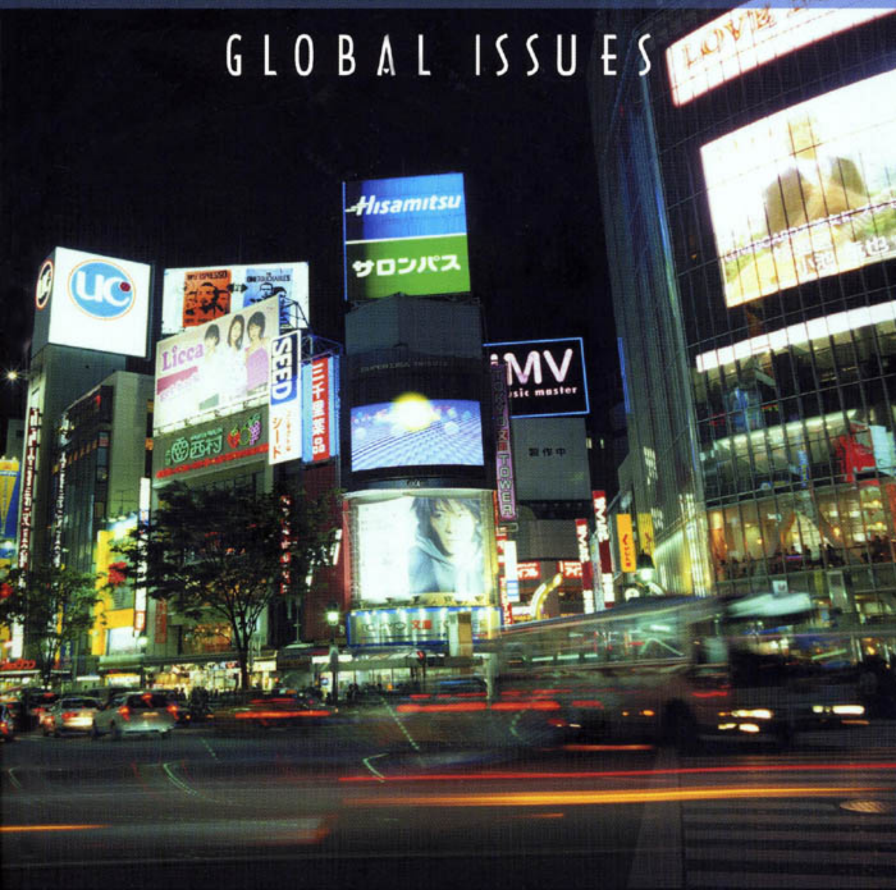
Advertising and Societies

GLOBAL ISSUES



Katherine Toland Frith & Barbara Mueller

Advertising and Societies

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Steve Jones
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For Michael Frith
to whom I owe a world of thanks.

To my husband, Juergen, and my daughter, Sophie, for their support and patience—without which this text could not have been written.

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PREFACE

The distance between cultures is contracting at an accelerating pace, and we find advertising among the major forces shaping this drive toward globalization. A few decades ago, companies could safely assume that their advertising would focus on selling products and services in their home countries. Today however, as businesses expand globally and become more international in outlook, advertising practitioners must extend their horizons beyond the home borders. This book provides that global perspective.

The text introduces the societal, political, cultural, and regulatory issues surrounding advertising practice in today's global context, using data and examples from around the world. One of the goals of this book is to show readers how issues—such as the representation of women and minorities in advertising, advertising and children, and advertising controversial products like cigarettes and alcohol—all have relevance to a wider global community.

Meanwhile, rapid economic growth and cultural change along with a flood of emerging technologies are responsible for the evolution of new media forms—online, on the air, and on the street. Innovative advertisers are rapidly exploiting the cultural and technical niches that these new forms of communication offer, and an increasing share of global advertising is being reborn in forms that were unimaginable as little as five or ten years ago. Examples of the new advertising forms being fostered on these emergent channels—many of them originating in Asia and Europe—are distributed throughout the text and they are given full treatment in the final chapter.

Overall, this book provides practitioners, scholars, and students with a comprehensive review of the literature on advertising and society, and it uses practical examples from international media to document how global advertising and the emerging global consumer culture operate.

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CHAPTER 1

INTERNATIONAL ADVERTISING AND GLOBALIZATION

Introduction

Globalization refers to the increasing internationalization of economic life and its effects on trade, national sovereignty, laws and regulations, the mass media, and cultural identity (Corcoran, 1998). In economic terms, globalization is the process by which firms attempt to earn additional profits through entry into overseas markets. Although the term "globalization" became popular during the last part of the 20th century, the forces that shaped globalization can be traced back as far as the 15th century. Europe led the move toward globalization through colonization in the 18th and 19th centuries. The United States led the most recent phase of globalization in the 20th century driven by the increasing access to communication technologies and the opening of international markets to multinational corporations and their advertising agencies. This chapter explores some of the theories that have driven globalization and traces the growth of multinational corporations and their advertising, which spread the gospel of capitalist development throughout the world.

A Short History of Globalization

Today, the new media available through the telephone, satellites, and computers allow advertising messages to spread globally at a phenomenal rate. Because of the availability of rapid communication and advanced transportation, companies like Amazon and Starbucks have been able to build in a few short years what corporations like Coca-Cola and General Electric took over a century to establish.

To understand the relationship between international advertising and globalization we must trace the historical factors that have contributed to the current situation. Anthony King (1991) notes:

> . . . we suffer increasingly from a process of historical amnesia in which we think that just because we are thinking about an idea, it has only just started (p. 20).

While the term "globalization" has only recently gained popularity, the process of globalization has its antecedents in colonization and mercantilism. Colonialism or colonization mainly took place from the 1500s to the early 1900s. Essentially, it was a system of one country's political and economic domination over another—usually achieved through aggressive, often military, action. It began with the Age of Exploration in the 15th century when European countries first ventured beyond their borders in search of natural resources and trade products. A colonial power could increase its wealth by conquering another country and taking its riches or exploiting its mineral wealth such as silver, gold, or tin (Cell, 1999).

Exports to the colonies brought in wealth from outside and were considered preferable to both trade within a country and to imports from overseas. Within this mercantilist system, colonies were important assets because the colonizing country could control markets for its exports and deny these markets to its competitors.

Because mercantilists assumed that the volume of world wealth and trade was relatively static, it followed that one country's gain was another's loss. This type of thinking led to the period of imperialism or empire building that commenced during the 17th and 18th centuries. The Portuguese built a commercial empire along the coast of West Africa where they established a trade in gold and slaves. The Spanish conquistadors (conquerors) overwhelmed the Aztec and Inca Empires in what are now Mexico, Peru, and other parts of South America. The Portuguese, and later the Dutch, moved into Southeast Asia, while the British and French colonized much of North America and later India and Indochina. During the early colonial period, England granted a charter to the British East India Company to establish overseas commercial and trade interests. Holland established the Dutch East India Company for the same purposes. These two companies were probably the first truly multinational corporations. In fact, remnants of these corporations still exist today (see Figure 1.1). The East India Company of London boasts on its teabags:

> Founded by Royal Charter in 1600 during the reign of Queen Elizabeth I, the East India Company introduced tea to Britain and the English-speaking world.

> The East India Company today has unrivalled experience in all aspects of the tea trade, and buys only the pick of the world crop.

The 18th century brought with it a change in economic thinking related to mercantilism. This was when the doctrine of free trade first started to take root. Economists—particularly British economist Adam Smith—argued against government regulation of the economy. Smith asserted that trade with the colonies was no more profitable than trade with independent countries. He argued that while political strategy might justify colonialism, economics could not. By the 19th century, free-trade policies were prompting European nations to establish informal empires or spheres of influence (Cell, 1999).

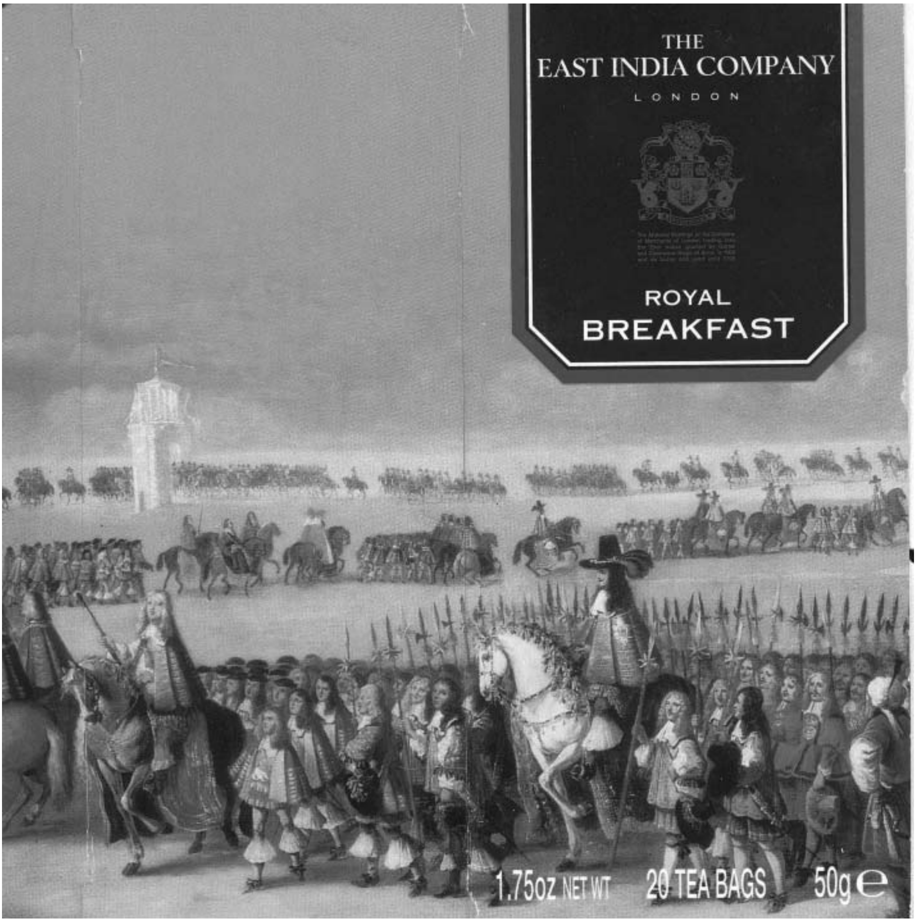

Figure 1.1 U.K. tea package

Europeans were successful in their conquests because their military power afforded them a huge advantage over the rest of the world. Armed force helped them expand their commercial activities. In addition to trade, another justification for colonization was the attitude prevalent in Europe during the 19th century that rather than exploiting their colonies, the European countries were controlling them in order to protect what they viewed as "weak" peoples. And, of course, imposing religion and "civilization" was another justification for colonization.

In the 20th century, colonialism was not exclusively a European undertaking. During the same period, Japan became a major imperial power. In the early 1940s, Japan, claiming that it was uniting Asian nations against Western domination, subjugated much of Asia for its political and economic purposes. In addition, the United States annexed territories such as Alaska, Hawaii, and Puerto Rico. It was not until the end of World War II (1939–1945) that colonized nations began to gain a degree of political and economic independence.

The historic period of colonization is often romanticized in films like *Out of Africa* and the Disney cartoon blockbuster *The Lion King* as well as in merchandising and advertising for businesses like Banana Republic (Lester, 1992). But most colonies experienced colonization as an uninterrupted period of conquest and exploitation. Nonetheless even today, ads glorifying colonization occasionally appear in the media around the world. These ads, like the one for Journey Shoes (Figure 1.2) that appeared recently in Singapore, were certainly conceived from the point of view of the colonizer, not the colonized.

The Rise of the Multinational Corporation

The roots of globalization lie in economic trade and improved methods of communication. Before the 20th century, economic expansion had been the sole domain of governments and nation states. Starting in the early 1900s, private corporations began to take over this role. It is important to differentiate between a corporation and a company. A company, in business terms, is an organization created to pursue profit by providing goods or services. A corporation is usually a large company or organization that has been established under a government charter. Corporations can associate together for a common purpose under a common name. The government charter gives a corporation certain legal privileges, including the right to buy and sell property, to enter into contracts, to sue and be sued, and to borrow and lend money. Although corporations account for only about 20 percent of all businesses in the United States, they generate about 90 percent of all business income (Peterson, 1999).

Figure 1.2 Magazine advertisement from Singapore

As noted, the first truly multinational corporations emerged in the 17th century when the English and Dutch granted charters to joint-stock corporations: the British and the Dutch East India companies. These companies were given authority to govern in the colonies and to engage in trade. By the 20th century, the corporation had become the dominant type of business organization throughout the world (Peterson, 1999).

In 1811, New York became the first U.S. state to pass a law outlining the procedure for chartering a corporation; other states soon followed. However, it was not until after World War I that the United States began to emerge as a major world economic power. At the same time as Europe was recovering economically from the war, the United States was building up its economic strength through its overseas territories, free access to markets, and plentiful raw materials.

In the 1920s, Henry Ford's introduction of assembly-line production methods allowed corporations to cut production costs and increase their output of products that were more affordable for an increasing number of people. By the 1920s, the main industries in the U.S. had evolved from small companies into major corporations. AT&T dominated the telephone industry; General Motors, Ford, and Chrysler produced the majority of automobiles, and Westinghouse and GE controlled the electrical equipment sectors (Sivulka, 1998). Bagdikian (1997) noted that advertising was a vital gear in the machinery of corporate power,

> . . . it not only helped create and preserve dominance of the giants over consumer industries, it also helped create a picture of a satisfactory world with the corporations as benign stewards (p. 131).

In 1926 Calvin Coolidge, then president of the United States, attributed the success of mass demand for products "entirely to advertising" and noted that advertising "is a great power . . . part of the greater world of regeneration and redemption of mankind" (Bagdikian, 1997, 148).

The 1930s Depression put a damper on industrial growth, but the postwar boom from 1945–1960 allowed more American corporations entry into the international arena. Corporations like Coca-Cola, Colgate-Palmolive, Westinghouse, and General Motors built plants around the world, and American corporations were joined in this expansion by European and Asian multinational companies. Only 7,000 multinational corporations existed in 1970, but by 1994, their numbers had grown to 37,000 parent corporations—with over 200,000 affiliates worldwide. Today, these multinational corporations employ over 73 million people, and they are more economically powerful than many nation states (see Table 1.1).

Multinational corporations were able to achieve phenomenal growth during

TABLE 1.1 Corporate Power (Total GDP and Corporate Sales, 1999 [Selected corporations and countries])

Corporation	Country	U.S. $ billions
General Motors		177
	Denmark	174
Wal-Mart		167
	Norway	145
	Indonesia	141
	Saudi Arabia	129
	Thailand	124
Toyota		116
	Portugal	108
Royal Dutch Shell		105
	Venezuela	104
	Israel	99
	Egypt	92
IBM		89
	Singapore	85
	Ireland	85

Source: Anderson & Cavanaugh, 2000.

the 20th century primarily because they had the assistance of multinational advertising agencies. These agencies have been instrumental in spreading the word about "the good life" around the globe.

Spreading Images of "The Good Life"

A corporation seeks markets outside its national borders when there is insufficient opportunity for expansion at home (Mueller, 1996). American corporations first started to seek markets outside the United States in the late 1800s. By the early 1900s, U.S. advertising agencies began to follow their clients into the international market place (Mueller, 1996). The J. Walter Thompson advertising agency (JWT) opened its first overseas office in Great Britain in 1899, and by the 1950s had fifteen overseas agencies (Sivulka, 1998). The Standard Oil and Coca-Cola accounts took the McCann Erickson advertising agency into Europe in the 1920s. And while the trend toward globalization slowed between 1920 and 1940 due to the two World Wars, it picked up again in 1945 and has proceeded unabated since then.

The 1960s were a major decade of international expansion by multinational corporations and their advertising agencies. *Advertising Age* called 1960, "a year of decision—the decision to enter into the international field" (Crichton, 1961, p. 1). It was during this phase of agency expansion abroad that the international billings of the major U.S. advertising agencies first began to outstrip the growth of domestic billings. In 1960, some 36 American ad agencies had branches outside the United States and operated a total of 281 overseas offices. By the 1970s, international billings reached an annual US $1.8 billion and accounted for more almost 20 percent of total agency U.S. billings (Kim, 1994). By moving abroad, U.S. advertising agencies could both service their multinational clients and compete for the accounts of other U.S. firms operating abroad. Later, because the domestic advertising business began to level off in the United States in the 1960s and 1970s, overseas markets began to look more appealing to the U.S. multinational advertising agencies.

The first phase of U.S. agency overseas expansion was aimed mainly at European markets. During the 1960s, many U.S. multinational corporations opened subsidiaries in Europe—the majority siting their overseas headquarters in England. By the end of the decade, U.S.-based transnational advertising agencies dominated the British scene—operating six of the top ten agencies in London (Kim, 1994). Likewise in Latin America, U.S. agencies began to dominate the market during the decade of the 1970s. For example, in 1977, the total billings of advertising agencies in Latin America were about $686 million and multinational agencies accounted for 67 percent of this total. Of the ten largest agencies in Latin America in the 1970s, the five largest were all U.S. based: J. Walter Thompson, McCann-Erickson, Kenyon and Eckhardt, Leo Burnett, and Grey Advertising (Kim, 1994). As a consequence of this global expansion the international billings of U.S. agencies with overseas operations more than doubled during the decade.

The second major surge of international expansion by U.S. advertising agencies occurred during the 1980s—the decade of megamergers. These mergers involved a handful of large, highly profitable ad agencies operating at the global level. For instance, in 1986, BBDO International, Doyle Dane Bernbach, and Needham Harper Worldwide announced a three-way merger to create the world's largest advertising firm, the Omnicom Group. A few weeks later, Saatchi & Saatchi bought out Ted Bates Worldwide and immediately surpassed Omnicom in size and billings—with over 150 offices in 50 countries. Next, J. Walter Thompson, the oldest U.S. advertising agency, was acquired by the British WPP Group. While the United States is no longer the sole heavy player in the global advertising scene (see Table 1.2), the influence of Western-style advertising continues to have a major impact on much of the world.

TABLE 1.2 World's Top Ten Agency Brands in 2000

Rank	Organization	Headquarters
1	Dentsu	Tokyo
2	McCann-Erickson Worldwide	New York
3	BBDO Worldwide	New York
4	J. Walter Thompson	New York
5	Euro RSCG Worldwide	New York
6	Grey Worldwide	New York
7	DDB Worldwide Communications	New York
8	Ogilvy & Mather Worldwide	New York
9	Publicis Worldwide	Paris
10	Leo Burnett Worldwide	Chicago

Source: Agency report, 2001.

