. These controversial opinions make it extremely difficult to reach an agreement on a common and acceptable definition of ethics and morality. Considering these conflicts, Ayer (1964) has proposed a novel idea. He suggests that morals and ethics are just personal viewpoints and "moral judgements are meaningless expressions of emotions". The concept of morality is personal in nature and only reflects a person's emotions. He called this view as "emotional theory". It proposes that if a person feels good about an act, then in his view, it is a moral act. For example, using loopholes to cheat on income tax may be immoral from societal point of view, but the person who is filing the income tax returns sees nothing wrong with it. Similarly, not joining the army in time of war may be unethical and unpatriotic from the society and the country's point of view, but the person concerned may consider war as immoral in itself. However, this
approach has the least significance, since a completely individualized approach cannot be consistently applied in judging all moral or immoral actions.

Ethical Considerations in Advertising

According to Rahul Bhutragar, "the objective of advertising is to change the personality traits of the consumers and effect the desired buying behaviour. It is a very strong stimulant and if effectively channelled, its full potency could be realised." But is it channelled effectively? Is it employing fair means to "change the personality traits of the consumers"? In general, is advertising truthful or is it manipulative?

Based upon the accepted concept of ethics, any advertising that overstates the truth or uses questionable means would be considered unethical. The only question that remains is about the relativity of ethical absolutism. According to Laczniak (1983), an action is relativistic ethically if it is based upon either the theory of justice, which means protecting the interest of all involved or on a theory of utilitarianism which provides the greatest possible balance of values for all persons involved. The fact still remains that whether it is the "theory of justice" or the "theory of utilitarianism" it is not possible to satisfy all people. If the objective of advertising was simply to inform the people about the qualities of a product and give the people complete freedom of choice, then certain ethical standards in advertising could be maintained. But the objective of advertising is to "persuade" people to buy the product and change their buying behaviour, and then it might need some manipulative tactics to achieve such objectives. In that case, emphasis on psychological benefit, slightly exaggerated claims or even puffery might be accepted by our society as ethically acceptable. That is why products advertised as "best" or "most often recommended" or "most often recommended by doctors" or "long lasting" etc. may be morally acceptable. But claims that are designed purposely to mislead and deceive the customer would be considered unethical. Some of these unethical practices are controlled by law in terms of "truth in advertising" laws. Undocumented false claims are prohibited by law. For example, a skin cream cannot be advertised in the form of, "your skin will look 10 years younger if you use our cream" unless such claims can be medically proven. To get around this, the advertisers might create a message such: "this cream will help your skin look younger." This is a kind of promise rather than a claim, even though this promise could also be considered as manipulative advertising. Advertising has been previously defined as, "any paid form of non personal presentation of ideas, goods or services by an identified sponsor." This definition suggests that advertising is simply a "presentation" and the prospect is totally free to choose and decide. The free choice as analyzed by Feinberg (1993) includes three features. These are:
1) The absence of inner psychological compulsion.
2) The presence of adequate knowledge.
3) The absence of external constraints.

In other word, in order to choose freely, a person must be free of external constraints that control or even influence the choice of one alternative over another. These outside controlling influences have been categorized by Beauchamp (1984) as follows:
1. Coercive influences that are always controlling.
2. Persuasive influences that are generally not controlling.
3. Manipulative influences that are sometimes controlling.
These tactics are explained in more detail:

1. Coercive Tactics

Coercive tactics are relatively rare but often used in public advertising. It involves threatening negative sanctions to those who do not choose the dictated alternative. Most of the penal legislation requires coercive tactics while informing the public about laws. "Buckle Up," says one advertisement requiring passengers in the cars to fasten their seat belts, "it is the law." This advertisement could be considered as using coercive influences, as the prospect is not free to choose whether to buckle up or not, and he is threatened with negative consequences if he choose not to fasten his safety belt, which is against the expectations of the advertiser—"which," in this case is the government. Similarly, Plasma International used coercive techniques when they advertised among the poor people offering them food and medical attention for giving blood in return. This was a kind of threat in the sense that food and medical attention would be denied to those starving and sick people who chose not to donate blood. Coercive techniques may also be used in merchandise marketing in controlled societies where the people's choices are controlled by the Government. But in a free enterprise system, coercion is neither successful nor desirable.

