

Advertising in Society

Classic and Contemporary
Readings on Advertising's
Role in Society

Roxanne Hovland
Gary B. Wilcox

Advertising in Society

Classic and Contemporary
Readings on Advertising's
Role in Society

Roxanne Hovland
University of Tennessee

Gary B. Wilcox
University of Texas



NTC Business Books

a division of NTC Publishing Group • Lincolnwood, Illinois USA

1990 Printing

Published by NTC Business Books, a division of NTC Publishing Group.

©1989 by NTC Publishing Group, 4255 West Touhy Avenue,
Lincolnwood (Chicago), Illinois 60646-1975 U.S.A.

All rights reserved. No part of this book may be reproduced, stored
in a retrieval system, or transmitted in any form or by any means,
electronic, mechanical, photocopying, recording or otherwise, without
the prior permission of NTC Publishing Group.

Manufactured in the United States of America.

Library of Congress Catalog Number: 88-61141

To Henry, Lucia, Nick, and Nancy, for everything.

R.H.

To JoHannah.

G.B.W.

The greatest of faults, I should say, is to be conscious of none.

Thomas Carlyle
1795 – 1881

Foreword

Several years ago I had the opportunity to talk with a visiting German communications scholar. I asked him about the evolution of television in Germany. He said that the government had thought about how television could best serve the German people and then had implemented such a system—so much for education, so much for entertainment, national and regional networks, and so on.

Since that time I have frequently used that encounter in my classes to try to clarify the differences in outcomes that occur when decision making is made from the top down rather than, as frequently occurs in this country, from the bottom up. I point out that in the late 1970s, the People's Republic of China, emerging from the convulsions of the Cultural Revolution, had a virtual blank slate on which to write its new economic order, including what role, if any, advertising was to play. The government, not the individual elements of the economy, chose the path.

By contrast, of course, our institutions tend to evolve from the motivations of individuals, and only later do we step back to see what it all means, what it's doing, where it's going, and whether or not we're pleased with the outcome. Debates about television programming, the "proper" role of CATV, and so on, all proceed from the shared perception that what's already there is the reference point. Frequently, what's there grew without a master plan, save the self-interests of enterprising individuals.

And so it is with advertising. Rather than beginning with questions about whether or not it can add to the citizen welfare, how much information it should offer and in what forms, to whom it should be addressed, and so on, advertising thought emerged from advertising practice. When, in the late years of the last century, and the first years of this, some individuals began to step back to say, in essence, "What have we here?" advertising was well on its way to institutionalization, with all the rigidity of thought and practice and "world-taken-for-granted" acceptance that we would expect.

And that, in large part, is what I find so fascinating about advertising. There seems to be no end to the sins that its detractors will accuse it of, nor of the virtues its supporters will proclaim. It arrests the attention, stirs the ire, or tickles the pride of a veritable galaxy of businesspeople,

economists, sociologists, historians, anthropologists, demographers, philosophers, teachers, parents, and government officials, great and small. Some worry about its activities and urge reform, while others despair that it's not tending to its existing practices effectively enough. Such a feast, where gather claim and counterclaim, facts (few) and opinions (many), ideologues and pragmatists!

And our editors here have set a bountiful table indeed. In the section on institutional issues their contributors raise fundamental questions about advertising's problem-solving mission in our complex society, and whether the outcome should please or trouble us. A journey through the sociodemographic landscape cautions that advertisers and their minions are not sensitive enough to the movements of our population seas for their own best business interests, *and* that they are insensitive in dealing with some of the segments they do choose to flatter—or ignore. Of course questions must be raised about how all this sound and fury should be bound. What regulations, and from what source, seem appropriate? Here contributors explore the arabesques of commercial speech and the first amendment, as well as the proper role, and effectiveness, of regulation of the industry. Then they explore how it is that advertising can be considered both friend and foe of free enterprise, saint and sinner of the market system, honored and condemned both for what it does *and* doesn't do in working its ways in the American economic system. And, finally, the questions are asked, What are we to make of the ethical dimensions of all of this? Why do practitioners feel so put upon by critics who condemn, and citizens who barely tolerate, a practice and craft that they consider to be perfectly consistent with mainline American institutions and, indeed, one that is more useful, in a utilitarian sense, than many?