Many of these brand names are owned by large advertising conglomerates. The top three holding companies, Omnicom, WPP Group, and Interpublic, together control 39 percent of the world's ad agencies.

While mass communication academics became interested in globalization only in the last decade (Hall, 1991; Hannerz, 1991; and Robertson, 1991), it was an important issue for the international advertising industry as early as the 1960s. In 1967, Arthur Fatt, one of the founders of Grey advertising, published an article in the *Journal of Marketing* stating that:

> A growing school of thought holds that even different peoples are basically the same, and that an international advertising campaign with a truly universal appeal can be effective in any market. (Fatt, 1967, p. 61)

As the CEO of a very successful multinational advertising agency, his words had a strong impact on the industry as a whole. He went on to promise, perhaps even foretell, that:

> Advertising is not only helping to break down national economic boundaries, but ingrown characteristics and traditions once considered almost changeless. (Fatt, 1967, 61)

During the 1960s, most international advertising operations were centered on Europe. In response to the expansion of American agencies like Grey, the Europeans voiced concern over the impact of American-style advertising campaigns on their local cultures. While U.S. advertising practitioners saw no harm in spreading American ideals around the world, Europeans felt that advertising should be localized and reflect national values, e.g., German advertising should express German culture and French advertising ought to express French culture.

In the *Journal of Marketing*, Mr. Fatt responded to these criticisms noting that "most people everywhere, from Argentina to Zanzibar, want a better way of life for themselves and for their families." He contended that there was a set of "universal" human characteristics:

> The desire to be beautiful is universal. Such appeals as "mother and child," "freedom from pain," and the "glow of health," know no boundaries. (Fatt, 1967, 61)

Mr. Fatt advocated advertisers and their agencies use these universal appeals. He promised that "global campaigns" featuring appeals to beauty, health, and the good life, would lead to more effective advertising and would save corporations huge sums of money. He also warned that changing ad appeals to suit localized markets was not only "unnecessary and expensive" but also "suicidal" (p. 62).

The Ford ad, which appeared in Malaya (now Singapore and Malaysia) in 1955, is a good example of the multinational advertising of that period (see Figure 1.3). In those days, very few people in these countries could afford a car. Nonetheless, this type of image was spreading "the good life" around the globe, appealing to people all over the world to share an attractive, though as yet unaffordable, lifestyle.

While the founder of Grey Advertising may not have intended to suggest that advertising should attempt to create a homogeneous, universal global culture, nonetheless, he did note that teenagers "all over the world are beginning to look alike." And one can assume that as long as all these teenagers were happily wearing Levi jeans, dreaming of driving a Ford car, and drinking a Coca-Cola, Mr. Fatt would have thought it was probably a very good thing.

Advertising and Societies

A two-way relationship exists between a society and advertising in general, and international advertising in particular. As we have seen, advertising messages can indeed be responsible for shaping or influencing various aspects of societies. Advertising agencies do far more than merely provide commercial information as they disseminate advertising messages. They also transmit values, influence behavior of both individuals and value-forming institutions, and even sway national development policies. A good deal has been learned about the role advertising agencies play in their home nations. The United States, the United Kingdom, and Japan have economic systems based on plenty and were traditionally organized to produce and distribute goods and services far

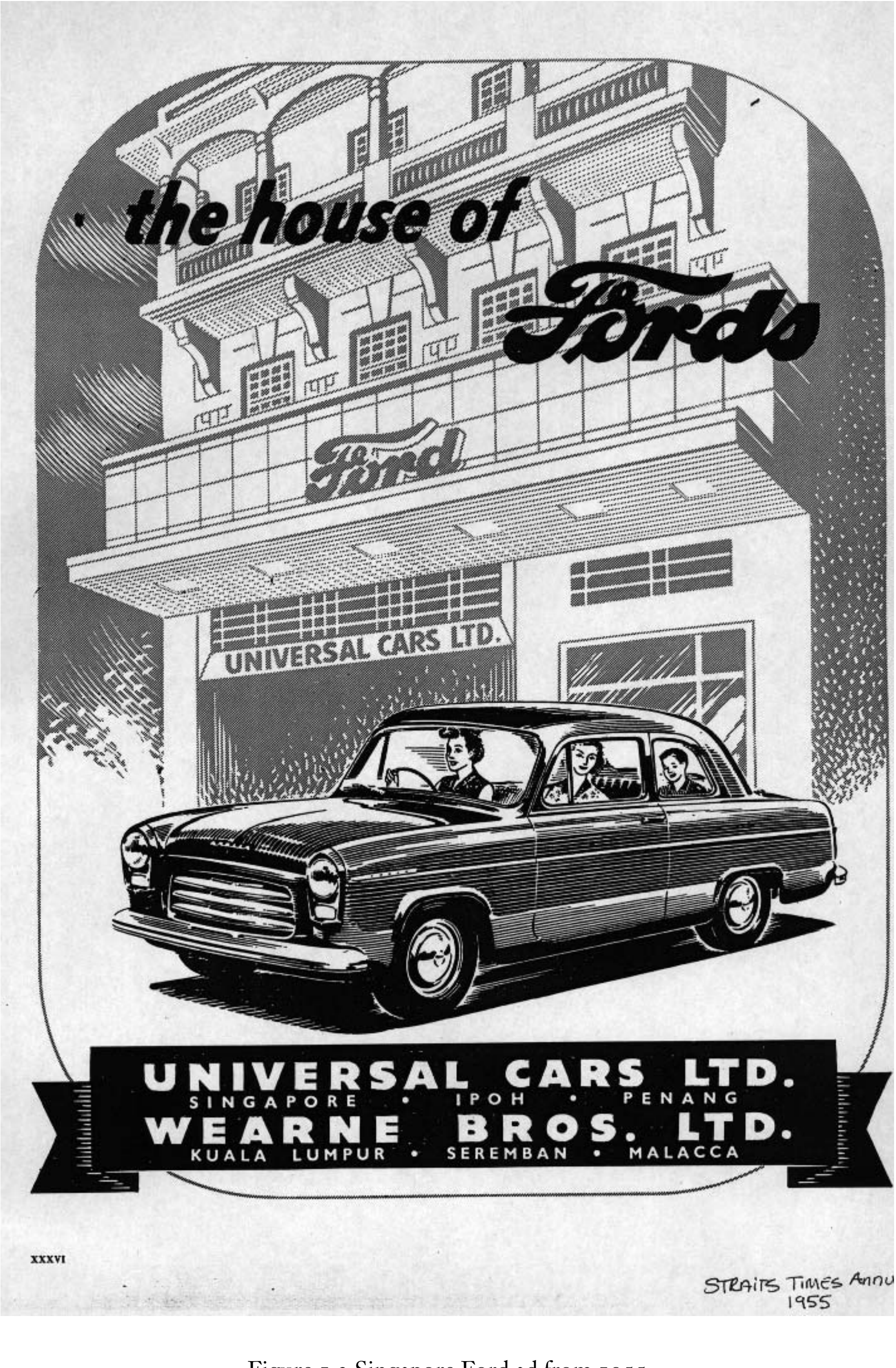

Figure 1.3 Singapore Ford ad from 1955

in excess of people's basic needs. Somewhat less is known, however, about how agencies operate amidst the scarcity and poverty of the Third World, or in particular, how directly or indirectly, intentionally or unintentionally, they affect the lives of people, especially those in the poorest nations.

While advertising has been said to shape society, at the same time it is essential to recognize that it also mirrors it. One's style of living dictates the manner in which one consumes, the priority of one's needs and wants, and the advertising messages one perceives as effective. Cultural values are the core of advertising messages, and Holbrook (1987) has suggested that in order to convince potential customers to purchase a client's product or service, advertisers must comply with a public's value system rather than running counter to it. Empirical research has supported that advertisements reflecting local cultural values are indeed more persuasive than those that ignore them (Gregory and Munch, 1997; Han and Shavitt, 1994; and Taylor et al., 1997).

However, according to Pollay (1986 and 1987), advertising sometimes acts as a distorted mirror. Advertising tends to favorably portray hedonistic characteristics and to celebrate instant gratification, materialism, and covetousness. In contrast, often lacking or negatively portrayed in commercial messages are altruistic characteristics that advocate postponing gratification and show the advantages of calculated purchasing. The result is a distorted mirror that reflects only those values that help sell goods. Pollay's distorted mirror metaphor has been widely disseminated throughout the social sciences and humanities literature (Fowles, 1996).

Thus, it can be said that advertising can both reflect (more or less accurately) and shape a society. In the following chapters, we will explore this interrelationship between advertising and a society's culture and its economic and political systems, as well as its legal environment.

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CHAPTER 2

THE GLOBALIZATION SCENARIO

Introduction

Building on Arthur Fatt's arguments for "universal values" (Fatt, 1967), in the early 1980s, Theodore Levitt (1983) published an article in the Harvard Business Review recommending that multinational advertisers downplay cultural differences and treat the world as if it were a single, homogeneous market. He coined the term "standardized" for uniform global advertising. Levitt stated, "Companies must learn to operate as if the world were one large market—ignoring superficial regional and national differences" (p. 92). He admonished corporations doing business abroad to operate with resolute constancy—to sell the "same thing, in the same way, everywhere" (p. 93)—and pointed to the worldwide success of corporations like McDonald's, Coca-Cola, and Levi's jeans. He noted, "Different cultural preferences, national tastes and standards, and business institutions are vestiges of the past" (p. 93).

Levitt was merely adding to the "conventional wisdom" that had guided international advertising over the previous half-century. But the point is that the theories put forth by people like Fatt and Levitt have been hugely successful. They have made Marlboro the largest selling cigarette in the world, *Titanic* the largest box office hit in history, and Coca-Cola available in every town and even in the smallest villages in the remotest corners of the planet. These theories have been behind the successful launch of billions of pieces of Kentucky Fried Chicken and McDonald's burgers and fries. To some, all this might seem like a rather good idea. But the problem is that in their eagerness to bring "a better way of life" to the world, multinational corporations and their advertising agencies have not been terribly concerned over whether the values inherent in global advertising campaigns reflect the cultural values of *all* the peoples of the world.

Advertising and Cultural Values

In response to the encroaching "McDonaldization of the world" (Ritzer, 2000) by way of Western advertising, some critics have pointed out that Western-based multinational advertising campaigns are often based on a set of unchallenged beliefs and practices about communication and consumer behavior (Frith and Frith, 1990). As we shall see in the next chapter, advertising and culture are intertwined. In Asia, for example, a debate has raged about the differing goals of communication and cultural values in the East and West (Stravens, 1996). For example, most Asian languages are high-context, meaning that less information resides in the actual words, and one must understand the context, the setting, the associations, and often the status of the speaker to properly decode the message (Keegan and Green, 1997). In high-context Asian societies, an advertising headline might be indirect and left open to a number of interpretations. As John Sherry (1987) pointed out, a can of beer might have the slogan, "May Your Life Be Marvelous," written on it. The slogan does not necessarily relate to product features or the unique selling points for the beer but rather to the context of enjoyment. English, on the other hand, is a low-context language. In a low-context society like the United States, one might expect the slogan to be more direct. For example, the slogan "Budweiser. The King of Beers" resonates well with the American penchant for directness and assertiveness.

Social orientation is another area where differences tend to be plentiful. Westerners are inclined to put a high value on concepts like individualism and self-reliance, whereas most Asians value collectivism or "group orientation." The Marlboro Cowboy—alone on the range with his horse and a pack of cigarettes—seems quite normal to the highly individualized American consumer. However, advertising in Asia generally features "groups" of people rather than single individuals (Frith and Sengupta, 1991). For the same campaign to be resonant in Indonesia, for example, it might need to feature a group of cowboys riding together.

Politically, many societies in the world—particularly those in developing countries—are more autocratic than democratic. Inherited systems of privilege and authority characterize many developing nations. They may not share the North American penchant for individual rights (vs. community rights), unfettered freedom of speech, rampant competition, and unrestrained material consumption. Problems can arise when multinational corporations and their advertising agencies treat the entire world as if it were a single, homogeneous market. This often results in campaigns that fail to resonate with local social and political formations. Take for example a global advertising campaign for Tommy Hilfiger's cologne, Freedom (see Figure 2.1).

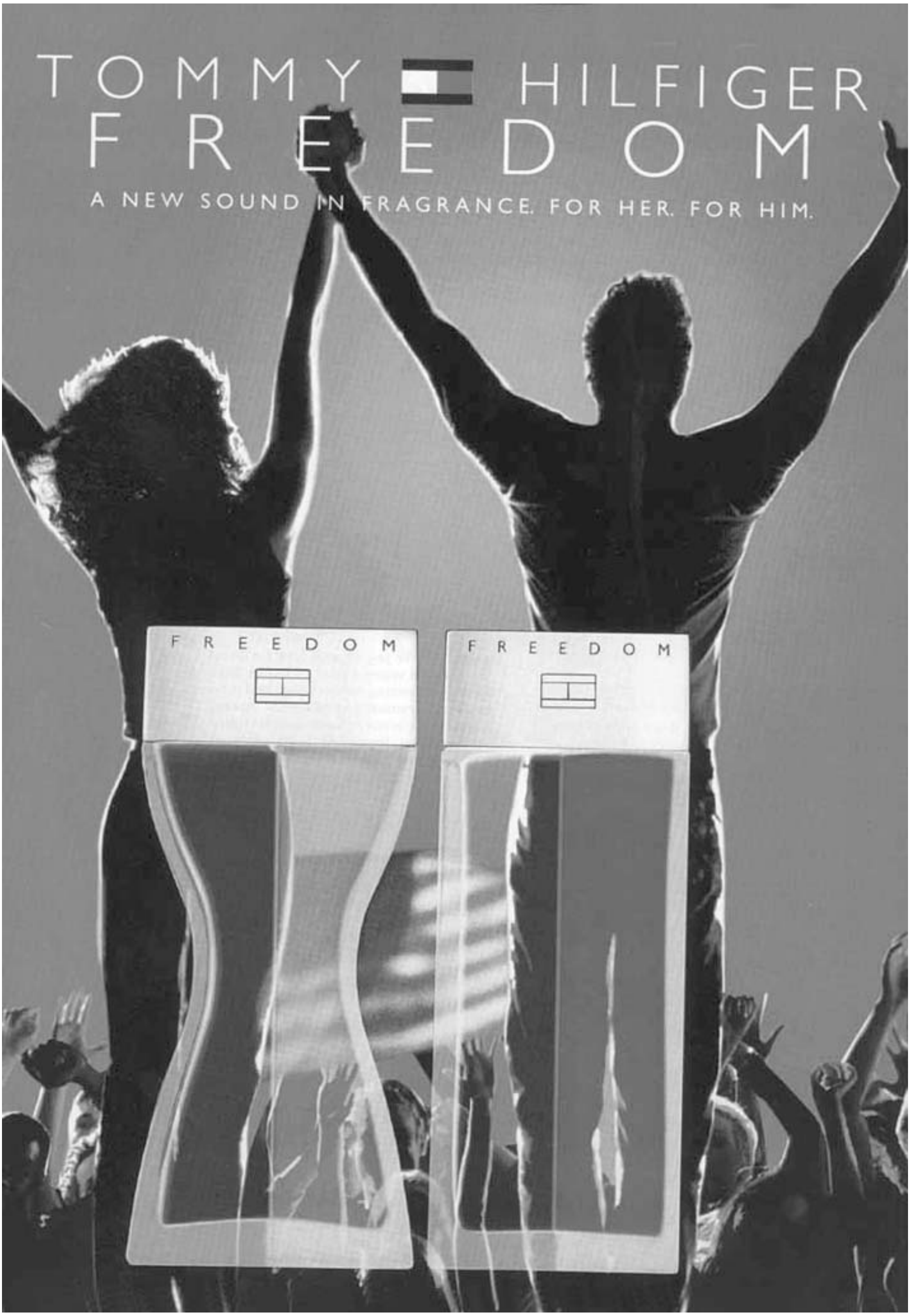

Figure 2.1 Global ad campaign for Tommy Hilfiger fragrance

Either purposely or inadvertently, this advertisement contains political messages. The ad uses a stylized American flag and that flag is waved by a group, subtly suggesting that this may be a political rally. In addition to the red, white, and blue American flag, the Tommy Hilfiger logo is red, white, and blue. The name of the cologne, "Freedom," suggests political freedom. While some might question whether Tommy Hilfiger is purposely sending political messages around the globe, it is nonetheless possible to read the ads this way.

In terms of influence, the United States, Europe, and Japan are far and away the leaders in global advertising and the promotion of consumer goods and services. Thus, in the past, the flow of international advertising has been mostly from the industrialized countries to the developing nations. This one-way flow of advertising messages, coupled with other cultural products like television programs, movies, and news has been termed "cultural imperialism." The debate over advertising and cultural imperialism is from two positions—pragmatic and idealistic. Included among the pragmatists are advertisers, agency people, corporate executives, and business people, most of whom favor unfettered capitalism. The bulk of those advocating the idealist position consist of academics and consumer activist groups. Table 2.1 lists the positions taken by each group.

As in most debates, the truth probably lies somewhere in the middle. Nonetheless, much of the literature on international advertising over the past few decades has been concerned with advertising's impact on cultural values (Mueller, 1996; Mattlehart, 1985; Janus, 1986; Sinclair 1987; Fejes, 1980). Because the United States is the largest producer and exporter of cultural products like TV shows, popular music, and global advertising campaigns (Friedman, 1999), it is often charged with cultural imperialism. It is certainly true that American cultural icons have become popular among middle-class youth worldwide and are often associated with modernism, youthful rebellion, and a yearning for freedom. It is interesting to note how many American advertisers use U.S. symbols in their global campaigns aimed at youth (see Figure 2.2).