2. Persuasive Influences

On the other end of the continuum is persuasion, which is a deliberate and successful attempt at bringing the prospect to your point of view. While coercion is considered ethically unacceptable, persuasion is an accepted technique specially if it is rational persuasion in which good and objective reasons are given to the prospect for accepting the desired outcome. On the other hand, irrational persuasion, which plays on the emotions of the people rather than objective judgments, may be considered as manipulative and thus ethically unacceptable. For example, does toothpaste really improve sex appeal? Using the sex appeal angle could be considered irrational persuasion. Similarly, child-oriented advertising appeals for example, a tasty snack or a biscuit improving as making children healthier would also be considered irrational persuasion. Rational persuasion is defined by Bem (1967) as follows:

"Persuasion is rational so far as the persuasiveness lies in the substance of the argument rather than in the manner of presentation, the authority of the persuader or some other special relationship by virtue of which one party is particularly susceptible to suggestions from the other."

This means that a favorable change in the prospect's behavior is brought about by the strength of the argument and the merit of the reason rather than the manner of presentation, or the style of the persuader. The basic idea in accepting rational as an ethical ploy is that the prospect fully understands and accepts the reasons given as good and just and makes the ultimate choice of his own free will. It is still not clear, however, what "good reason" means. Are these good reasons measured against the utilitarian advantages of the chosen alternative or purely psychological and emotional advantages? Do good reasons have to be absolute or simply perceived by the prospect? Secondly, it is also not clear as to why irrational persuasion must be considered ethically wrong. For example, if an advertiser persuades a person
to buy a new car for his wife whom he loves very much, even when it is not necessary to buy her a new car, it could be considered irrational persuasion. But is it unethical for the advertiser to play on a man’s love for his wife? This debate seems to be unresolved.

3. Manipulative Influences

Manipulation is a grey area, which includes both legal and illegal activities. It is generally considered a strategy to deceive people. Manipulation is considered subtle coercion as it is not a direct way to make someone believe what is not true. The use of manipulation techniques can be considered an attempt to get someone to believe in what is not correct and such belief would result in some form of harm to the believer. For example, if a brand of toothpaste is advertised stating that it reduces cavities more than the brand of competitor, and this statement is backed by evidence and the claims are not misleading, then it would be considered a deliberate attempt to make the consumer believe in what is not correct. Such a process would be categorised as manipulative advertising.

Newspapers in America are full of advertisements enticing people to lose weight fast by using some miracle drugs offered by the marketers. Some manipulative photographs of “before and after”, appealing language of the message, emphasis on scientific breakthroughs in the development of these drugs take full advantage of the readers’ vulnerability.” Lose up to 10 pounds a day,” says one advertisement. “Look 10 years younger in one week”, says another advertisement for a cream.

Any rational buyer would know right away that these claims are false. Yet, millions of people buy these drugs and these creams with no or little effect. Some good luck charms which promise instant money, instant success on the job, instant success in love, are sold by the million. If people are so gullible, should we blame the advertisers for using these misleading techniques?

Advertising, really, is informal manipulation. Even if the claims of advertisers are correct, they are packed and presented to the public in such a manner so as to leave the person with no real choice. The appeal is emphatic, forceful and passionate so that the person can no longer resist the temptation to buy the product, thus limiting his choice to only one alternative.

While manipulation is deception in presentation and incorrectness of claims, a more suitable form of manipulation is known as “dual advertising”. When an advertiser promotes one product to a potential buyer, he may also promote another product, which is the same product. This technique could be considered as psychological manipulation rather than informational. For example, a customer sees an advertisement about a ‘Miniolta’ camera that he knows is a good buy, wants to buy one. He has known of Minolta cameras being highly reliable and the advertised price appears to be very low. The prospective buyer makes a special trip to the store to buy it and the salesperson tells him of all the benefits of owning a Minolta camera and emphasizes the tempting price. The customer is most impressed and decides to buy it. Only then does the salesperson inform him that the camera case will cost extra.
and so would the batteries, making it much more expensive than what he was willing to buy it for in the first place. Now the customer is too embarrassed to back out and is worse off; less compelled to buy the camera at the higher price. Thus once again, the customer’s choice was not due to lack of useful information about the camera.