As I look through these pages, I find both old friends and potentially enlightening new acquaintances, professing engagingly about a subject likely to be of lively interest to anyone holding this book. If, as Patrick Dennis's Auntie Mame once explained to her bewildered nephew, "Life is a banquet table, and there are so many poor bastards starving to death," you need only blame the image in the mirror if you choose not to sample to the full the familiar and the disquieting, the tart and the mellow, which the editors offer. The subject offers challenges and controversies. The company offers us insights.

We are, I believe, well served, as we wonder anew, "What have we here?"

Kim Rotzoll
University of Illinois

Preface

It seems appropriate that a book about advertising and society begin with a disclaimer. It is simply that any book on this topic is, by definition, incomplete. The heading is indeed so broad and so deep that a complete treatment is impossible. It is hoped, however, that the works that follow constitute a balanced sample of those available.

Befitting its complex nature, advertising is examined as a social, cultural, and economic force. In turn, the impact of societal conditions on advertising is assessed. Advertising is treated variously as cause and effect, sin and savior, throughout these articles. And although the reader may wish to quarrel with more than one author, all the points of view presented should be thought provoking.

The book is divided into five interrelated sections. Although many issues encompass a number of different dimensions and might easily fall into more than one section, they were categorized as institutional issues, sociodemographic issues, legal and regulatory issues, economic issues, and ethical issues. Within each category, the articles share a common focus or consistent theme.

The first set of articles is devoted to the broadest possible treatment of advertising; it offers a historical perspective based on the socioeconomic conditions that facilitated the practice's rise. Some authors view advertising as a bona fide institution, with all the concomitant implications that the designation carries. Others look more narrowly at **institutional aspects** of advertising—its role in American economic development and in socializing the public. One thing should be clear from reading this section. Regardless of one's feelings about advertising, it can never be separated from the socioeconomic environment in which it exists.

The second section gives the reader a look at selected **sociodemographic trends** that, taken together, suggest general shifts in the way America lives. The changes that are occurring both within segments, and across the population as a whole, present challenge and opportunity for advertisers. For example, as women's roles change, advertisers have to address them differently, as well as examine how these changes affect other members of the household. The value in having advertisers adapt to social and demographic shifts is more than economic.

Ultimately it contributes to the quality of advertising and the media in general.

Legal and regulatory issues are addressed in the third section. Of particular interest here is the explanation of current regulatory policies given the historical basis of advertising controls. It is obvious from these articles that the regulation of advertising by any agency or group so empowered is anything but static. Evolution of theory and practice is important to most issues involving advertising; in the case of advertising regulation, there is an important observable pattern.

The **economic issues** addressed in the fourth section are more than purely economic. Though there is an emphasis on economic relationships involving advertising—such as its impact on prices and sales—there are definite social and public-policy implications inherent in these same issues. The institutional perspective offered in the first section is useful throughout the book; it is especially helpful in this one. There is plenty to criticize about advertising in economic terms, but it can only be done fairly with an understanding of the American socioeconomic system.

The book concludes, appropriately, with a collection of articles concerned with **ethical issues**. These articles are devoted to either general discussions of ethics in the field and the morality of advertising, or to selected ethical problems related to specific audiences or advertising situations. Several articles tie in many of the diverse issues raised in preceding sections of the book, thereby providing a fitting summary of this complex field.

Overall, we have attempted to include the broadest possible selection of articles. In each section, classics appear along with the newest approaches to topics. Two articles were written especially for this book. The collection constitutes a mixture of empirical and conceptual works. And, although there is a natural emphasis on theory and concept, attention is also paid to practical implications inherent in the issues addressed.

Whole volumes could be written about almost any topic addressed here. The motivated reader will find this book to be a useful introduction to issues that warrant a great deal more attention. Bearing in mind the disclaimer offered earlier, the reader should find this to be, at the very least, a fair and reasonably comprehensive collection of works devoted to topics of enduring concern to academics and practitioners alike.

Acknowledgments

We owe a great deal of thanks to the numerous individuals who provided input and suggestions for this book. We are also indebted to many organizations, authors, and publishers who contributed to this effort. In particular, we would like to recognize Professor Len Reid (University of Georgia), editor of the *Journal of Advertising* for his generosity, without which this work could not have been completed. The support of Harry Briggs and Daniel Spinella of NTC Publishing Group was also especially priceless.