TABLE 2.1 Positions on Advertising as Cultural Imperialism

Pragmatists	Idealists
Concerned with effective advertising	Concerned how ads affect consumer behavior
Is global advertising practical?	Is global advertising ethical?
Believe advertising has limited effects	Believe advertising has powerful effects
Buying behavior is paramount	Social-cultural behavior is paramount
Stress individual effects on consumers	Stress the social effects on consumers
Support laissez-faire capitalism	Support regulations, laws, and education
Short-term consequences	Long-term consequences
The World = many markets	The World = many cultures

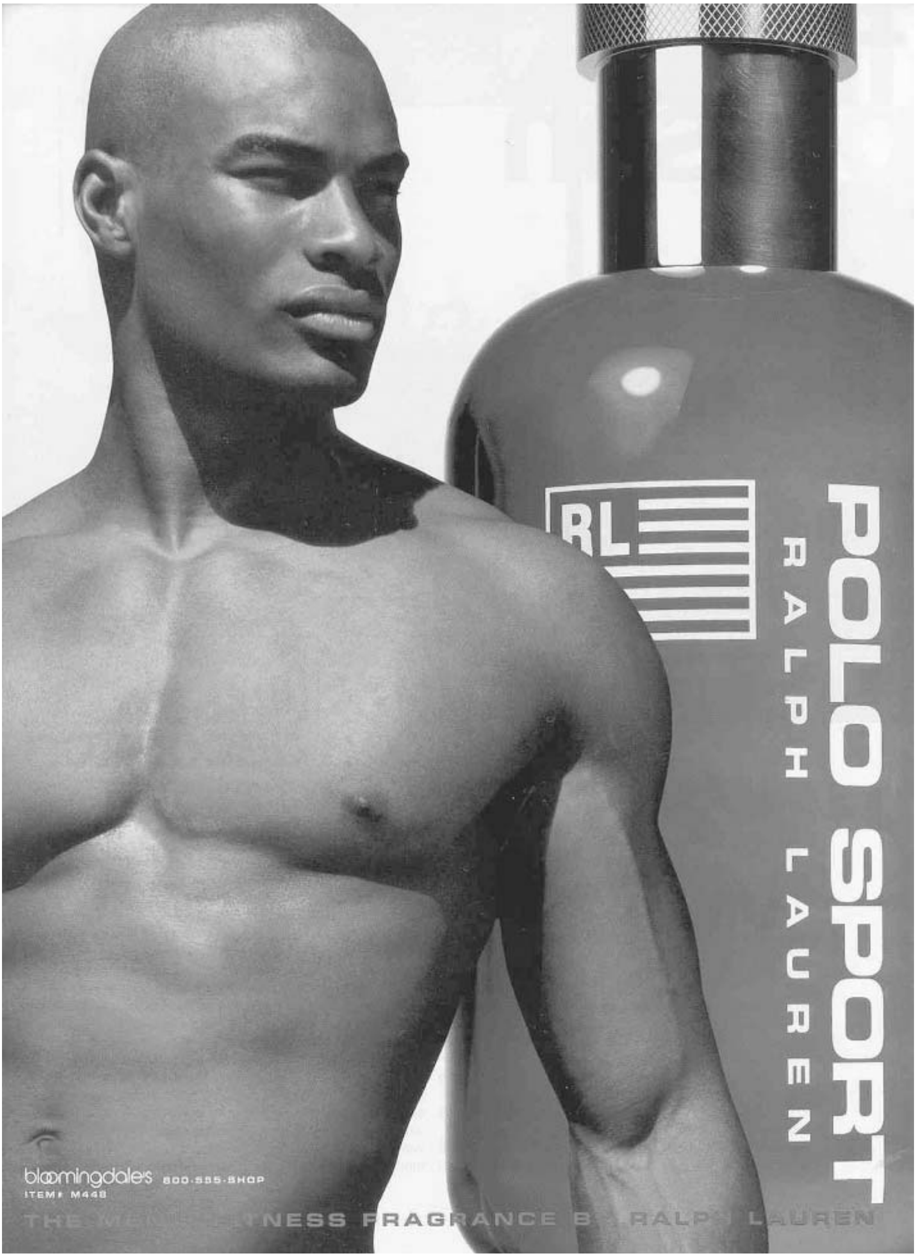

Figure 2.2 U.S. flag in the global Polo Sport cologne ad

What Is Local?

To analyze the debate on globalization and advertising, first we need to define the terms “global” and “local.” Local is a concept referring to people’s relationship to the larger world. It refers to the sense of ourselves as belonging to a specific place at a specific time in history. As Stuart Hall (1991) says, it is our sense of identity—of the origin of our being or the ground for our actions. It contains the notion of the true self, the one we present to the world. When someone says, “I am an American,” “I am British,” or “I am Malaysian,” they are expressing this localness. It is a kind of guarantee of our authenticity.

National identity—a sense of ourselves as belonging to a particular national culture—has several components. First, it incorporates a shared sense of continuity between successive generations based on shared memories of specific events and people. Another component of national identity is “a sense of common destiny on the part of the collectivity sharing those experiences” (Lash and Urry, 1994, p. 310). A local culture is shared by any group of people living in a bounded space and engaging in daily face-to-face relationships (Featherstone, 1995). We express our sense of localness or national identity by incorporating shared sets of rituals, symbols, ceremonies, and ideologies that link us to a certain place and a common sense of the past. Advertisers use these signs and symbols of locality to appeal to the audience’s sense of belonging and to bring the message and the audience closer. For instance, Tommy Hilfiger and Ralph Lauren (Polo) use the colors red, white, and blue to appeal to the primary—American—audience’s sense of pride in their country.

“Local” is also a relational notion. It involves drawing a boundary around a particular space, and it includes insiders and excludes outsiders. “We” are American; “they” are Canadian (while, at the same time, we may all be North American). Most people can to some extent relate to “the larger global community,” but for the most part, people are more acutely aware of their own national identity.

TABLE 2.2 Geographic Distribution of Living Languages

Geographic Region	Languages	%
North and South America	1,000	15
Africa	2,011	30
Europe	225	3
Asia	2,165	32
The Pacific	1,302	19
Total	6,703	

Source: Barbara Grimes, 1996.

Local identity is closely tied to language. Today, an estimated 6,700 languages are spoken in 228 countries and territories around the world.

Each of these living languages is spoken by a group that shares certain values and traditions. Yet experts say that these languages are disappearing at an alarming rate—due in large part to the spread of English language mass media products like advertising. Multinational brand names are generally in English, and even when campaigns are translated into the local languages, English words and slogans often are incorporated. Over 85 percent of all Internet websites are constructed in English—even though only 10 percent of the people in the world speak English as their native tongue. However, this may reflect the fact that the Internet is still in an early stage of development as a medium.

Advertisers frequently use the signs and symbols of their own locality to build brand awareness. In the case of global advertising, instead of validating the overseas "local" culture many multinational advertisers use the same basic campaign worldwide that validates their "home" culture. Thus, since most multinational corporations and their advertising agencies are headquartered in the West, critics contend that the overuse of Western signs and symbols in advertising privileges Western culture over foreign cultures.

McDonald's, a corporation that has been criticized for spreading American-style fast food around the globe, has recently become sensitive to local symbols and tastes. It now incorporates these into their advertising and marketing plans and attempts to adjust their advertising strategies to fit the local cultural environment. Some call this practice "glocalization." In Israel, McDonald's serves kosher food; in Saudi Arabia, McDonald's serves halal food and closes five times a day for Muslim prayers. In India, where almost 50 percent of the population is vegetarian, McDonald's opened its first beefless outlet serving vegetable nuggets instead of Big Macs (Friedman, 1999). In parts of London, where a large proportion of the population are immigrants from India, you can get a McChicken Korma served on naan bread and have Bombay spices on your fries. The ad in Figure 2.3 shows how some corporations are able to take a global product and localize the marketing and advertising.

In Japan, where they have over 2,000 outlets, McDonald's have adjusted their advertising and marketing to fit into the Japanese culture. They even renamed Ronald McDonald "Donald McDonald" to make it easier for the Japanese to pronounce. In fact, they have been so successful at integrating "Makadonaldo" into the Japanese culture that the story is told of a little Japanese girl who takes a trip with her parents to Los Angeles. As they are driving around the city, the little girl points out of the car window and says excitedly to her mother, "Look, mom, they have McDonald's in this country too" (Friedman, 1999, p. 238). The little girl just assumed that McDonald's was from Japan.

Figure 2.3 Indian cuisine at McDonald's in London

What Is Global?

Over the past few decades, we have witnessed the emergence of a truly "global" village. The advent of new communication technologies like the fax, the cell phone, and the Internet has accelerated the pace and scope of trade and the resulting spread of ideas. Previously, new products and ideas took centuries to diffuse around the world, but today it takes only seconds. With digitization and electronic communication, it becomes easier for new companies to spread the word about their products around the globe. Whereas Coca-Cola took a century to establish a global presence, Starbucks, the Seattle-based coffee shop franchising firm, started venturing overseas in 1996 by setting up stores in Japan and Singapore. In just over a decade, this chain has grown from 17 locations in the United States to over 4,700 locations worldwide.

Another good example is the online bookseller, Amazon.com. Relying on the Worldwide Web as its sole advertising medium, it established markets in 220 countries around the world by 2002—just seven years after the company was founded. Amazon.com not only operates globally but it has additionally divided its global market for books linguistically and geographically so it has the ability to respond to local tastes. U.S. titles are listed on all their Websites—the largest selection on the U.S. site—but U.K. titles are additionally available on their site for England; German titles from German-language sites for Germany and Austria; French titles from a French-language site; Japanese titles from a Japanese-language site; and a Spanish-language site specializes in Spanish book titles.

The recent convergence of global communications and global trade has created a growing set of people worldwide who are beginning to identify with the concept of "global citizen." The following six features can characterize these cosmopolitan types:

1. Extensive patterns of real (air travel) and simulated (television travel) mobility in which it is thought that one has the right to move about anywhere and to consume all environments
2. A curiosity about all places, people, and cultures and at least a rudimentary ability to map such places and cultures historically, geographically, and anthropologically
3. An openness to other peoples and cultures and a willingness/ability to appreciate some elements of the language/culture of any place that is being visited
4. A willingness to take risks by virtue of moving outside the tourist environment bubble
5. An ability to locate one's own society and its culture in terms of a wide-ranging historical and geographic knowledge, to have an ability to reflect upon and aesthetically judge between different places, natures, and societies
6. A semiotic skill that allows one to interpret tourist signs, to see what they are meant to represent (Lash and Urry, 1994, p. 309)

One of the characteristics of the global citizen is the loss of a sense of a common historical past and the emergence of a sense that the world is a single place. This phenomenon has only existed since the latter part of the twentieth century. It is in part the result of higher levels of cooperation between nations (e.g., the European Union, the British Commonwealth, and the North American Free Trade Association). It has been accelerated by the introduction of new forms of communication technology and the Internet that provide for interaction and allow greater dialogue than has ever before been possible. Meyrowitz in *No Sense of Place* (1985) argues that the new media redefine the notion of social position and place, divorcing experience from physical location and bringing together otherwise disparate groups through communications.

Between Global and Local: Reframing the World into Global Tribes

As the 20th century ended, some argued that globalization weakened the political formulations that shaped the Cold War world, including nation-states, and that new formulations or networks based on supranational cultural-ethnic entities were becoming increasingly important (Drucker, 1993; Naisbitt, 1996; Huntington, 1996; and Kotkin, 1992). Both Huntington (1996) and Kotkin (1992) contended that in the 21st century affiliations based on race, religion, and ethnic identity will be far more important than identification with a particular national state. Kotkin (1992) predicted that as the conventional barriers between nation-states would become less meaningful under the increasing weight of global economic formations, we would see the evolution of business and cultural networks that would increasingly shape our global economic destiny. These supranational cultural-ethnic entities or "global tribes" would share three essential characteristics:

1. A strong ethnic identity and sense of mutual dependence that helps the group adjust to changes in the global economic and political order without losing its essential unity
2. A global network based on mutual trust that allows the tribe to function collectively beyond the confines of national or regional borders
3. A passion for technical and other knowledge from all possible sources, combined with an essential open-mindedness that fosters rapid cultural and scientific development critical for success in the current work economy (Kotkin, 1992, p. 5).

Kotkin asserted that ethnicity would be the "defining factor in the evolution of the global economy" (p. 4) and defined five global tribes: the Jews, the Japanese, the Europeans/North Americans, the Chinese, and the Indians. In his book, *The Clash of Civilizations and the Remaking of the World Order* (1996), Huntington expanded this list to include the world's eight major civilizations: Western, Orthodox, Chinese, Japanese, Muslim, Hindu, Latin American, and African. Both authors used their grouping as a prototype to develop their theories.

Although political scientists and even economists might find it hard to concretize symbolic universes like these global tribes, those in advertising would have no such trouble. Advertisers routinely divide universes of consumers into lifestyle and value segments that often transcend geographic and political boundaries. Advertisers have a history of identifying and reinforcing separate group identities through audience stratification, market segmentation, and targeted messages (Gutierrez, 1990). In fact, in recent years, identifying racial and ethnic audiences as market segments has been one of the more successful advertising and marketing strategies in the United States. As Felix Gutierrez noted, along with the growth in racial and ethnic pluralism there has been an increase in advertising and media directed to minority groups. Advertisers not only identified and targeted these groups but "through these advertisements and the media in which they appear, members of a racially pluralistic nation are portrayed to themselves. . ." (Gutierrez, 1990, p. 13). Gutierrez argued that in the United States the increasingly important "Hispanic" market has actually been constructed by advertisers and their media. Out of what was once characterized as a heterogeneous grouping consisting of Mexicans, Spanish-speaking Europeans, and South and Central Americans, advertisers have assembled a single, large, and homogeneous segment—The Hispanic Market. Today this market has its own newspapers, magazines, and radio and television networks, as well as products and services specifically tailored to the tastes and needs of this market segment.

While at first the notion of global tribes might seem a bit far-fetched, the advent of regional media has made the idea of regional markets serving ethnic groups existing across nations much more of a reality. For example, a common language and a similar set of values and lifestyles hold the billion or more people who inhabit the Chinese-speaking nations of China, Taiwan, Singapore, and Hong Kong together. This tribe, labeled "Greater China," now represents a huge market for advertisers (see Figure 2.4).

Advertisers are already beginning to mine this rich field. Alan Fairington, Asia regional chairman of J. Walter Thompson, stated, "I have seen a staggering change in the last three to five years in favor of finding regional strategies" (Medium and Message, 1996). While not every advertiser finds a message that resonates regionwide, nevertheless the number of products going Pan-Asian is expanding. It started with luxury items and soon broadened out into a wide array of consumer and packaged goods. Kodak, for example, launched its first Pan-Asian venture, a campaign for Kodak Gold II, in 10 different countries using the same basic strategy (Medium and Message, 1996). Kodak estimated that it saved more than 50 percent of the cost of shooting separate commercials for each individual target market. While regional campaigns are still a small slice of the overall advertising spending pie, satellite television stations like Hong Kong's StarTV, with 2.8 billion people and 38 countries under its footprint, makes regional advertising a reality for many multinational corporations in Asia.

If Kotkin (1992), Drucker (1993), Huntington (1996), and Naisbitt (1996) are correct in predicting that supranational cultural-ethnic entities will shape the global economy in the 21st century, emerging structures such as the European Union and Greater China should prove to be phenomena of great significance to advertising and marketing.

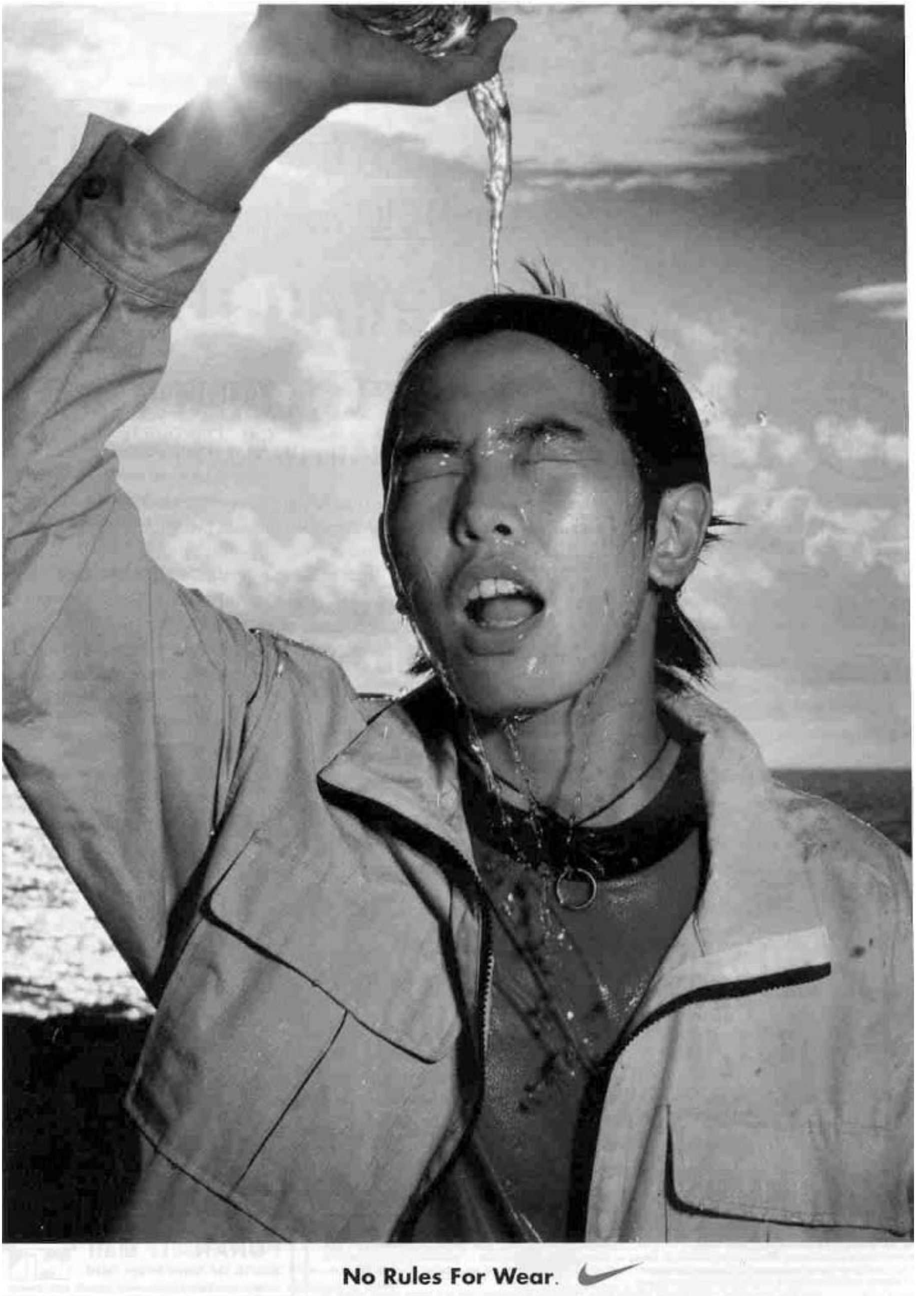

Figure 2.4 Nike ad aimed at the “Greater China” market

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CHAPTER 3

ADVERTISING AND CULTURE

Each country exhibits unique cultural characteristics that influence consumers' needs and wants, their methods of satisfying them, and the messages they are most likely to respond to. This chapter explores the concept of culture and its various dimensions and discusses how advertising both reflects and shapes a particular culture and its values.