Another form of manipulation is mentioned by David Ogilvy, which is known as “subliminal advertising.” In his own words, “Suspecting that hypnosis might be an element in successful advertising, I engaged a professional hypnotist to make a commercial. When I saw it in the projection room, it was so powerful that I had vision of innumerable suggested consumers getting up from their armchairs and rushing like zombies through the traffic on their way to buy the product at the nearest store. Had I invented the ‘ultimate’ advertisement? I blinked and never told my client how close I had come to larding him (or a national brand!).

These views and ideas suggest that any efforts controlling or influencing the buying decisions of the customer could be considered manipulative and hence ethically questionable. Some laws have been passed that protect consumers from such false advertisements where the claims cannot be substantiated. Many grey areas remain where society has to play a major role in ensuring that advertising sticks to purely informational roots giving the prospect an intelligent and rational way of making choices. If consumers are misled or enticed into a choice by deception, such advertising is delinquent in its role based on ethical or moral justification.

According to Singh (1995) “the driving points of advertisements should be to ignite the thought process and educate the consumer—a rationally think, be motivated and finally launch into buying action. It should not exploit his lack of knowledge or experience and sway him to conspicuous buying action...we often find that by omission, exaggeration and ambiguous statements or visual presentation, we misled the consumer. This particularly seen in race of commercial or geographical origin of a product, value of the product, terms of business guarantee terms, intellectual property rights, copyrights, official recognition or approval award of prize, discount and sales discounts. The comparison between goods should be so designed that it should comply with the principles of fair comparison and the terms of comparison should stand on facts which can be substantial.

The debate still persists whether advertising simply influences the behaviour of its audience or controls it. Ariens (1982) has come to the defense of advertisers by proposing that “an advertisement influences more than controls an audience.” Most often, advertising induces a desire for a particular product, given that the purchaser already has the basic desire. Even if puffery and exaggerated claims can be considered manipulative, according to Levitt (1970), “these efforts are not fundamentally different or even controversial as the efforts of the legislatures, politicians and editorial writers to manipulate ideas in the minds of citizens.” These techniques which simply influence the buyers’ behaviour are acceptable to society.

Improving Ethical Conduct

In order to improve the ethical climate of an organization, a plan of action is called for and this plan can be categorized into two different levels and areas where each level has a significant contribution towards the formation of the entire ethical system. These levels are:

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1. Individual Level

What can individual consumer do to protect herself from the effects of unethical and misleading advertising influences. It is necessary to understand, however, that all consumers do not react to the same stimulus in a similar manner. Hence, morally offensive advertisements must be considered after an objective evaluation of the point and content of the message. This means that the advertisement must be explicitly manipulative and the consumer morally and ethically handicapped so as to be consciously aware of such intended manipulation. Based on this assessment, a consumer has a number of alternatives to choose from. These are:

a) If the consumer believes that the advertising has misled or deceived her, she may stop buying the product and advise her friends likewise. If there were a sufficient number of people thinking in the same manner, then the advertiser would get the message and change the message to win back the loyalty of the consumers.

b) Write to the company. The consumer individually or in consortium with other consumers or consumer groups may write to the company raising the issues in a specific manner. Most speculative companies and particularly national ones would take such complaints seriously and take the necessary action in order to keep their goodwill and loyalty.

c) Write to a newspaper. Many newspapers and magazines have consumer-oriented columns and sections and if the company does not respond favourably directly, some newspapers will publicly take up the cause on behalf of the consumers.

d) See a lawyer about an individual or a class action suit. This is an expensive and time-consuming route, but if the complaint is serious, this can be useful action. For example, if an advertisement is sexually explicit so that it will have a negative effect upon children, a legal route can bring results. Similarly, if an advertisement is demeaning to women or an affront to certain religious beliefs, legal action may be desirable. Sometimes, just a letter from an attorney brings about the desired result.

e) File a complaint with the proper regulatory agency. There are several legal bodies, which oversee the legality and decency of advertising messages. The proper agency can be located through a local consumer affairs office. In America for example, a self-regulatory agency, such a Better Business Bureau could assist in getting some action from the advertiser, if there is a justified reason for it.