Acknowledgment is due to the following individuals who reviewed the manuscript and provided us with numerous insights: Arnold Barban, University of Alabama; Kent Lancaster, University of Florida; Vince Norris, Pennsylvania State University; Kim Rotzoll, University of Illinois; Michael Schudson, University of California, San Diego; Dwight Teeter, University of Wisconsin-Milwaukee; Esther Thorson, University of Wisconsin-Madison. The timely and constructive review of Ron Taylor, University of Tennessee, was also particularly helpful.

We would also like to thank cohorts and mentors we've encountered in our academic and professional careers: John Abel, Keith Adler, Bob Anderson, Arnold and Barbara Barban, Martin Block, Ed Cundiff, Bill Cunningham, Isabella Cunningham, Tom Guback, Dean Krugman, Kent Lancaster, John Leckenby, Tom Muth, Frank Pierce, Len Reid, Kim Rotzoll, Wick Rowland, Julie Ruth, Michael Stankey, Pat Stout, John Sutherland, Ron Taylor, Dwight Teeter, Jim Terhune, and Bruce Vanden Bergh.

We thank the many individuals at the University of Tennessee and the University of Texas at Austin who helped with various aspects of this manuscript. A special thanks goes to the Department of Advertising staff at the University of Texas at Austin for their support and help.

Finally, very special thanks are due our families for their patience, understanding, and support.

Roxanne Hovland
Gary B. Wilcox

Contents

Foreword by Kim Rotzoll	xiii
Preface	xv
Section I	
Institutional Issues	1
Chapter 1	
Some Institutional Aspects of Advertising	3
<i>Charles H. Sandage</i>	
Chapter 2	
Advertising: An Institutional Approach	11
<i>James W. Carey</i>	
Chapter 3	
Advertising and the Classical Liberal World View	27
<i>Kim Rotzoll, James E. Haefner, and Charles H. Sandage</i>	
Chapter 4	
Historical Roots of Consumer Culture	42
<i>Michael Schudson</i>	
Chapter 5	
Advertising as Capitalist Realism	73
<i>Michael Schudson</i>	
Chapter 6	
Advertising History—According to the Textbooks	99
<i>Vincent P. Norris</i>	

Chapter 7	
The High Cost of Free Lunches	119
<i>Ben H. Bagdikian</i>	

Section II	
Sociodemographic Issues	135

Chapter 8	
The Census Bureau's Household Projections	138
<i>Thomas G. Exter</i>	

Chapter 9	
Women and Work	143
<i>David E. Bloom</i>	

Chapter 10	
Female Role Portrayals in Advertising and Communication Effectiveness: A Review	153
<i>Thomas W. Whipple and Alice E. Courtney</i>	

Chapter 11	
Response of Elderly Consumers to Their Portrayal by Advertisers	165
<i>Troy A. Festervand and James R. Lumpkin</i>	

Chapter 12	
Blacks and Whites: One Market or Two?	191
<i>William O'Hare</i>	

Section III

Legal and Regulatory Issues 199

Chapter 13

Commercial Speech and the First Amendment:
The Constitutional Stepchild 202*Dwight L. Teeter, Jr., Gary B. Wilcox, and Roxanne Hovland*

Chapter 14

Data-Free at the FTC? How the Federal Trade
Commission Decides whether Extrinsic
Evidence of Deceptiveness Is Required 220*Ivan L. Preston*

Chapter 15

The Role of the FTC in American Society 242

Neil W. Averitt and Terry Calvani

Chapter 16

Where to from Here: Reflections on the
Recent Saga of the Federal Trade
Commission 258*William J. Baer*

Chapter 17

The FTC's *Cereal* Fiasco: "Congress Won't
Let Us Bust 'Em Up" 269*Antitrust Law & Economics Review*

Section IV

Economic Issues 275

Chapter 18

Advertising and Public Policy: The Macroeconomic Effects of Advertising 277

Robert Jacobson and Franco M. Nicosia

Chapter 19

The Impact of Advertising on the Price of Consumer Products 298

Paul W. Farris and Mark S. Albion

Chapter 20

Brand Advertising Competition and Industry Demand 334

Kent M. Lancaster

Chapter 21

Are You Overadvertising? 357

David A. Aaker and James M. Carman

Chapter 22

The Shape of the Advertising Response Function 385

Julian L. Simon and Johan Arndt

Section V

Ethical Issues 417

Chapter 23

Ethics, Professionalism, and Advertising 419

Michael J. Stankey

Chapter 24	
The Distorted Mirror: Reflections on the Unintended Consequences of Advertising	437
<i>Richard W. Pollay</i>	
Chapter 25	
What's Wrong with Advertising?	477
<i>David Ogilvy</i>	
Chapter 26	
Is Advertising Worth Saving?	486
<i>Howard Luck Gossage</i>	
Chapter 27	
Can Young Children Understand Disclaimers in Television Commercials?	495
<i>Mary Ann Stutts and Garland G. Hunnicutt</i>	
Chapter 28	
A Philosophic Defense of Advertising	508
<i>Jerry Kirkpatrick</i>	