The Concept of Culture

Over a century ago, E. B. Taylor defined *culture* as "a complex whole, which includes knowledge, beliefs, art, morals, law, custom, and any other capabilities and habits acquired by individuals as members of a society" (Taylor, 1871, p. 1). Adamson Hoebel referred to culture as the "integrated sum total of learned behavioral traits that are manifest and shared by members of society (Hoebel, 1960). Culture has also been defined as a "learned, shared, compelling, interrelated set of symbols whose meaning provides a set of orientations for members of a society" (Terpstra and David, 1991).

Well over 160 different definitions of culture have been identified in the anthropological literature (Kroeber and Kluckhohn, 1952). Clearly, no shortage of definitions of this concept exists. The three definitions provided here reveal some commonalities. It is generally agreed that culture is not inherent or innate, but rather is learned. Learning typically takes place in institutions such as the family, church, and school. But, more than perhaps anything else, culture is learned informally, by role modeling—as well as at home or at school. Most definitions also emphasize that culture is shared by members of a group. It is this shared aspect that enables communication between individuals within that culture.

For the most part, we live our lives unaware of the tremendous impact our culture has on us. For example, Americans automatically drive on the right-hand side of the road, try to arrive on time for appointments, and generally shake hands when they first meet someone. Without thought, we react to our environment in a manner that is socially acceptable because that is how we have been socialized. Edward T. Hall points out: "No matter how hard man tries, it is impossible for him to divest himself of his own culture, for it has penetrated to the roots of his nervous system and determines how he perceives the world . . . people cannot act or interact in any meaningful way except through the medium of culture" (Hall, 1966). When we move into another culture, we carry our cultural map with us, responding to the foreign environment in ways that would be acceptable in our own culture, but that may or may not be acceptable in different surroundings.

Subcultures

It is important to recognize that the variation within cultures may be even greater than the variation between cultures. In each culture there exist subcultures, groups of people with shared value systems based on common experiences. People belonging to various nationality groups (Italian-, Polish-, and Scandinavian-Americans), religious groups (Protestants, Muslims, Jews, and Catholics), racial groups (blacks, Hispanics, and Asians), political groups (democrats, republicans, and socialists), as well as geographic groups (westerners, easterners, and southerners) may well exhibit characteristic patterns of behavior that distinguish them from the other subgroups within their country. The same can be said about people who belong to specific age or income groups. Clearly, an individual can belong to more than one subculture. To the extent that these patterns of behavior have an impact on wants and needs, these subcultures are targeted by marketers.

Hispanics, blacks, and Asian-Americans have only recently received significant attention from American marketers. The 2000 census estimated that while whites remain America's largest population group numbering 194.6 million, their growth is slowing. In contrast, the Hispanic population in the United States grew over 58 percent in the last decade, to vie with blacks as the nation's largest minority.

- Hispanics numbered 22.4 million, or 9 percent of the total population, in 1990. By 2000, there were 35.3 million Hispanics, nearly 13 percent of the total population.
- The number of non-Hispanic blacks jumped as much as 21.1 percent, to 35.4 million, compared with the 30 million African-Americans counted in 1990.

- The non-Hispanic Asian population grew by as much as 74.3 percent, to 11.6 million (Holmes, 2001).

Some marketers have found success in tailoring products and messages to fit these groups. For example, 82 percent of African-American households have ready-to-eat cereals in their kitchen cabinets, a fact not lost on cereal marketers. In particular, presweetened cereals are highly appealing to African-American consumers. As a result, of four campaigns General Mills ran in the African-American market during 2000, three were for presweetened cereals: Trix, Honey-Nut Cheerios, and Cinnamon Toast Crunch. Noted Autumn Boos, director of ethnic marketing for General Mills, "We have made a sincere effort to reach the African-American consumer through both advertising, sampling and community-based promotions. We have found that this is a community that responds better to efforts directed at their community. Honey Nut Cheerios for the last several years has been the title sponsor of the Universal Circus, as well as for a 'Soul Fest' music event that travels to 30 urban markets," (Freeman, 2000). Kmart Corporation and BlueLight.com, the retailer's e-commerce site, launched a Spanish-language version of their free Internet service to connect with Hispanic consumers. "Being a predominantly urban retailer, Kmart has an incredibly large Hispanic customer base," notes BlueLight spokesman Dave Karraker. "Couple that with the fact that Spanish is the second most widely used language on the Internet and the fastest growing Internet usage segment, and you have a real opportunity for BlueLight" (Talaski, 2000). Researchers estimate that 47 percent of Hispanic Americans are online—a 36 percent increase from just a year earlier. To reach the Spanish-speaking market, Kmart also adjusts its food, apparel, and store signage in predominantly Hispanic areas and employs a Hispanic advertising agency to tap into this growing market. An understanding of subcultures is essential to marketers because the failure to recognize distinctive minority groups can lead to an illusion of sameness within a market that simply does not exist. We address the issue of race, as it relates to advertising, in greater detail in later chapters.

Elements of Culture

Advertisers, if they are to be successful in their efforts, must become culturally sensitive—that is, tuned into the nuances of culture. Among the important elements of culture marketers must take into consideration are the verbal language (both spoken and written), various forms of nonverbal communication (including touch, space usage, and signs and symbols), as well as needs and values.

VERBAL LANGUAGE

Culture and how individuals within a particular culture communicate with one another are inextricably linked. It has been said that it is impossible to truly understand a culture without understanding its language (Whorf, 1956). Conversely, a language cannot be fully understood outside its cultural context. As Gerhard Maletzke explains: "The art and manner in which one understands the world is determined to a large extent by language; but language, at the same time, is an expression of a specific group experiencing of the world, and therefore may itself be shaped by the "Weltanschauung" as well as the wishes, expectations, and motivations of the group using it" (Maletzke, 1976). Put more simply, culture both influences and is influenced by language.

That culture influences the specific language spoken by a group can be demonstrated by examining the vocabulary it employs. Consider the classic example of the word "snow." The Inuit language has many words to describe snow. The complex classification system for different forms of snow developed because snow plays such a crucial role in the daily life of the average Eskimo. Similarly, Arabic has hundreds of different words for camels and all their various parts. For a North American, single words for "snow" and "camel" generally suffice. On the other hand, the average speaker of the English language knows hundreds of words relating to technology and industry, such as software, microwave, and fax. The vocabularies of all languages are adapted to the elements considered important within each particular culture.

The Sapir-Whorf Hypothesis suggests that language is not merely a mechanism for communicating ideas but is itself a shaper of ideas (Sapir, 1921). This view has also been referred to as "linguistic determinism," which simply means that folks speaking different languages are likely to think and to perceive reality differently. For example, Whorf's work with the Hopi Indians revealed they do not conjugate verbs in terms of past, present, and future as English-language speakers do. In Hopi the single word *wari* would be used to convey both that someone is now running and that the individual ran in the past. For the Hopi, a statement of fact is considered more important than whether it is a present or past event.

Languages also differ in their levels of formality. In the Japanese language, the level of formality depends on the gender and status of the speaker and listener as well as on the context of the conversation. This has a number of implications for marketing communications. For example, the language used by the seller is much more deferential than that of the buyer; the buyer is always placed in the position of superior status. Moreover, the female speaker is always required to use more polite, deferential language. As a result, saleswomen or female characters in broadcast advertisements tend to give a product a "feminine" image. While this association may be beneficial for certain kinds of products, such as household items, for others it may hurt sales (Shane, 1988).

Linguists claim that well over three thousand distinct languages are spoken around the globe, some spoken by millions, others by no more than a few hundred. Multilingual societies constitute the majority of the world's nations. For example, Zaire has over 100 different tribal languages, and in India over 200 languages and dialects are spoken. Any country in which several different languages are spoken undoubtedly also has a number of distinct cultures. Consider Canada, where most citizens speak English or French, or Belgium, where both French and Flemish are spoken. In both Canada and Belgium, the different linguistic groups have clashed on occasion. In Zaire and India, such confrontations have even ended in violence.

While language helps to define a cultural group, the same language can also be spoken in a number of different countries. English is spoken in the United States, England, and much of Canada, Australia, and Ireland, while Spanish is spoken in Spain, Mexico, Argentina, and Peru. Often, however, different words are used for the same thing or the same words have different meanings. For example, a major paper towel producer learned the hard way that the British and American English languages are sufficiently dissimilar when it attempted to use its successful U.S. advertisement in England. The slogan was "There is no finer paper napkin for the dinner table." The problem? In England, a napkin or "nappy" refers to a diaper.

According to Maletzke, "the extent to which individuals or groups understand one another, fail to understand, or misunderstand, is determined by the degree to which the World Views and frames of reference of the partners in communication overlap. The larger the common ground of Weltanschauung is, the simpler it is that there will be an adequate meeting-of-minds. The less common ground there is, the fewer frames of reference, then the more likely it is that there will be serious misunderstandings and non-comprehension" (Maletzke, 1976, p. 412).

Errors in the translation of brand names, packaging copy, and advertising messages have cost businesses millions of dollars, not to mention the damage to their credibility and reputation. It is not enough for translators merely to be familiar with the native tongue. In order to avoid translation blunders, translators must also be familiar with nuances, idioms, and slang. Consider the following:

- In Latin America, the brand name Chevy Nova (a bright shining star in General Motor's dictionary) translated into "Chevy doesn't run" in Spanish.
- One firm sold shampoo in Brazil under the name "Evitol." Little did they realize that it was claiming to be selling "dandruff."

- In 1993 the California Milk Processor Board sought an ad agency to translate its popular "Got Milk?" campaign into Spanish. Unfortunately, the slogan was initially translated into "Are you lactating?" The slogan was quickly replaced with "And you, have you given them milk today?"

The debate continues about whether English is the world's first genuinely global language. To be worthy of the designation "global," a language needs to be present in every country in the world. English now probably is; it is the first language for about 375 million people, mainly in the United States, Canada, Britain, Ireland, Australia, New Zealand, and South Africa. It has achieved special status as a second language spoken by another 375 million in more than 70 countries, such as China, Nigeria, India, Singapore, and Vanuatu. And in most, perhaps all, of the remaining countries, it is the foreign language children are most likely to learn at school. Foreign English language learners may now exceed one billion. Although estimates vary greatly, some 1.5 billion people are thought to be competent communicators in English. That is a quarter of the world's population. The question is, how can English be a global language when three out of four people never use it? The answer is that English is now the dominant tongue in international politics, banking, the press, news agencies, broadcasting, the recording industry, movies, travel, science and technology, knowledge management, communications . . . and, of course, advertising (Crystal 1999).

But even English is not universally embraced. The French have a long reputation for being monolingual and quite defensive about their language. French officials have been waging an increasingly aggressive war against English creeping into common usage. French, as well as international, advertisers have come under fire for using English words in advertising copy. The advertising standards regulator (BVP) argues that only 35 percent of the population speak enough English to be able to follow such English language slogans as Nike's "Just do it," and Apple's "Think Different." So, in line with a 1994 law, Nike, Apple, and a string of other companies are supposed to include a French translation equal in size and prominence and with the exact same meaning. But the BVP notes that the rules are often bent, and "English first" appears to be the order of the day (King, 2000). See Figure 3.1 for an underground ad in Paris for Mr. Clean cleaning products that shout out: "serial cleaner," a play on the phrase "serial killer," which is well known in France from American movies. And France is not alone in its mission to protect its language. Current laws regarding foreign language use in Korea are designed essentially to protect the sovereignty of the Korean language. Foreign languages must be translated into Korean, if a translation is at all possible. "Unnecessary" use of foreign languages and mixing Korean with foreign languages

Figure 3.1 Mr. Clean ad in Paris underground using English language

is prohibited. However, there is no regulatory framework spelling out exactly what "unnecessary" use is (Ambler, 2000). And a recent study (Gerritsen, et al., 2000) found that while one-third of the commercials on Dutch television contain English words and phrases, Dutch consumers neither understand nor appreciate them.

NONVERBAL LANGUAGE

We communicate not only through spoken language but also via nonverbal language. It has been estimated that little over 20 to 30 percent of communication between two individuals within the same culture is verbal. The bulk of communication takes place nonverbally, via a nod of the head, a wave of the hand, a smile, or even a step toward or away from the person.

Several classification systems of nonverbal language exist, some containing up to 24 different categories of behavior (Hall, 1976, and Condon and Yousef, 1975). Most classification systems include facial expressions, eye contact and gaze, body movement (such as hand gestures and posture), touching, smell, space usage, time symbolism, appearance or dress, color symbolism, and even silence. It is important to note that nonverbal methods of communication are no more universal than verbal methods. Just as one word can mean different things in different countries (In the United States, "closet" refers to a place to hang your clothes whereas in England it refers to the toilet), so, too, nonverbal cues vary in their meaning. The American "OK" gesture communicated by making a circle with one's thumb and index finger means zero or worthless in France and a willingness to give money in Japan. In Greece and Brazil, however, it carries a quite vulgar connotation. The "thumbs-up" sign used in an AT&T campaign presented a problem when it had to be translated into other languages. For Americans this gesture signifies positive affirmation. But to Russians and Poles, because the palm of the hand was visible, it gave the print advertisement a different, even offensive meaning. An agency specializing in translation was engaged to reshoot the graphic element of the advertisement so that only the back of the hand was seen, thereby conveying the intended meaning (Davis, 1993).

Nonverbal communication regulates human interaction in several important ways: (1) it sends messages about our attitudes and feelings; (2) it elaborates on our verbal messages, and (3) it governs the timing and turn-taking between communicators (Ferraro, 1990). A thorough discussion of all the aspects of the silent language, as it is often called, is beyond the scope of this book. However, because of their importance to advertising communications, three areas will be addressed briefly: touch, space usage, and signs and colors.

Touch: Touch is one of the earliest senses to mature. Humans touch for a variety of reasons, and each culture has a well-defined system of meaning for different forms of touching, whether it be patting, slapping, pinching, punching, pushing, stroking, kissing, kicking, or even tickling. For example, according to Weston LaBarre,

> The Copper Eskimo welcome strangers with a buffet on the head or shoulders with the fist, while the northwest Amazonians slap one another on the back in greeting. Polynesian men greet one another by embracing and rubbing each other's back; Spanish-American males greet one another by a stereotyped embrace, head over the right shoulder of the partner, three pats on the back, head over the left shoulder, three more pats . . . An Ainu, meeting his sister, grasps her hands in his for a few seconds, suddenly releases his hold, grasps her by both ears and gives the peculiar Ainu greeting cry; then they stroke one another down the face and shoulders . . . Andamanese greet one another by one sitting down in the lap of the other, arms around each other's necks and weeping for a while. (LaBarre, 1976)

Some generalizations can be made regarding high-touch versus low-touch cultures. Americans, the English, Germans, and northern Europeans are said to belong to low-touch cultures, exhibiting very limited tactile contact. In contrast, Hispanics, people of eastern European descent, Italians, the French, Arabs, and Jews are all said to belong to high-touch cultures. Care must be taken, however, not to over-generalize. Each culture, whether considered to be high or low-touch, defines for its members whom they can touch, as well as when and where they can touch them. Southeast Asian Muslims do not ordinarily touch during a conversation, especially between opposite sexes. One of the five harmonies of Confucian philosophy, the division of the sexes, affects relationships, even today, between men and women. Public embracing and kissing, winking at others, or engaging in intimate touch is regarded as uncivil in many parts of Asia. This orientation is reflected in Korean advertising. Kim (1992) found that models in Korean messages were significantly less likely than American models to portray any type of bodily contact and intimate contact between Korean models was almost nonexistent.

Space Usage: How humans use space is referred to as *proxemics*. Edward T. Hall suggests that "each person has around him an invisible bubble of space which expands and contracts depending on his relationship to those around him, his emotional state, and the activity he is performing" (Hall, 1966). Based on his observations of North Americans, Hall developed four categories of distance:

1. Intimate distance: Ranging from body contact to 18 inches, a distance used for personal contact, comforting and protecting. Here, olfactory and thermal sensations are at their highest.
2. Personal distance: from 18 inches to 4 feet, depending on the closeness of the relationship. At this distancing mode people have an invisible "space bubble" separating themselves from others.
3. Social distance: from 4 feet to 12 feet, a distance used by acquaintances and strangers in business meetings and classrooms.
4. Public distance: from 12 to 25 feet, at which the recognition of others is not mandatory and the subtle shades of meaning of voice, gesture and facial expression are lost.

However, space usage is culture-bound—members of many different cultures do not conform to Hall's four categories of distance. Americans are said to demonstrate a particularly high level of territoriality when compared with members of other cultures. In contrasting Europeans and Americans, Hall notes that "in northern Europe the bubbles are quite large; moving south to France, Italy, Greece and Spain, the bubbles get smaller and smaller so that the distance that is perceived as intimate in the north overlaps personal distance in the south, which means that Mediterranean Europeans get too close to the Germans, Scandinavians, the English, and Americans of northern European ancestry," (Hall and Hall, 1987, p. 31). Looking at how differently space is used in Africa or Asia, we can appreciate the diversity. For example, most Americans feel quite uncomfortable when trapped on a crowded commuter train or in an elevator filled to capacity. Whereas, the Japanese tend to stand and sit much closer together than Americans and appear to endure crowded conditions in public areas without much discomfort. Clearly, each culture develops its own set of rules for space, and proper usage of space must be considered when developing visuals for advertising messages.

Colors and Other Signs and Symbols: The significance of and meanings associated with specific colors vary from culture to culture. For example, while black signifies mourning in many Western cultures, white is the color most associated with death in Japan, Hong Kong, and India. White lilies are the appropriate flower for funerals in England, Canada, and Sweden; yet in Mexico, white flowers are said to lift the spirits. Yellow flowers connote death in both Mexico and Taiwan, while purple is the color of death in Brazil and purple flowers are considered most appropriate for funerals. In the former Soviet Union, to women yellow flowers are considered a sign of disrespect, and in Taiwan, wearing a green hat signifies an unfaithful wife. Red is considered a positive color in Denmark but associated with the occult in many African countries.