2. Organizational Level

This is the most important level at which the management can play an important role in shaping the ethical climate of the organization. Top management should play a strong ethical role model so as to see that sound ethics permeate through all levels of the organizational hierarchy. One way to achieve high standards of ethical conduct is to set goals that are objectively achievable. Besides setting high goals, it is likely to reduce some employees to use unethical methods to achieve them. This is specifically true at the salesmen’s level. These ethical concepts must be clearly defined and communicated at all levels and the management must ensure that these concepts are respected and followed through responsibly. According to the meetings conducted by Weaver and Ferrell (1977):

“A basic building block of the organizational environment is corporate

ethical dis-
policy. Formal policy is an explicit statement to encourage beliefs and behaviors either ethical or unethical. Based on these findings the policy appears to influence ethical conduct. If the associations in this limited study are typical, individuals that make policy decisions must assume some part of the responsibility for the ethical environment of the organization. Also, these findings question the impact of codes of ethics that are not enforced. Top management should establish policy as well as express a commitment to ethical conduct.

Hence, if the top management establishes a policy of ethical conduct for all members of the organization and enforces this policy then the best opportunity exists for proved ethical conduct in advertising. In addition, within the framework of general organizational policies, the advertising departments should develop personal standards of ethical or professional conduct and abide by these norms. The development of a strong personal moral or professional code on the part of advertisers is further strengthened by certain motivations, which are both internal and environmental. Some of these motivations are:

a) Civic responsibility: An advertiser is a part of society around him and is presumably a respected member of the community. Any unethical advertising would be an inverse reflection of his integrity and credibility. Since it is not always possible to separate social life from business life, a conflict between the social role and business role would have a negative impact on the advertiser’s civic role. Hence advertisers consider it their civic duty to defend any segment of community around them.

b) Legal obligations: In order to protect defense consumers, some laws have been enacted which make it a criminal offense to deliberately mislead the consumer by false claims. The fear of punishment may well act as a deterrent to many advertisers who would thus obtain from unethical or deceptive advertising. The advertiser would also like to be known as a law-abiding citizen, which is a kind of motivation for ethical behavior.

c) Profit motive: Most organizations use business to make money over a long period of time. This money can only be made if consumers keep on buying their products. Thus, no credible advertiser would want to mislead, deceive or offend consumers at a point when they will stop buying the products.

Quoting the president of larger advertising agency, La Barbera states:

"Deceptive advertising is only valuable for someone in a position to make one sale and thereafter not care whether he gets the buyer’s business again."

Thus achieving maximum profit over the long run is a high motivation for organization to keep away from deception or misrepresentation...as Senni (1977) says: "Clear-cut cases of misrepresentation or deception in advertising are identifiable and few reputable corporations with nationally advertised brands are likely to revert to such practices intentionally where millions of dollars of sales and earnings are at stake...and where the reputation of their product has been built over time. The problem lies in the major gray areas where persuasion is subtle and benefits alleged are essentially psychological."
Self Policing Activities

Even though all these motivations are adequate in encouraging ethical standards among advertisers, there are some self-policing activities that further ensure that advertisers operate within the accepted code of conduct. These self policing activities include:

1. Blowing the Whistle on the Competitors

If an advertiser does not indulge in misleading advertising, the competitor can either blow whistle on him directly by pointing to these untruthful aspect in his own advertisements or complain about it to the related regulatory body against the claims of the competitor. For example, when TWA advertised its "on-time" record giving a misleading impression that other airlines did not have such a record of punctuality, a complaint was registered to the airline regulatory body by other airlines and TWA had to withdraw this advertisement. Recently in India the advertisements of The Times of India carrying adverse observations or claims against The Hindustan Times were found objectionable by the Press Council of India.