SECTION I

Institutional Issues

MUCH OF WHAT HAS BEEN WRITTEN ABOUT advertising has to do with the business of advertising. The nature of advertising content and the effects of this content on audiences have been of special interest. Considerably less attention has been paid to the genesis of advertising as a force in our social and economic system.

It is fitting that we begin to look at advertising in society with the broadest possible perspective. To approach it from a narrower perspective invites the danger of losing the forest for the trees. The interactive relationship between advertising and society is so multifaceted that a broad foundation is essential for exploring the many and diverse issues inherent in this relationship.

Some might disagree that advertising constitutes an institution in the traditional sense. And although much of what advertising does is considered ignoble, the role of advertising in our society is so broad, and its history so rich and so inextricably linked to our economic system and culture that an institutional approach to its study is absolutely necessary.

The benefit of this kind of analysis is that it promotes understanding of advertising by examining the values inherent in our economic system that allowed advertising to develop and that continue to legitimize its existence. By so doing, a useful context is provided for further examining selected issues like the influence of advertising in creating stereotypes, promoting or inhibiting competition, or exploiting children, to name only a few. It is only through such a context that issues like these can be fully appreciated.

Implicit in an institutional approach is the recognition of the highly interactive relationship between advertising and society. In the chapters that follow, advertising is treated as a consequence and a catalyst. Understanding this dual interpretation is useful in examining subsequent issues, for example, when advertising is treated alternately as bane or boon. Having a historical, cultural, and economic foundation from which to view advertising allows one to reconcile its seemingly contradictory roles.

The first three chapters in this section present institutional views of advertising based on analyses of the economic system and the values on which it is based. In “Some Institutional Aspects of Advertising,” Charles Sandage points out that much criticism of advertising is really misdirected criticism of capitalism. This is a point repeated by other contributors to the collection, and it is an apt refrain for a book of this kind. Sandage believes that advertising’s primary responsibility is in persuading and informing the public.

James Carey, in “Advertising: An Institutional Approach,” agrees that advertising is “market information,” though he questions both the source and the form of modern advertising. He too rests his argument on the historical foundation of the market system as a guide to understanding present-day advertising.

This same approach is used by Kim Rotzoll *et al.* in “Advertising and the Classical Liberal World View.” The authors explicate four major underlying tenets of the classical liberal model that have facilitated the development of advertising. In contrast to alternative economic systems based on tradition and authority, the market system is seen as the logical environment in which advertising would flourish.

Though he reaches similar conclusions, Michael Schudson uses a different approach in “Historical Roots of Consumer Culture.” He looks at the social changes that affected the public’s interest in products and the changes in the manufacturing of goods—all of which led to both the development of advertising and, at the same time, the growth of a “goods-intensive consumer culture.”

In “Advertising as Capitalist Realism,” Schudson looks at advertising as a “pervasive art form” that plays a normative role rather than a realistic one. He sees the power of advertising not as religion, as some have suggested, but as a ubiquitous reinforcement of capitalism.

Similar notions are found in Vincent Norris’s “Advertising History—According to the Textbooks.” He focuses on the relationship between the industrial revolution and the rise of national advertising. Norris contests the typical textbook explanation of advertising history because it too often views advertising as merely a “tool” and not as an economic institution significant not only because of its pervasiveness but also because of its impact on people’s roles and the economy.

In “The High Cost of Free Lunches,” which concludes the section, Ben Bagdikian goes even further than Norris in his assessment of advertising’s role in the distribution of both wealth and power. He disputes the popular notion that advertising subsidizes the media for the ultimate benefit of the public. In contrast to the classical liberal interpretation, he finds that advertising has the potential to inhibit competition and the laws of supply and demand. By so doing, advertising has promoted great inequities in the distribution of power.

These chapters, although not an exhaustive list of pieces of this kind, provide a broad and thoughtful base from which to explore the many and varied issues discussed in subsequent sections. It is hoped that such explorations will give the reader a powerful framework for understanding the recurring questions that surround advertising today.