Colors can affect product design, packaging, and advertising messages. David Ricks points out that the "choice of package and product coloring is very tricky. Some companies have failed to sell their products overseas and have never known why. Often the reason was a simple one; the product or its container was merely an inappropriate color" (Ricks, 1983). For example, several years ago, a leading U.S. golf ball manufacturer targeted Japan as an important new market for its product. However, sales of the company's golf balls were well below average. As it turned out, the firm offered its products in white packaging—a color often associated with mourning. To make matters worse, it had packaged the balls in groups of four—the number signifying death in Japan (Glover, 1990).

Numbers and shapes mean different things to different peoples. The number "7" is considered bad luck in Kenya and good luck in the former Czechoslovakia, and it has magical connotations in Benin. In another example, recounts Michael Christie, "a U.S. company exporting its goods to the Middle East inadvertently stylized designs vaguely resembling crosses and stars on its packaging. In this market, where Islam is the dominant religion, this was highly offensive and the company was booted out of the market for using Judeo-Christian symbols on its packaging" (Christie, 1994).

Even using animals can prove problematic. A well-known marketer of eyeglasses initiated a campaign in Thailand with billboards showing cute pictures of animals wearing eyeglasses. Sales, however, failed to materialize. The marketer only later discovered that the Thais revere certain animals and therefore found advertising using animal themes unappealing. In another example of an advertising faux pas, a print ad for a men's cologne pictured a man and his dog in an American rural setting. This ad worked well in America, but failed in Northern Africa. The advertiser simply assumed that "man's best friend" was loved everywhere and failed to recognize that Muslims consider dogs to be symbols of uncleanness.

Dimensions of Culture

In addition to being sensitive to verbal and nonverbal language, marketers and advertisers can ultimately create stronger, more resonant messages by attending to the differences from market to market regarding the dimensions of time, context, power, and distance; and individualism vs. collectivism; masculinity vs. femininity, uncertainty avoidance, and long-term orientation. The depiction of each of these dimensions is thought to be pervasive and is reflected in society's institutions as well as its cultural products, such as novels, films, television programs, popular music, and, of course, advertising. Ads reflect these dimensions; yet the act of reinforcing each individual dimension also serves to shape or construct them. Each of these dimensions will be discussed in turn.

MONOCHRONIC VS. POLYCHRONIC TIME

A culture's concept of time refers to the relative importance it places on time. Edward T. Hall noted that two time systems have evolved: monochromic and polychronic. "Monochronic time means paying attention to and doing only one thing at a time. Polychronic time means being involved with many things at once. Like oil and water, the two systems do not mix" (Hall, 1966). Monochronic people tend to think of time as a finite commodity that can be saved, spent, or lost. In a monochronic time (M-time) system, schedules often take priority over everything else and are treated as sacred and unalterable. Planes and trains must always run on time. People raised in M-time systems constantly check their calendars and watches, worry about being prompt for appointments, and take it as an insult if kept waiting by others. Although this may seem natural and logical to M-timers, it is merely a learned product of northern European culture. Hall explains that M-time grew out of the Industrial Revolution in England, wherein the factory labor force was required to be in place at the appointed hour. While examples of purely monochronic societies are rare, it can safely be said that Western cultures, in particular the United States, Switzerland, Germany, and Scandinavia, are dominated by M-time.

Polychronic time (P-time) systems are the antithesis of M-time systems. P-time is characterized by the simultaneous occurrence of many things and by a much greater involvement with people. In P-time systems, schedules and agendas mean very little, and appointments are often forgotten or rearranged at the last minute. Polychronic people generally resist being held to deadlines: No eyebrows are raised if a P-timer arrives at a meeting 45 minutes late. Middle Eastern and Latin American cultures often exhibit P-time behaviors. Within the United States, Hopi Indians place little value on time, believing that each human and animal has its own time system.

A culture's time orientation is reflected in its advertising, but these commercial messages also serve to reinforce and shape the time orientation. In examining American prime-time network television advertising, Wolberg (1999) found that over half the commercials incorporated the concept of limited time (where the product is positioned as fast acting, long lasting, or allows users to avoid spending time unproductively), which is the strongest reminder that time is a finite commodity. For example, in a U.S. ad for Afrin, the voice-over notes: "When you're congested, it's like your nose takes over . . . you need Afrin. Afrin works fast. While cold tablets travel through your system, Afrin goes right to your nose. So it works four times faster than the leading cold tablet and relieves congestion in less than five minutes. Afrin. Because you shouldn't have to wait to breathe. . ." Failure to take time orientation into account can result in miscommunication. A telephone company developed a television spot for its Latin American audience. In the ad, the wife told her husband to "run downstairs and phone Mary. Tell her we'll be a little late." In fact, this commercial contained two major cultural errors. First, almost no Latin American would feel obligated to phone to warn of tardiness since it is expected. Second, Latin American wives seldom dare to order their husbands around (Ricks, 1983). It is impossible to estimate how much business has been lost because marketers failed to take into account differences between monochronic and polychronic peoples.

HIGH-CONTEXT CULTURES VS. LOW-CONTEXT CULTURES

Edward T. Hall developed the concept of high and low context as a means of understanding different cultural orientations. Low-context cultures place high value on words, and communicators are encouraged to be direct, exact, and unambiguous. In contrast, high-context cultures consider verbal communications to be only part of the overall message, and communicators must rely much more heavily on contextual cues. The Halls write: "Context is the information that surrounds an event and is inextricably bound up with the meaning of that event. The elements that combine to produce a given meaning—events and context—are in different proportions depending on culture" (Hall and Hall, 1987, p. 7). Thus, messages in high-context cultures tend to be a good deal more implicit and ambiguous, with communicators relying much more on nonverbal behavior, the physical setting, social circumstances, and the nature of interpersonal relationships. Hall explains that "a high context communication or message is one in which most of the information is already in the person, while very little is in the coded, explicit, transmitted part of the message. A low context communication is vested in the explicit code" (Hall, 1976, p. 177). Cultures are typically not perceived as either high or low context, but, as the diagram shows, are arranged along a continuum. Note that this continuum should not give the impression of equal intervals.

The differences between communication styles in high- versus low-context cultures have direct implications for advertisers. Messages constructed by writers from high-context cultures might be difficult to understand in low-context cultures because they do not come to the point. Similarly, messages constructed by writers from low-context cultures may be difficult to understand in high-context cultures because they omit essential contextual material (Wells, 1987). For example, Japan is considered a high-context culture while the United States is considered a low-context culture; Japanese marketers tend to be more intuitive, subjective, and oriented toward communications and human relations; American marketers tend to be more logical, scientific, and oriented toward data, systems, and procedures (Lazer, Murata and Kosaka, 1985). As might be expected, the advertising messages

created in these two markets differ dramatically. A number of studies have shown that Japanese ads—both broadcast and print—contain fewer information cues than ads appearing in the United States and many other countries (Lin, 1992; Ramaprasad and Hasegawa, 1990). Japanese advertising is less likely to focus on the product's merits; the direct or hard-sell approach so common in American advertising seems to leave the Japanese consumer cold (Mueller, 1992). Comparative claims, a mainstay in American advertising, are almost unheard of in Japan. Instead, note Edward and Mildred Hall, "Japanese advertising evokes a mood and is designed to appeal to emotions, produce good feelings, and create a happy atmosphere. The approach is soft-sell" (Hall and Hall, 1987, p. 139). Indeed, much of Japanese advertising is so soft-sell that it is often difficult to determine what the product is from viewing an advertisement.

Hofstede's Dimensions of Culture

One of the most important frameworks for understanding culture in the past two decades has been Geert Hofstede's typology of cultural dimensions (Hofstede, 1980). Based on 117,000 questionnaires from 88,000 respondents in 20 languages, reflecting 66 countries, Hofstede delineated four important dimensions that can be used to classify countries: Power Distance, societal desire for hierarchy or egalitarianism; individualism, society's preference for a group or individual orientation; masculinity vs. femininity, a sex-role dimension; and Uncertainty Avoidance, a culture's tolerance for uncertainty. Later research resulted in the addition of a fifth dimension, long-term orientation (Hofstede and Bond, 1988), the cultural perspective on a long-term vs. a short-term basis. An increasing number of marketing and advertising researchers have recognized the potential applicability of Hofstede's dimensions to marketing research problems (for example, Albers-Miller, 1996; de Mooij, 1998; and Milner and Collins, 2000).

POWER DISTANCE

Power Distance in Hofstede's typology involves the extent to which people tolerate unequal distributions of power in society and within organizations. Cultures with a high Power Distance Index (PDI) tend to be more accepting of hierarchies and autocratic leadership. Everyone has their rightful place in the social hierarchy, and the acceptance and giving of authority is considered normal. Individuals tend to obey the recommendations of authority figures such as parents, teachers, or bosses. Dependency is also an element of hierarchical relationships between and among people. The nine countries with the highest

PDI are the Philippines, Mexico, Venezuela, India, Singapore, Brazil, Hong Kong, France, and Columbia (Hofstede, 1980).

In cultures ranking lower on the Power Distance Index, such as the United States, authority has a negative connotation. Low Power Distance cultures stress equality in rights and opportunity in the workplace. In the United States, for example, it is assumed that superiors and subordinates are basically equal, and employees will quite readily approach and even contradict their bosses. In low Power Distance cultures, children are raised to be independent at a relatively young age. Indeed, shortly after birth, American babies are placed in cribs in their own bedrooms to sleep. Americans avoid becoming dependent upon others and don't want others to become dependent upon them. The nine countries with the lowest PDI are Austria, Israel, Denmark, New Zealand, Ireland, Sweden, Norway, Finland, and Switzerland. The United States is slightly lower than the median in Power Distance (Hofstede, 1980). As with time orientation and context, both the content of commercial messages and the creative strategies most likely to be employed will vary dependent upon whether a country is considered predominantly high or low in terms of Power Distance. Zandpour and Campos (1994) found that testimonials by a celebrity, a credible source, or a user of the product were a distinct feature of ads in cultures with high Power Distance.

Individualism vs. Collectivism

Hofstede's *individualism vs. collectivism* dimension pertains to the importance of the group rather than the individual. In individualistic societies, the ties between individuals are loose; everyone is expected to look after themselves. Laws, rules, and regulations are institutionalized to protect the rights of the individual. In collectivistic societies, social ties are much tighter. One owes one's lifelong loyalty to one's in-group, and breaking this loyalty has dire consequences. The supreme value is the welfare of the group.

Americans are considered highly individualistic. Indeed, it is said that both the best and worst features of our culture can be attributed to individualism. Proponents of individualism have argued that it is the basis of liberty, democracy, and freedom and serves as a protection against tyranny. On the other hand, individualism has been blamed for our alienation from one another, loneliness, selfishness, and narcissism. As evidence of this extreme orientation, consider the advertisement in Figure 3.2 for the United States Army. Although the U.S. Army is 1,045,690 strong, the headline reads "I am an army of one."

Hofstede found that the nine most individualistic countries are the United States, Australia, Great Britain, Canada, Netherlands, New Zealand, Italy,

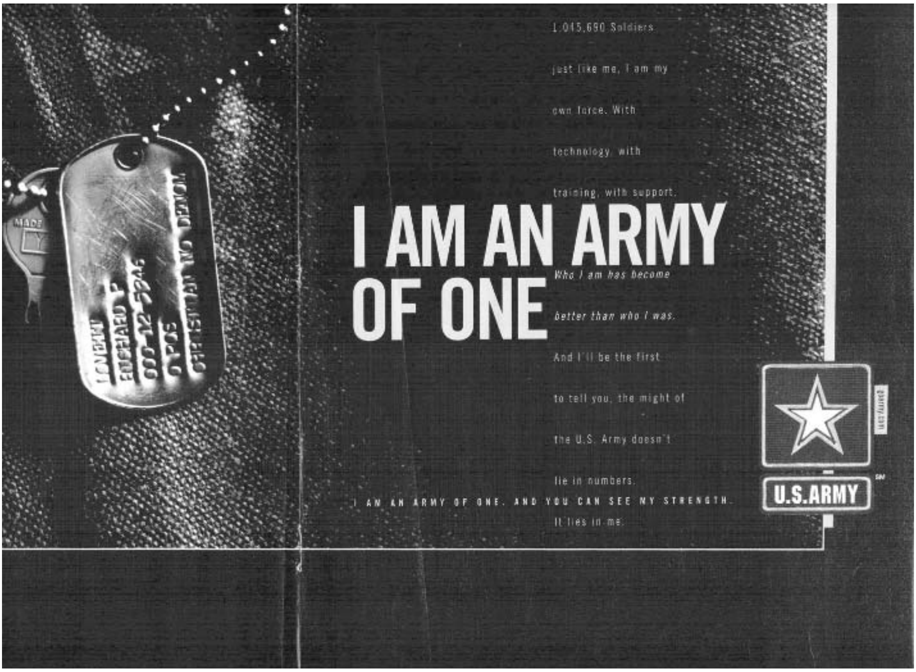

Figure 3.2 U.S. Army ad portraying individualism

Belgium, and Denmark. The nine least individualistic are Venezuela, Columbia, Pakistan, Peru, Taiwan, Thailand, Singapore, Chile, and Hong Kong. It is important to note that the group orientation dominates—between 70 and 80 percent of the world's population is more or less collectivistic.

Reference groups in Japan vary from small to large, formal to informal, and intimate to impersonal. In identifying themselves, the Japanese stress their position in a social frame rather than their individualistic attributes. The Japanese approach to the group role is to perceive oneself as an integral part of the whole. The individual does not interact as an individual, but as the son in a parent-child relationship or as a worker in an employee-employer relationship.

The Japanese concern for belonging is related to their tendency toward collectivism, which is expressed by individuals' identification with the collective goal of the group to which they belong. This collectivism fosters a taste for togetherness and intensive interaction. While many young Japanese are expressing higher degrees of individualism than in the past, the average Japanese person feels most comfortable within a group.

A high value is thus placed on the harmonious integration of group members and on consensus. It is emphasized that opinions should always be held unanimously. The Japanese see all decisions and actions as part of group consensus. The individual is not held morally responsible for such decisions. When a person commits a wrongful act, it is the group that is embarrassed and, in the final analysis, responsible for the misdeed.

Among the Japanese, this generates pressures for conformity to group norms and pressures to be like everyone else. The sense of identity anchored to in-group belongingness is sustained by going along with peers. There is a restraint from expressing disagreement with whatever appears to be the majority opinion.

This strong sense of belongingness as a state of self-identity is reinforced by collectivism and conformism, and calls for the individual's total commitment and loyalty to the group. This also means that the group is responsible for taking care of all the needs of its members. Mutual obligations of loyalty and total protection are established in Japanese employment practices. Although the current economic crisis in Asia has challenged the concept of lifetime employment, promotion and wage rank based on length of service, and paternalistic relationships between employer and employee, most companies still try to provide employees with basic needs such as housing, medical care, education, and recreational facilities. Japanese advertising reflects this group orientation. The majority of ads in Japan tend to show people in groups rather than as individuals. "We" and "us" are popular pronouns in Japanese advertising.

MASCULINITY VS. FEMININITY

Hofstede describes the *masculinity vs. femininity* dimension as distinguishing between cultures that emphasize stereotypical "masculine" traits—such as achievement, assertiveness, dominance, success, competition and heroism—and cultures that emphasize "feminine" traits—such as a preference for relationships, modesty, caring for the weak, and quality of life. A fundamental issue addressed by this dimension is the way a society allocates social (as opposed to biological) roles to the sexes. Some societies strive for maximum social differentiation between the sexes. The norm is then that men are given the more outgoing, assertive roles, and women the caring, nurturing roles. Minimum social-differentiation societies in comparison with maximum social-differentiation societies permeate their institutions with a quality-of-life oriented mentality. Such societies become "welfare societies" in which caring for all members, even the weakest, is an important goal for men as well as women. The nine countries with the highest masculinity scores according to Hofstede (1980) are Japan, Austria, Venezuela, Italy, Switzerland, Mexico, Ireland, Great Britain, and Germany. The United States tends to be a masculine country according to Hofstede, although it is not among the nine most masculine. The eight countries with the lowest masculinity scores are Sweden, Norway, Netherlands, Denmark, Finland, Chile, Portugal, and Thailand.

Whether masculine or feminine values dominate in a particular culture is reflected in a country's advertisements. Examining television ads from a range of countries that Hofstede designated as masculine and feminine, Milner and Collins (2000) found that ads produced for consumers in countries at the feminine end of the continuum feature a greater proportion of characters in relationships than those at the masculine end. The researchers propose that this finding has practical implications in determining the types of ad appeals that might be appropriate in a specific country. For example, a firm providing cellular phone service in Sweden and the United States might find it effective to develop messages that show cell phones being used in nurturing relationships in Sweden (e.g., developing closer bonds between grandparents and grandchildren) and used in nonpersonal communication situations in the United States (e.g., dial-ups to a financial news provider). Further, in cultures characterized as predominantly masculine, winning, success, and status are much used in advertising appeals, and comparison advertising is common.

UNCERTAINTY AVOIDANCE

Uncertainty Avoidance can be defined as the extent to which people feel threatened by ambiguous situations and try to avoid them. People in countries low in Uncertainty Avoidance are relatively comfortable with ambiguity and are tolerant of others' behaviors and views. Weak Uncertainty Avoidance cultures feel that there should be as few rules as possible. They believe more in generalists and common sense, and exhibit less ritual behavior. Conflict and competition are not threatening. Countries that score low on Uncertainty Avoidance are Great Britain, Sweden, Denmark, and Hong Kong.

Where Uncertainty Avoidance is high, there is a need for rules, formality and structure. This often translates into a search for truth and a belief in experts. The implication for communication is that uncertainty reduction requires explicit, logical, and direct information on the part of the communicator. Conflict and competition are avoided. People in strong Uncertainty Avoidance cultures have higher levels of anxiety and the show of emotions is accepted. People living in such societies are likely to build up tension and stress that must be released. This is done in different ways: They may talk louder, use their hands while speaking, drive more aggressively, or embrace more emotionally. Countries that score high on Uncertainty Avoidance include Germany, Austria, and Japan. In terms of creative strategy, the "argument" provides an audience with facts and reasons why they should purchase the advertised product or service. Zandpour and Campos (1994) found arguments and explicit conclusions to be the strategy of choice among cultures with a low tolerance for ambiguity and uncertainty. In contrast, "symbolic association" as an advertising strategy (utilizing subtle presentations linking the product to a symbol with minimal and implicit information about the product) was found to be uncommon in high Uncertainty Avoidance cultures.

LONG-TERM/SHORT-TERM ORIENTATION

Hofstede identified his four cultural dimensions using a survey developed from a Western perspective. To examine culture from an Eastern perspective, a group of researchers, the Chinese Culture Connection (1987), developed a survey based on Chinese values. This instrument revealed a fifth cultural dimension—*long-term/short-term orientation*—referring to an emphasis on the past and tradition as opposed to living for today or investing in tomorrow.