2. Agency/Advertiser Associations

Some self-policing regulatory associations have been formed which require their members to observe the advertising code of conduct established by mutual considerations and belief. In UK, the advertisers have adopted their code of advertising practice. In India the Council of Indian Advertisers, the Press Council and other agencies lay down norms, professional standards and codes. In USA a detailed study of these aspects can be a better illustration.
tionable advertisements are reviewed by special committees.
c) Business Business Bureaus. These Bureaus are sponsored by advertisers, agencies and media and they attempt to regulate the operations of member businesses. The Bureau has no legal power but works with legal law enforcement officials. They keep files on consumer complaints, investigate more serious complaints and put pressure on members to correct these complaints.
d) The National Advertising Review Board (1931). This board does not have any legal power but tries to solve any problem relating to misleading advertising, using its considerable industry influence to pressurize the advertisers.

3) Regulation by the Media

Different newspaper magazines, TV and radio stations apply various criteria for self-policing. For example, magazines may consider the following factors:
a) The desire to protect the readers of the magazine and potential customers from exploitative or dishonest advertisers. For example, the “Good Housekeeping” magazine maintains a panel of technicians to test products before advertising them in the magazines and giving them the “seal of approval.”
b) Many magazines do not accept advertisements that do not conform to the taste of their audience. Sex ads may be great for “Cosmopolitan” magazine but not for “Reader’s Digest” or “Ladies’ Home Journal.”
c) Most magazines respect the standards of advertising that they have set for themselves. For example, the “New Yorker” magazine prohibits feminine hygiene advertisements.

Similar to magazines, all TV and radio networks maintain departments that judge and censor commercials for levels of acceptability. Some of the various media associations that impose their own code on advertisers are:
a) The National Association of Broadcasters (NAB). They have established a TV code and a radio code, which the advertisers are required to follow.
b) The Direct Mail Advertising Association (DMAA). It maintains the “Standards of Practices Committee” to ensure that no objectionable material is mailed by members.
c) The Outdoor Advertising Association of America. It sets standards for billboards and outdoor advertising.

The Legal Aspects

In addition to self-policing activities which are generally binding on all members, advertisers, there are some Federal and State laws in America that further protect the consumer from being manipulated by the advertisers. In addition to Federal laws, which become applicable wherever there is interstate commercial involvement, most individual states have adopted a statute against deceptive and misleading advertising. For example, New York has an aggressive “Department of Consumer Affairs” with a good track record for going after local advertisers who draw complaints.

Federal Regulations

The Federal Trade Commission (FTC) was created by the Sherman Act passed by the Congress of the United States of America in 1890 and amended by the Clayton Act of 1914. It was designed basically to cover price discrimination,
exclusive dealings and tie-ins, acquisition of stock and interlocking directorates. The idea was to eliminate monopoly. The FTC became the legal policeman of advertising. The FTC act said that, All unfair methods of competition in commerce are hereby declare unlawful.

The FTC Act was further amended by the "Wheeler-Lea Act" of 1938. It stated, "Unfair methods of competition in commerce are hereby declared to be unlawful." This act also defined false advertising as misleading in material respect by statement, word, design, sound, etc.

Thus the Federal Trade Commission regulates commerce between States, controls unfair business policies and practices, takes legal action when necessary in false and deceptive advertising.

In addition to the Federal Trade Commission, some of the other major Federal agencies involved in control of various forms of advertising and other malpractices are:

a) Food and Drug Administration (FDA); it controls marketing of goods, drugs, cosmetics, medical devices and any potentially hazardous consumers products.

b) Federal Communication Commission (FCC): It regulates advertising indirectly by utilizing the power to grant and withdraw broadcasting licenses.

c) Postal Services: It regulates material that goes through the mail, primarily in the area of obscenity, lotteries and mail fraud.

d) Crop Division: It is a unit of the Department of Agriculture and is responsible for policing seed advertising.

e) Securities and Exchange Commission (SEC): It regulates advertising of securities and other matter relating to stocks.

f) Alcohol and Tobacco Tax Division: This agency has broad powers to regulate deceptive advertising of liquor and tobacco. It is a sub-unit of the Treasury Department.

g) Patent Office: It regulates registration of trademarks.

h) Library of Congress: It regulates and controls the protection of copyright.

i) Department of Justice: This department enforces all Federal laws through prosecuting all such cases that are referred to it by other government agencies.

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