In general, people from East Asian countries, such as China, Japan, and Korea, tend to score high on the long-term index. Those with a long-term orientation value tradition and history and tend to look to the past for inspiration. By comparison, many Westerners, such as Americans and northern Europeans, are said to have a short-term orientation. People with a short-term orientation are more likely to perceive that the past is over and done with. The old is easily discarded and the new is quickly embraced, and there is an emphasis on planning for the future.

Needs

In attempting to understand culture, advertisers may look at the needs that motivate purchasing behavior. A useful theory of human motivation was developed by Abraham Maslow, who hypothesized that people's needs can be arranged in a hierarchy relating to their relative potency (Maslow, 1964). At the base of the hierarchy are physiological needs. As humans, our need for food, water, and shelter from the elements dominates our behavior. While thirst is one of these universal needs, how one quenches that thirst tends to be culture bound. In terms of hot beverage consumption, England has long been a tea-drinking culture. Yet, in 1995 Ally and Scott Svenson set up the Seattle Coffee Company in Covent Garden. Starbucks followed shortly thereafter, and the words "macchiato," "mocha," and "skinny" became common currency. The rise of the coffee bar has been so inexorable that the market value of the coffee sector rose 50 percent in the last six months of 2000 (Garner, 2001). By the year 2003, the number of coffee bars in London is expected to double—to 4,000. But a change in drinking habits means a change in culture. When people buy a drink, it is not just the beverage they are purchasing. They buy an image—an image of coffee bars as inclusive, contemporary places, where time is flexible and anyone is welcome, where for the price of a cup of coffee you can either get a quick caffeine fix or sit in a comfortable chair and write your novel.

Once fundamental physiological or “lower” needs are met, higher needs emerge, such as the need for safety, security, and protection from dangers in the environment. Once this need has been provided for, social needs arise—for affection from family and friends and to belong to a group. Higher order needs include esteem (self-respect, prestige, success and achievement), and, finally, self-actualization (self-fulfillment). People are not, however, locked into a particular level; clearly, an individual attempting to fulfill esteem needs must also address their basic physiological needs.

Maslow’s model has relevance to the marketer in that the needs that dominate a particular culture are closely tied to that country’s level of development. Apparently, the more highly developed the market, the greater the proportion of goods and services devoted to filling social and esteem needs as opposed to physiological needs. American advertisements reveal this to be the case in the United States. Consider the many products promoted as status-enhancing goods—from automobiles, to clothing, to bottled water. The advertising appeals employed in cultures at different stages of economic development are likely to be quite different. While Maslow’s hierarchy of needs is a useful tool, caution must be exercised in employing it in a cross-cultural setting. The hierarchy is a theory based on Western behavior and has not been proven applicable to non-Westerners or in developing countries.

Values

To maximize the chances of success marketers also examine cultural values. Milton Rokeach provides a classic definition of a value: “an enduring belief that a specific mode of conduct or end state of existence is personally and socially preferable to an opposite or converse mode of conduct or end state of existence” (Rokeach, 1973). Put more simply, Edward C. Steward states that values “represent a learned organization of rules for making choices and for resolving conflicts” (Steward, 1972, p. 74). Articles on values and consumer behavior in scholarly journals suggest that values may indeed be one of the most powerful explanations of and influences on consumer behavior (Rokeach, 1968).

While an examination of value systems can prove quite beneficial to a marketer, it is often fraught with problems. A major stumbling block in analyzing value systems is that many nations are multicultural. The United States, though often called a cultural melting pot, is an example of a particularly heterogeneous culture. If we state that a particular value is characteristic of the United States, it is not to say that each and every member of this society will possess that value. Rather, the concept of values should be used to assist in identifying the primary differences between consumers in different societies. Thus, it is possible to make broad statements regarding the value systems that tend to dominate in the United States as compared to those of Japan, for example. As we have pointed out, while individualism has been shown to be a dominant American value, the Japanese tend to have a strong commitment to the group (Nakane, 1970). A well-known saying in Japan—*Deru kugi wa utareru* (the nail that sticks up is pounded down)—reminds the Japanese people of the pain experienced when one fails to blend harmoniously into the group (Cathcard, 1994). Because of this value orientation, advertisements stressing individuality and nonconformity have traditionally not been prevalent in Japan (Mueller, 1987).

CLASSIFYING AND ASSESSING VALUES

Several classification systems have been devised for assessing the dominant values of a culture. For example, Rokeach developed a means of quantifying personal value systems (Rokeach, 1968). As shown in Table 3.1, the Rokeach value survey identifies 18 terminal and 18 instrumental values. Terminal values concern desired end states of existence that are socially and personally worth striving for. Instrumental values relate to modes of conduct and represent be-

TABLE 3.1 Terminal and Instrumental Values

Terminal Values	Instrumental Values
A comfortable life (a prosperous life)	Ambitious (hardworking, aspiring)
An exciting life (a stimulating active life)	Broadminded (open-minded)
Sense of accomplishment (lasting contribution)	Capable (competent, effective)
A world at peace (free of war and conflict))	Cheerful (lighthearted, joyful
A world of beauty (beauty of nature & the arts)	Clean (neat, tidy)
Equality (brotherhood, equal opportunity for all)	Courageous (standing up for your beliefs)
Family security (taking care of loved ones)	Forgiving (willing to pardon others)
Freedom (independence, free choice)	Helpful (working for welfare of others)
Happiness (contentedness)	Honest (sincere, truthful)
Inner harmony (freedom from inner conflict)	Imaginative (daring, creative)
Mature love (sexual and spiritual intimacy)	Independent (self-sufficient)
National security (protection from attack)	Intellectual (intelligent, reflective)
Pleasure (an enjoyable leisurely life)	Logical (consistent, rational)
Salvation (saved, eternal life)	Loving (affectionate, tender)
Self-respect (respect, admiration)	Obedient (dutiful, respectful)
Social recognition (respect, admiration)	Polite (courteous, well-mannered)
True friendship (close companionship)	Responsible (dependent, reliable)
Wisdom (mature understanding of life)	Self-controlled (restrained, self-disciplined)

Source: Rokeach, 1973.

liefs that are socially and personally preferable in all situations with respect to all objects. Value systems are identified by having individuals complete a survey that asks them to arrange all 36 values in order of their importance as guiding principles in their lives.

This framework is effective in discriminating between people of culturally diverse backgrounds (Munson and McIntyre, 1978). For example, the instrumental value of "ambitious" means hardworking and aspiring. The degree to which consumers perceive themselves as hardworking (or aspiring to this value) may differ from one culture to the next, and this may have implications for promotional efforts. A recent survey of young people around the world found significant differences in the percentage describing themselves as "hardworking" versus "into having a good time." The "work hard/play hard" ethic appears to be most common in English-speaking countries. While 93 percent of American respondents, 84 percent of Australian respondents, and 61 percent of British respondents perceived themselves as hard workers, a mere 34 percent of German and 30 percent of Brazilian respondents gave themselves credit for working hard, indicating that instead they value having a good time. Surprisingly, Japanese youth are the least likely to describe themselves as either hardworking or fun-loving (Yankelovich Partners, 1992). Such insights clearly have implications for designing advertising message content targeted to this segment in various markets.

Core values go much deeper than behavior or attitudes, and they determine, at a basic level, people's choices and desires. Behavior changes with amazing speed in response to outside forces of all kinds, such as whether a person had a good night's sleep or how long the line at the grocery store was. Although slower to change, attitudes are also prone to external forces, for instance, the beliefs of one's peer group. Core values, on the other hand, are intrinsic to a person's identity. By appealing to people's inner selves, it is possible to influence their outer selves—their purchase behavior (Miller, 1998).

Profiles of values segments around the world give marketers the tools to refine their strategies, identify potential consumers, reinforce loyal customer bases, and buffer against competitive onslaughts. Being aware of which core values matter and where can help the marketer target the audience's heart, which in turn can encourage them to reach into their pocketbooks and buy. The Roper Organization conducts Worldwide Consumer Surveys, interviewing 30,000 consumers in over 30 countries. The face-to-face interviews with 1,000 consumers in each of those countries are projectable to 1.39 billion people (*Business Wire*, 1999). Survey respondents rank 56 values by the importance they hold as guiding principles in their lives. Among adults, six global values segments, residing in all countries—but to varying degrees—were found. Interestingly, the largest segment focuses on the material world, while the second largest centers on the soul. Table 3.2 outlines Roper's six global values segments.

Although most people fall into a particular category, some values cut across many categories and countries. For example, "protecting the family" ranks in the top 10 values for all six groups. All countries surveyed rank family in their top five guiding principles, except Indonesia, which ranks "respecting ancestors" as number 1. All the Asian countries place family in their top two values. Protecting the family was given the top value in 22 countries including the United States.

The Roper research shows that people in different segments generally pursue different activities, buy different products, and use different media. For in-

TABLE 3.2 Roper's Six Global Values Segments

STRIVERS: The largest group, Strivers are slightly more likely to be men than women and place more emphasis on material and professional goals than other groups. Strivers are ambitious, status-conscious and power-seeking. One in three people living in developing Asia are Strivers, as is about one-fourth of the population in Russia and developed Asia. Strivers account for 23 percent of the world's population.

DEVOUTS: This group is 22 percent of adults. For Devouts, which includes more women than men, tradition and duty are very important. This group values faith and respect for elders. Devouts are most common in developing Asia and the Middle Eastern and African countries. They are least common in developed Asia and Western Europe.

ALTRUISTS: This group is 18 percent of adults with a slightly higher percentage of females. Altruists are proponents of social issues and causes and are concerned with the welfare of society. With a median age of 44, this group is somewhat older than the other groups. More altruists live in Latin America and Russia than in other countries.

INTIMATES: Intimates, comprising 15 percent of the world's population, value close personal relationships, family, and home above all else. They are almost as likely to be men as women. One in four Europeans and Americans are intimates, as compared with just 7 percent of developing Asia.

FUN SEEKERS: Fun seekers focus on excitement, recreation, and enjoyment. Although found in disproportionate numbers in developed Asia, this group accounts for 12 percent of the global population. Not surprisingly, fun seekers are the youngest group, with a male to female ratio of 54 to 46 percent.

CREATIVES: This group is the smallest at 10 percent worldwide. Their hallmark trait is a strong interest in education, knowledge, and technology. Creatives are more common in Latin America and Western Europe. Along with Intimates, this group has the most balanced gender mix.

Sources: Miller, 1998, and *Business Wire*, 1999.

stance, Fun Seekers like to frequent restaurants, bars, and movies, making products or services related to these activities a good marketing bet wherever Fun Seekers abound. Intimates enjoy cooking and gardening. They spend a good deal of time with television and radio, so broadcast media are excellent choices for reaching them. Clearly, an understanding of which segments dominate in a country helps with marketing efforts and enables advertisers to tailor their messages to those parts of the population most likely to buy.

An examination of cultural values can do more than assist marketers in segmenting consumers. Values may be among the major influences on human behavior, and advertisements that take this notion into account may be among the most effective. In *Social Values and Social Change*, Kahle (1983) noted that "value-linked advertisements may animate affect, creating an affective response closer to the value-induced affect than to the product or advertisement without the link. To the extent that affective advertisements are more influential than bland ads, values may be a mechanism to explore when trying to understand the sources of affect. In short, if marketers hope to formulate more effective messages, they must become sensitive to the core values of a given country.

Conclusion

Advertising both reflects and shapes a particular culture and its values. Failure to understand the cultural environment can lead and has led to misunderstandings, miscommunication, and marketing failures. In this chapter we examined only a few of the more prominent elements of culture—including verbal language and nonverbal communication. The dimensions of time, context, power distance, and individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, long-term orientation, needs and values were also explored. In Chapter 4 we will turn our attention to advertising's economic, political and media environments.

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CHAPTER 4

ADVERTISING'S ECONOMIC, POLITICAL, AND MEDIA ENVIRONMENTS

Having devoted a good deal of attention to culture and the relationship between advertising and culture, we now turn our attention to how advertising influences and is influenced by several additional environments: the economic, political, and media environments of a country.

Advertising's Influence on the Economic Environment

A market's economy and its advertising are inextricably linked. First, we will address the impact advertising has on economic systems. Many have argued that advertising drives the economy. By helping to stimulate and maintain consumer demand, advertising helps to sustain employment and income. Arens (1999) notes that when business cycles move upward, advertising contributes to the increase. When business cycles are down, advertising may act as a stabilizing force by encouraging more buying. In developed markets, advertising expenditures usually account for approximately 3 percent of the gross national product (GNP), whereas in less developed countries they generally account for about 1 percent or even less. Similarly, per capita advertising expenditures are lower in less developed markets than in more economically advanced countries. Advertising expenditures per person in the United States are as much as 40 to 50 times greater than in most less developed countries (McGinnis, 1988). Indeed, it has been argued that the level of advertising investment in a country is directly proportional to its standard of living (Arens, 1999). In terms of advertising spending per capita, Table 4.1 reveals that in the

TABLE 4.1 Per Capita Advertising Expenditures in Selected Countries

Countries with Highest Spending	Per Capita (U.S.$)	Countries with Lowest Spending	Per Capita (U.S.$)
United States	534.8	Laos	0.9
Hong Kong	510.9	Pakistan	1.0
Puerto Rico	428.4	India	1.6
Switzerland	352.8	Vietnam	1.8
Norway	326.8	Cambodia	2.4
Japan	331.8	China	3.7
United Kingdom	270.6	Indonesia	4.9
Denmark	252.8	Philippines	6.5
Australia	235.8	Saudi Arabia	7.5
Singapore	222.0	Romania	7.9

Source: International Advertising Association/Zenith Media, 2002.

United States $534.8 is spent annually on each man, woman, and child to promote goods and services. The next highest per capita ad expenditures are for Hong Kong ($510.9), followed by Puerto Rico ($428.4). At the opposite end of the spectrum, per capita ad expenditures are less than $1 in Laos. Most markets spend U.S. $30 to $50 per head on advertising.

Influence of the Economic Environment on the Business of Advertising

While advertising influences the economy, the economy has a direct impact on the business of advertising. Marketing activity in general, and advertising in particular, is heavily influenced by the state of the economy. Belch and Belch (1990) note that "attention must be given to macroeconomic conditions that influence the state of the economy such as changes in gross national product, whether the economy is in a period of inflation or recession, interest rates and unemployment levels. Micro economic trends, such as consumer income, savings, debt, and expenditure patterns are also important, as a consumer's ability to buy is a function of many factors including changes in real income, disposable and discretionary income, savings and debt levels" (p. 68). Changes in economic conditions have a direct impact on an advertiser's overall promotional expenditures, and clearly it also influences target audience selection, strategy development, and even media planning.

First, we'll address a macroeconomic condition, the current economic health of a market. During periods of economic recession, many businesses choose to cut their advertising budgets, which are often perceived as nonessential. When this occurs, there is a ripple effect. The economic downturn in the United States late in 2000 indicated it would be a tight year for many industries, including the automotive business. In response, DaimlerChrysler put price pressure on media companies. The automotive giant informed magazine publishers it would expect to pay the same ad rates in 2001 as it paid in 2000. The flat-rate demand appeared in bold type on a single-page document, "DaimlerChrysler Corporation 2001 Print Contract Criteria," sent to publishers. A company spokesperson noted, "We're hopeful we'll receive a positive response." In what was perhaps a veiled warning to publishers that might try to push through increases anyway, she added "Those who respond positively now will certainly be considered favorably in the future" (Fine and Halliday, 2000, pp. 1, 106).

Such caution on the part of advertisers has a direct impact on a medium's bottom line. As a result of the economic downturn, McGraw-Hill Company's *Business Week* saw ad pages fall 43 percent, Time Inc.'s *People* magazine suffered a 12 percent page decline, and the Washington Post Company's *Newsweek* saw page counts topple by 20 percent. Magazines are not alone in their suffering: Advertising space sold by the *Wall Street Journal* slumped by 32 percent compared with a 42 percent rise during the same period the previous year. Similarly bleak warnings were issued on Wall Street by the New York Times Company, the Washington Post Company, and Knight Ridder. As a result, American newspaper journalists braced themselves for the first newsroom layoffs in a generation. In the United States, job losses in the newspaper industry came as an enormous shock. American newspapers pride themselves on producing worthy, well-sourced stories, while trying to avoid political bias. This is possible only in well-staffed newsrooms (Ayres, 2001).

Neither are the broadcast media immune: General Motors cut their television budget and Ford Motor looked for "efficiencies" in the way it mixed TV with direct mail and online spending. The automotive industry was not the only one to search for ways to cut costs. One of the U.S.'s biggest advertisers, Procter & Gamble, had also trimmed their national TV advertising plans, and the cosmetics company Revlon abandoned its routine of broadcasting TV commercials during the Oscars presentation in 2001. The media outlets that depend on this revenue–and the fact that it typically increases from year to year–faced one of the most fragile periods in a decade (O'Connell, 2001).

But as the major corporations squeezed and streamlined their budgets in response to a cooling economy, they were wreaking havoc on more than just the media outlets they advertise in. Slowly, the carnage spread to the agencies that create and deliver the messages, forcing them to make cutbacks of their own (O'Connell, 2001). The combination of the slowdown of the economy and weak dot-com advertising resulted in agencies laying off staffers. For example, Leo Burnett USA cut 12.5 percent of the 120-person staff at its technology group, a unit handling business-to-business advertising for beleaguered tech firms, many of whom saw their access to capital plummet. Those cuts followed a previous month's dismissal of 200 workers, 9 percent of the U.S. staff. The U.S.-led slowdown in advertising spending growth crept across the Atlantic. "We do expect contagion from the U.S. to spill over into Europe, and we expect the market to remain nervous in the short term," noted Jonathan Helliwell, an analyst at Goldman Sachs who tracks the advertising industry. And WWP Chief Executive, Sir Martin Sorrell, adds "we are generally seeing the impact of the U.S. deceleration spreading into the U.K., continental Europe and then into Asia. Indeed, the world economies are so interlinked that it is impossible to be isolated" (Galloni, 2001).

Turning to microeconomic variables, in analyzing a market's potential to purchase, marketers often examine its economic stage of development. Classifications of economic systems vary depending on the originator of the classification system as well as its intended use. The following system is commonly employed in the marketing literature:

- *Subsistence Economies*—countries in which the vast majority of citizens are engaged in agriculture. They tend to consume much of what they produce and to barter any excess production. Overall, market opportunities here tend to be rather limited.
- *Raw-Material-Exporting Economies*—countries that are rich in one or more natural resources but are considered poor in most other ways. Their revenues generally come from exporting these resources—for example, Saudi Arabia (oil) and Zaire (copper and coffee). Such countries tend to be good markets for heavy machinery and tools.
- *Industrializing Economies*—countries in which manufacturing accounts for roughly 10 to 20 percent of the national economy—for example, Brazil, Egypt, and the Philippines. As manufacturing increases, these countries may require imports of raw materials and heavy machinery. Industrialization often increases a new rich class as well as a growing middle class, both of which demand a variety of consumer goods.
- *Industrial Economies*—countries that are major exporters of manufactured goods as well as investment funds. Industrial economies trade goods among themselves as well as export them to industrializing and raw-material-exporting economies. Industrial economies generally have large middle classes, making them ideal for most categories of consumer goods (Mueller, 1996, p. 74).

Historically, industrial economies represented the greatest marketing opportunities for corporations because consumers in these countries typically have the capacity to purchase goods offered by advertisers. In addition, communications, transportation, financial, and distribution networks necessary to conduct business are in place. However, such markets also tend to have stable or even shrinking population bases, and as a result, markets for many goods and services may already be saturated. Thus, marketers have increasingly turned to less developed nations, which tend to have expanding populations and therefore potentially greater growth opportunities.

> Under World Bank's projections, world population growth would decline slowly, from 1.7 percent a year in 1990 to about 1 percent a year by 2030. World population would more than double from current levels and would stabilize at about 12.5 billion around the middle of the twenty-second century. Two thirds of the increase would occur by 2050, and 95 percent of population growth would take place in developing countries. (World Bank, 1992, p. 26)

Even the lowest income groups become attractive to international marketers because of the aggregate of their disposable income. Consumer appetite for low-priced packaged goods is strong even in Third World markets. For example, in developing Asia, a person earning just $250 annually can afford Gillette razors. Even high-end, durable goods find a market in developing countries—in 1999, 26 percent of households in Vietnam possessed a refrigerator, 41 percent of homes in Mexico owned a vacuum cleaner, and nearly 92 percent of Chinese households contained a washing machine (International Marketing Forecasts, 2000).

A statistic commonly used to describe the economic condition of a country is per capita income, a widely accepted indicator of a country's economic development as well as the potential purchasing power of its individuals. Per capita income is often stated in relation to a country's total national income, or gross national product (GNP). The World Bank Atlas method of calculating gross national product (also known as GNI for gross national income) per capita converts national currency units to dollars at prevailing exchange rates, adjusted for inflation and averaged over three years. Because those rates do not always reflect differences in prices, purchasing power parities are united to convert GNP per capita estimates into international dollars. An international dollar buys the same amount of goods and services in a country's domestic market as $1 would buy in the United States. Table 4.2 shows the wide range in the per capita income figures (both GNP per capita and purchase power parity) among the nations of the world. For example, in 1999 Switzerland had a GNP per capita of U.S. $38,380, while Ethiopia had a GNP per capita of little more than U.S. $100. In 1998, the 20 percent of the world's people who live in the high-income countries had 82 times the income of the lowest 20 percent. Statistics show 60 percent of the world's population receive only 6 percent of the world's income. The high-income nations contain 17 percent of the world's population, yet receive 78 percent of world income (Ausaid, 2001).

TABLE 4.2 1999 GNP Per Capita and Purchasing Power Parity

Country	GNP Per Capita	Purchasing Power Parity
Switzerland	$38,380	$28,760
Japan	32,030	25,170
United States	31,910	31,910
Germany	25,620	23,510
Singapore	24,150	22,310
India	440	2,230
Bangladesh	370	1,530
Zambia	330	720
Niger	190	740
Ethiopia	100	620

Source: World Bank Atlas, 2001, pp. 16–17.

Note that per capita figures are averages and give no indication of income distribution. Typically, the more developed the country, the more even the distribution of income. In many developing countries, however there is a bimodal distribution income–a very rich segment of the population and a very large, very poor segment with literally no middle class. The following serves as a useful classification system.

- *Very Low Family Incomes*—subsistence economies characterized by rural populations whose consumption relies on personal output or barter. Some urban centers may provide markets.
- *Mostly Low Family Incomes*—economies that are beginning to industrialize. Most goods are produced domestically.
- *Very Low, Very High Family Incomes*—economies that exhibit strongly bimodal income distributions. The majority of the population may live barely above the subsistence level, while a minority provides a strong market for imported or luxury items. The affluent are truly affluent.
- *Low, Medium and High Family Incomes*—economies in which industrialization has produced an emerging middle class with increasing disposable income. However, due to traditional social class barriers, the very low-income and very high-income classes tend to remain.
- *Mostly Medium Family Incomes*—advanced industrial economies with institutions and politics that reduce extremes in income distribution. The result is a large and comfortable middle class able to purchase a wide array of both domestic and imported products and services (Kotler, 1988, p. 383).

Household income may be a more telling statistic than per capita income. In many developing countries, extended families rather than nuclear

TABLE 4.3 Economic Development and Urban Population (As percentage of total population)

Low Income Economies	Upper-Middle Income Economies
Ethiopia—14.3%	Portugal—35%
Bangladesh—20.1%	Mexico—76.5%
India—28%	Brazil—79.7%
China—32.8%	Venezuela—93.6%
Lower-Middle Income Economies	**High Income Economies**
Thailand—21.2%	Ireland—58%
Cameroon—33.3%	United States—76.9%
Philippines—55.2%	United Kingdom—89%
Romania—55%	Hong Kong—95.4%

Source: International Marketing Data and Statistics, 2000.

families are the norm. For example, in Latin America the typical household includes aunts, uncles, cousins, grandparents, and sometimes even great-grandparents. Several family members may be wage earners, directly impacting the buying power of the family unit. And while the nuclear family is still the norm in much of the United States, today that unit typically includes two wage earners. As a result, international marketers often pair household income with household size in analyzing a market's willingness and ability to spend.

One of the most telling economic indicators is the degree to which a country is urbanized. Table 4.3 shows the degree of urbanization for the world's four broad economic groupings. The averages for these groupings reveal a strong correlation between degree of urbanization and level of economic development. However, even within these broad economic groupings, there is significant variation. Typically, the more urbanized markets tend to be more appealing to marketers. Developing countries are generally much less urbanized, and as a result they tend to be less attractive markets, particularly for consumer goods. Even less developed countries, however, may contain sizable pockets of high-income consumers.

Economic Arguments for and Criticisms against Advertising

Some economists view advertising in a positive light, arguing that it encourages consumption and thereby fosters economic growth. Not only does it inform consumers about available goods, but it 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 leads to lower prices; and accelerates the acceptance of new products and hastens the rejection of inferior or unacceptable products" (Belch and Belch, 1990, p. 68). The critics of advertising have been significantly less favorable in their assessment of advertising's contribution to the economic environment.

ADVERTISING'S INFLUENCE ON COMPETITION

Critics claim firms that advertise heavily make it impossible for competitors to enter the marketplace: The enormous sums spent on advertising by large corporations act as a barrier to entry by smaller firms. The end result is less competition and ultimately, higher product prices. However, in terms of inhibiting the entry of new competitors, the investment needed for manufacturing plants, machinery and equipment, and labor often far outweigh the monies spent on promotion. There does appear to be evidence that intense competition tends to reduce the number of businesses in an industry. But it is also the case that industry leaders may simply dominate a market because of the superior quality of their product.

On the other hand, some researchers have found that high levels of advertising are not always found in industries where firms have large market share. Telser (1964) found an inverse relationship between product-class advertising intensity and market share stability of leading brands. Such findings are contrary to the view that industries controlled by a small number of firms have high advertising expenditures and high advertising budgets that result in stable brand shares for market leaders.

There is little consensus as to the impact of advertising on competition in developed markets and even more debate regarding the impact of advertising on competition in evolving economies. In developing markets, in addition to financial constraints, local manufacturers typically refrain from promotional efforts because of:

1. unfamiliarity with the concept of promotional strategy, and
2. an inability to perceive its effectiveness, placing them at an even greater disadvantage

Although no significant studies document the effect of advertising on competition, some interesting statistics suggest there may be some validity to this criticism. For example, multinational corporations outspend local firms by six to one in advertising. With so much exposure, international brands generally have substantially higher recall levels among consumers than do local brands. In some places, the international brand even serves as the generic name.

Kellogg's, for instance, has come to mean "breakfast cereal" in many developing markets. In addition, there is significant status associated with foreign brands of consumer goods.

ADVERTISING'S INFLUENCE ON PRODUCT PRICE

A major debate centers on the effects of advertising on the price of consumer goods. Ultimately, all the costs related to doing business incurred by an advertiser will be passed along to the consumer—advertising included. There is no denying that advertised products cost more than unadvertised products. However, as a percentage, the amount spent on advertising tends to be relatively small. For example, promotion and advertising of a U.S. $70 pair of Nike sneakers typically runs about $4—compared with $20 in production costs, $6.25 in profit, $5 in sales and distribution, and $.25 in research and development (Blitz, 1998). Due to the economies of scale produced by advertising, per unit product price may, in fact, be reduced and these savings passed on to consumers in the form of lower product prices. Whether advertising leads to lower or higher product prices may be a function of the kind of advertising being discussed: retail or national. A number of studies have indicated that high levels of retail advertising increases price competition and may subsequently lower relative consumer brand prices (Noris, 1984). On the other hand, national advertising or branding probably raises the price of goods and services.

ADVERTISING AND THE ALLOCATION OF PRECIOUS RESOURCES

The criticism here is that national resources are squandered for the production, promotion, and consumption of products that are simply not needed by consumers, particularly those in developing markets. "Critics say that a society is no better off with advertising because it does not stimulate demand, it only shifts demand from one brand to another—that these brand differences are trivial and the proliferation of brands does not offer a greater variety of choice, but rather a meaningless waste of resources" (O'Guinn, Allen and Semenik, 1998, p. 87).

International businesses operating in developing markets are accused of using advertising to shift consumer behavior from rational consumption of locally produced goods to conspicuous consumption of foreign-made goods (Tansey and Hyman, 1994). To compete with foreign advertisers, local firms must increase their promotional efforts. These monies, it is argued, could be better spent assisting the local population via health and welfare programs. For example, in Kenya, expenditures for soap advertising are higher than government expenditures for rural health care. Not only do businesses spend unnecessarily, but so do consumers in evolving markets, because many international products cost significantly more than local goods. U.S. products, in particular, carry a premium price. For instance, in India, Camay soap costs 27 U.S. cents while local soaps are priced at 19 cents; Head & Shoulders shampoo sells for US $4.77 while local shampoos are priced at $2.00 (Kahn and Maqbool, 1994). Clearly, the poor can ill afford such items, because the majority of their income is spent on subsistence. The counterargument here is that while multinational corporations and their advertising agencies may change the patterns of consumption, they do not increase overall consumption (Tansey and Hyman, 1994). Regardless of perspective, the question remains: Who is to decide which expenditures are wasteful and which are not? From the viewpoint of many international marketers, this is a decision best left to the consumer. Critics argue, however, that local governments in developing countries must consciously decide where valuable resources are to be spent.

ADVERTISING'S INFLUENCE ON RISING FRUSTRATIONS

In a related criticism, advertising is blamed for creating demand for goods consumers cannot possibly afford. The concern here is that in developing economies, the associated dissatisfaction and frustration might possibly lead to social unrest or even political destabilization. In selling goods in evolving markets, advertisers could be communicating with three major markets:

1. urban-center dwellers, consisting of foreign expatriates as well as sizable pockets of both high- and middle-income locals, who are often as sophisticated in their tastes as their counterparts in developed markets
2. suburbanites living in outlying areas some 10 to 15 miles from the urban centers
3. rural population, whose life styles remain quite provincial and whose incomes are quite meager (Hill, 1984)

Note that nearly 80 percent of the population in most of the less developed countries lives outside the cities and that the cultural and economic gap between the urban centers and the villages or rural areas is quite substantial. The problem lies in targeting promotional messages only to the most appropriate market segment. For example, international marketers may decide to offer a product to relatively well-off consumers with sufficient disposable income—primarily those in urban centers. This creates a taste for Western lifestyles and values that often trickles down to the less affluent. Consumers in rural areas will seek ways to expend their limited resources to obtain these items. Ultimately, the lower sectors are perceived not simply as passive bystanders, but as potential consumers of these very same products (Del Toro, 1986). Philippine author Renato Constantino voiced his concern:

> In the Philippines for example, where recent estimates place fully 70 percent of families below the poverty line, money sorely needed for food, shelter and basic health is often squandered on tobacco, cosmetics, soft drinks and the latest fashion jeans. Although the targets of transnational corporation sales are the elite and middle classes, their advertising is "democratically" heard via transistor radios, seen on billboards and to a lesser extent on television. (1986, p. 95)

Further, in many Third World countries upward mobility is virtually nonexistent. Commonly, less than 10 percent of the population owns 60 percent or more of a nation's wealth. Many consumers in these countries develop a desire—whether through advertising or other stimuli—for goods they can ill afford. In Mexico, for example, U.S. soft drinks control over 75 percent of the market, and school children save money to purchase Pepsi, which costs three to five times more than a local soft drink. However, little evidence indicates that consumer frustrations have resulted in demands for radical change. Nevertheless, governmental bodies in some developing markets have taken steps to avoid the potential social or political unrest.

Advertising and the Political Environment

The political environment of a country as well as the laws and regulations of the market (which will be addressed in the next chapter) influence and are influenced by commercial communications. Both the political system and the local laws shape a country's business environment and may directly affect various aspects of a marketing program, including whether a product can be sold in a particular country and how it can be promoted.

Political systems are generally divided into one of three broad categories: capitalism, socialism, and communism. Onkvisit and Shaw (1997, pp. 137–139) provide excellent definitions of these three systems. The philosophy of capitalism provides for a free-market system that allows business competition and freedom of choice for both consumers and companies. It is a market-oriented system in which individuals, motivated by private gain, are allowed to produce goods or services for public consumption under competitive conditions. Product price is determined by demand and supply. This system serves the needs of society by encouraging decentralized decision making, risk taking, and innovation. The results include product variety, product quality, efficiency, and relatively lower prices. There are degrees of capitalism: Japan is relatively less capitalistic than the United States. Although practically all Japanese businesses are privately owned, industries are very closely supervised by the state. Japan's government agencies vigorously advise companies what to produce, buy, sell, and so on. Japan's aim is to allocate scarce resources in such a way as to efficiently produce those products that have the best potential for the country overall.

The degree of government control under socialism is somewhat greater than under capitalism. A socialist government owns and operates the major, basic industries but leaves small businesses to private ownership. Socialism is a matter of degree, and not all socialist countries are the same. A socialist country such as Poland used to lean toward communism, as evidenced by its rigid control over prices and distribution. France's socialist system, in comparison, is much closer to capitalism than communism.

Communist theory holds that all resources should be owned and shared by all the people (i.e., not by profit-seeking enterprises) for the benefit of the society. In practice the government controls all productive resources and industries, and as a result the government determines jobs, production, price, education, and just about everything else. The emphasis is on human welfare. Because profit making is not the government's main motive, theoretically there is a lack of incentive for workers and managers to improve productivity. The former Soviet Union and China are the two largest communist nations. Yet, in recent years privatization has been the trend in both Russia and the Ukraine, and China has been experimenting with a new type of communism by allowing its citizens to work for themselves. Figure 4.1 presents a Nokia advertisement targeting consumers in China.

It should be noted that no "pure" capitalist market or communist market exists: All countries share some features of both systems. Clearly, the role of advertising varies depending on the primary political orientation of each particular marketplace. While the traditional Soviet view of commercial advertising had long been to consider it a parasitic form of activity and a drain on the economy, it is a fallacy that advertising had not been employed in this communist market. Indeed, following the death of Stalin in 1953, communist leaders concluded that advertising, used in great moderation, could be employed to solve certain problems. Yet, the functions of capitalist and communist advertising were seen to be quite different. Capitalist advertising was perceived as serving a single company in its quest for sales in the face of continual excess supply and was therefore wasteful. Communist advertising was not intended to be competitive but instead worked to fulfill the overall economic plan by redirecting demand. Initially, Soviet advertising dealt only with political propaganda or public service announcements. Over time, Soviet managers were encouraged to advertise goods and services. One common use was to promote the sale of unacceptably large inventories. Another was to sell obsolescent goods, with obsolescence in certain cases being the reason for the unsatisfactorily large size of

Figure 4.1 Ad for Nokia appealing to Chinese consumers

the inventory. Still another use was to move seasonally produced goods, especially if perishable. Yet, since the failed coup of August 1991, the subsequent resignation of President Mikhail Gorbachev, and the relegation of the Union of Soviet Republics into official oblivion, much has changed regarding the role of marketing and advertising. In the early 1990s, many Western firms eyed the former Soviet Union as the next marketing frontier. Among those who entered the Commonwealth were Johnson & Johnson, Eastman Kodak, Holiday Inns Worldwide, Procter & Gamble, and Kellogg. Indeed, by 1994, Russian president Boris Yeltsin complained to the Russian *Duma* about the "Snickerization" of the country's economy, referring to the phenomenal success Mars Inc. had in penetrating this market (a newspaper poll at the time revealed that only 15 percent of Russians had never tasted a Snickers bar). As with the expansion of Western agencies to other regions of the globe, advertising agencies followed their clients into the new Commonwealth. Ogilvy & Mather became the first officially registered Western agency in the former Soviet Union when it formed a three-way joint venture with Soviet shop Soyuztorgreklaman and Hungary's Mahir. Ogilvy & Mather was followed by Young & Rubicam, Bozell and D'Arcy, Masius Benton and Bowles. Today, a blitz of commercial messages has taken this marketplace by storm. Figure 4.2 provides an example of a current advertisement appearing in Russia for Visa.

Political Advertising

Political advertising is an important part of the political process in very nearly every country. Politicians and political parties utilize political advertisements to influence the opinions and decisions of voters. Worldwide, paid advertising for political parties or candidates in newspapers or via outdoor media such as posters or billboards is scarcely controversial. The practice is almost universally the same: advertising is permitted, subject only to other limitations such as campaign spending ceilings or restrictions on content. However many countries have followed a different course with regard to political advertising on radio and television (Ace Project, 2002).

BROADCAST MEDIA ISSUES

While publicly funded broadcast media are thought to have a certain degree of obligation to allow parties and candidates to communicate directly with the electorate, whether this access is free, paid, or, as is often the case, a mixture of the two, varies significantly from one market to the next. Commonly, countries with a strong tradition of public ownership of broadcasting, such as France, Denmark, and Britain, have tended to be hostile to paid political advertising in

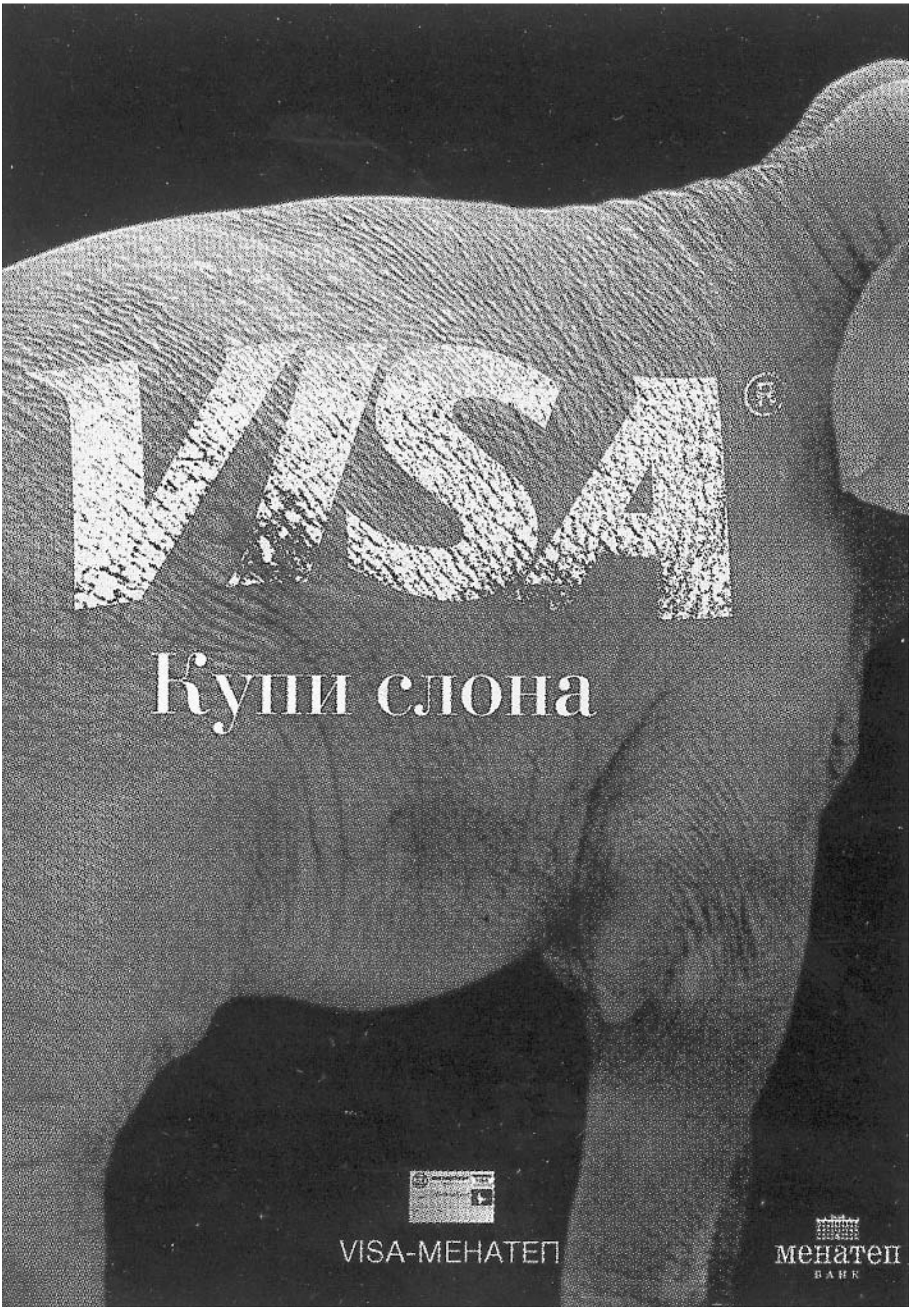

Figure 4.2 Russian ad for Visa

the broadcast media, relying instead on free access to the media. National networks in Britain are required to allocate certain periods of time without charge for a sales pitch known as the Party Election Broadcast. For example, Blair's Labor Party and the chief opposition, the Conservatives, were given five free slots on every network during the campaign. Smaller parties got less free time. The broadcasts ranged from two and a half to five minutes. The primary argument against paid political advertising is that all parties or candidates should have equal or fair access to direct broadcasting regardless of the state of their campaign financing.

Countries with a stronger commercial broadcasting tradition have tended to regard political advertising as quite acceptable. The argument here is that being allowed to spend money on advertising equalizes the debate between incumbent and challenger. Systems characterized solely by paid political advertising with no free direct access are rather uncommon. For many years, Finland—the European country where commercial broadcasting is most dominant—was nearly a unique example on the continent, with most other examples to be found in the Americas. The United States is probably the best known example of a system of paid political advertising and has rather complex legislation to regulate campaign financing. Congress in 1971 passed the Federal Election Campaign Act (FECA), a consolidation of previous reform efforts that limited the influence of wealthy individuals and special interests on the outcome of federal elections, regulated campaign spending, and mandated public disclosure of campaign finances by candidates and parties. Congress amended the FECA in 1974 to set limits on contributions by individuals, political parties and political action committees. The 1974 amendments also established an independent agency—the Federal Election Commission (FEC) to enforce the law, facilitate disclosure, and administer a public funding program. Congress made further amendments to the FECA in 1976 following a constitutional challenge in the Supreme Court case *Buckley v Valeo;* major amendments were also made in 1979 to streamline the disclosure process and expand the role of political parties (Federal Election Commission, 1996). Regarding the role of the media, Section 315 of the Federal Communication Act of 1934 requires that radio and television stations treat legally qualified political candidates equally when it comes to selling air time. Simply put, a station that sells one minute to Candidate A must sell the same amount of time with the same audience potential to all other candidates for the particular office. However, a candidate who cannot afford time does not receive free time unless his or her opponent is also given free time. In addition, stations must offer candidates the rate it offers its most favored advertiser. Thus, if a station gives a discount to a commercial sponsor because it buys a great deal of air time, the station must offer the same discount to any candidate regardless of how much time he or she purchases (Rowan, 1984). These principles are intended to ensure that political campaigns will not entirely become the preserve of those with the largest advertising budgets.

The vast majority of countries have a mixture of paid and unpaid direct access broadcasting. Typically the approach is to allocate parties a basic share of free direct access time, which can then be "topped up" with paid advertising if the party chooses to do so and can afford it. The Canadian system is, in effect, a mixed one. Between elections there is an allocation of free party political broadcasts: 60 percent for the opposition parties and 40 percent for the governing party. In election periods, this system is overlaid by one of paid political advertising. However, there is a given amount of advertising time available, which is allocated to the parties according to a formula that they agree upon among themselves. They are then allowed to purchase advertising time up to the limit of their allocation (Ace Project, 2002). In the most recent election, each broadcast medium was required to allow 6.5 hours for political campaigning beginning with the 29th day before the elections and ending two days before them. Canadian television companies are also prohibited by law from earning profits at the expense of political parties by increasing their prices for campaign advertising. And much like in the United States, such advertising must be sold for the lowest price that is offered to nonpolitical advertisers.

CAMPAIGN SPENDING ISSUES

Because television is by far and wide the most expensive advertising medium, those countries which prohibit the use of broadcast media typically spend far less on political campaigns. In Britain, candidates, parties, and interest groups are barred by national law from running TV ads. As a result, an election that filled all 659 seats in the House of Commons and determined the current prime minister was vastly cheaper than a national campaign in the United States. The two biggest British parties each spent about $36,000 per district in 2001; U.S. congressional candidates with districts about six times as large in population routinely spend twenty times as much, sometimes more. Spending by outside groups such as unions and business associations is limited to a total of about $1 million for a full campaign. In the United States, with about five times the population, outside groups spent more than one hundred times as much on the last campaign (Reid, 2001).

In the United States, money spent on campaign advertising has been rising steadily for decades, but the 2000 race marked a quantum leap—up nearly 50 percent from what had looked like an astonishingly expensive election four years previously. In what has become known as the most expensive election by far in U.S. history, an estimated $3 billion was spent on the presidential and congressional races—including hundreds of millions by outside groups that do not disclose their donors or spending—and $1 billion or more on increasingly expensive state contests (Marcus, 2000). All indications are that the cost of the 2004 elections will far exceed the amount spent in 2000.

Critics note that U.S. federal campaign finance laws have not achieved their desired goal of limiting the influence of well-funded special interests and deep-pocketed individuals on elections. In the last election, political parties took in record amounts of large "soft money" contributions. Congressional candidates are supposedly limited to taking contributions of no more than $1,000 from individuals or $5,000 from political action committees per election. But the increasing elasticity—laxness, to some—of election rules has allowed candidates to take in unlimited sums from any source by establishing separate soft money committees that run ads and engage in other activity on their behalf. Because it may be given in unlimited amounts of $100,000, $250,000 or more, soft money allows corporations, labor unions and wealthy individuals to wield tremendous influence over the political process. With their generous contributions, soft money donors are doing more than supporting the democratic process. They are making an investment. Many hope that their contribution will pay off in the form of a favorable policy decision or a bill endorsement at some later date. Similarly, political parties, which are supposedly limited in what they spend on congressional races, can pour in unlimited amounts through issue ads, which tout or criticize a candidate's position on an issue but refrain from explicitly telling viewers to vote for or against the candidate. These concerns have given rise to several campaign finance bills, the most prominent of which is the McCain-Feingold bill, named for its primary sponsors, senators John McCain and Russell Feingold. The main provisions of the bill are that it would bar national parties from raising soft money, increase the size of contributions that can be given directly to candidates for federal office, and impose new regulation on broadcast advertising by interest groups that target candidates in the days before a general or primary election. President George Bush recently signed the bill into law, and it will go into effect after the November 2002 elections. Critics of the new law have already filed suit, and the case will likely reach the Supreme Court in 2003 (Broder, 2002).

Excessive spending on political advertising is not unique to the United States. As more nations become democracies, they are starting to adopt all the trappings, including—for better or worse—big budget political campaigns. It is already a multimillion-dollar business in new democracies like Indonesia, South Korea, and Thailand. In Thailand, for example, politicians spent an estimated $1.2 billion in a 1996 election, more than the Democratic and Republican Parties spent on the U.S. presidential election that year combined. The Thai Rak Thai party of telecommunications tycoon Thaksin Shinawatra won in a landslide after rapping the ruling Democratic party for not pepping up the economy. The in-house advertising agency at his two-year-old political party churned out a blizzard of slick Western-style ads. So far, however, most Western multinational agencies—which dominate Asia's advertising industry—show limited interest in political advertising, leaving the business to local shops. "Political advertising is very risky," says Garry Titterton, chief executive of the Asian unit of Bcom3 Group's D'Arcy Masius Benton & Bowles. "You are bound to upset someone" (Flagg, 2001). But if the trend continues, it is expected that political advertising in Asia, the world's most populous region, will eventually be bigger than anywhere else (Flagg, 2001).

CONTENT ISSUES

Given the general hostility of international law to prior censorship of any kind, there is a strong bias against attempts to control the content of political advertising in many countries. This is certainly the case in the Unites States. While product advertising is highly regulated, political speech is protected by the First Amendment of the Constitution. Thus, under existing laws, control of the content of political advertisements would be considered a curtailment of freedom of expression. Many critics argue that because of the complete lack of regulation of this form of advertising, campaigns which are deceptive, misleading, or at the very least in bad taste are often the result. Undoubtedly, if manufacturers made similarly inflated and outrageous claims on behalf of their products, the Federal Trade Commission (FTC) would likely take immediate action.

Venezuela is another country that in most respects has an extremely unregulated system of political advertising. Yet, the Supreme Electoral Council (SEC) has the power to order the withdrawal of an advertisement that is not in "good taste" or that significantly misrepresents the position of the opponent. In Costa Rica the Supreme Election Tribunal can order a negative political advertisement off the air if it comprises a personal or unverifiable attack. In one such case, an advertisement suggested that the incumbent candidate's law degree was acquired illegally. The Tribunal halted the broadcast of the advertisement after a single airing (Ace Project, 2002).

The concept of negative advertising in political campaigns has been hotly debated over the past few years. The term "negative advertising" is really a surrogate for "attack ads," which are just one form of campaign advertising. Political ads can be classified more accurately as being one of three ad types: attack, advocacy, or contrast. Attack ads focus on the opponent's liabilities and faults. Advocacy ads highlight a candidate's positive aspects. Comparison or contrast ads are spots in which the candidate makes claims both in favor of their own candidacy and in criticism of the opponent (Kolodny, Thurber, and Dulio, 2000). The debate over negative advertising centers on several issues:

1. whether negative advertisements are better remembered by the public than positive ads
2. whether they are informative and influence voter decisions
3. whether they are factually misleading
4. whether they suppress voter turnout

In terms of negative advertising's impact on memory, Garramone (1984) reported that nearly 60 percent of her survey respondents were able to recall the name of a sponsor or target of an attack ad. Merritt (1984) reported that 51 percent of her sample reported seeing negative billboard ads. Johnson-Cartee and Copeland (1989) found that even after an election, two-thirds of survey respondents could recall and describe at least one negative political ad. Lang (1991) also reported that attack ads were recalled better than support ads.

There appears to be considerably less consensus regarding just how informative negative ads are. Garramone, Atkin, Pinkleton and Cole (1990) found that negative commercials may be more informative than their positive counterparts. The informativeness of negative commercials was most evident when the commercials provided a contrast to the opponent's positive advertising or lack of advertising. However, the effect was somewhat less when both candidates attacked each other than when only one attacked but was still greater than both positive advertising conditions. However, in a later study, Pinkleton and Garramone (1992) found that 72 percent of their respondents indicated attack political advertising to be "not very informative" or "not at all informative." And Roberts (1992) reported that on the average, people were between "disagree" and "disagree strongly" in response to "I find political ads that attack the opposing candidate to be very helpful in voting."

Some studies have concluded that regardless how informative negative ads are, they are nonetheless effective (Pinkleton, 1997; Faber, Tims, and Schmitt, 1993). Weigold (1992) concluded that while positive political messages raise the evaluations of the sponsoring candidate, negative political messages lower the evaluations of the targeted candidate. Weaver-Lariscy and Tinkham (1999) report a sleeper effect. Their results indicated that a defensive ad following a negative message is initially effective; however, over a period of several weeks, the impact of the attack ad increases substantially. Similarly, an initial perception that the assailant has low credibility has only a temporary suppressive impact on the effectiveness of the attack or negative ad.

However, other studies have concluded that negative political advertising is not effective or may produce a backlash against the sponsor (Garramone, 1984; Merritt, 1984; Roddy and Garramone, 1988). Hill (1989) found that negative political ads had little impact on evaluations of the targeted candidate but produced negative evaluations of the sponsoring candidate. A survey undertaken in the United Kingdom (Centaur, 2001) found that for every person who said that ads criticizing other political parties persuaded them to vote for the party responsible for the advertising, another five found such ads so irritating they actually made them vote against that party. But even on the issue of a backlash effect, the evidence is mixed. A study by Pinkleton (1997) found that evaluations of the sponsor became more positive when a moderately negative ad was presented but declined when a particularly negative ad was used. Roddy and Garramone (1988) concluded that a backlash effect was dependent upon how the targeted candidate responded to the attack. In an investigation using data from tracking polls in a statewide election, Sonner (1998) found negative political ads can generate a serious backlash against the sponsoring candidate, particularly if the ads involve a highly personal attack not directly linked to a specific issue. Weigold (1992), on the other hand, found "little evidence for any kind of boomerang effect."

In a survey of political consultants, 75 percent felt that negative advertising contributed a great deal or a fair amount to voter cynicism. Still, consultants did not think negative advertising accounted for as much voter cynicism as the news media's coverage of politics (91.5 percent) or politicians' poor performance in office (79 percent). When asked to identify examples of serious ethical problems in campaigns, 33 percent of consultants volunteered some form of negative campaigning. Though negative advertising was the most frequently mentioned, many other issues were mentioned as well. The most common complaint with negative advertising was the idea that false or misleading information was used in the ads. More of a gray area is the practice of making statements that are factually true, but taken out of context. Sixty percent of consultants said this was a questionable practice. Not surprisingly, 98 percent of consultants said that producing contrast ads was an acceptable practice. Consultants were about evenly split on the evaluation of the practice of using negative ads to decrease turnout among certain groups or regions. However, consultants were split on the question of whether the use of negative advertising is on the rise (50 percent) or about the same as it has been (45.1 percent) (Kolodny, Thurber, and Dulio, 2000). What is clear is that there is no shortage of such negative ads. In the United States, during the 2000 election, nearly a million television advertisements were targeted at American voters by federal candidates, political parties, and interest groups. According to a study conducted by Kenneth Goldstein of the University of Wisconsin at Madison and the Brennan Center for Justice at NYU School of Law, of the 839,000 TV ads aired in federal races, 54 percent were negative, and nearly 72 percent of interest group ads directly attacked one of the candidates (*U.S. Newswire*, 2001).

Over the past few decades, the percentage of Americans choosing to vote has declined. Indeed, Curtis Gans, head of the Committee for the Study of the

American Electorate, noted that the United States is 139th out of 143 democracies in the rate of voter turnout (Whitley, 2001). There are several plausible reasons for this diminished public participation, but research has established that one aspect of media campaigns—the tendency to accentuate negative appeals—turns people off, not only from the candidates, but from the entire process. While Garramone, Atkin, Pinkleton and Cole (1990) found no significant effects of negative ads on voter turnout, in a series of controlled experiments, researchers at the University of California, Los Angeles, found that exposure to negative rather than positive ad campaigns actually keeps people from voting (Iyengar, 1999). Their work spanned the full range of electoral contests. In study after study, the researchers found that negative advertising made voters significantly less likely to feel that their opinions mattered, or that elections made any difference, and most important, made them disinclined to vote (positive ad campaigns had exactly the opposite effect). This demobilization effect is not a result of voters becoming more disenchanted with the target of the attacks, nor is it a product of backlash against the attacker. Rather, voters simply dislike negativity and withdraw accordingly. As might be expected, people with no ties to the political parties are especially repelled by the tide of negative advertising. A few major candidates (most notably George W. Bush and Bill Bradley) have stated their intentions to avoid negativism. Some analysts believe that some form of societal intervention is called for to make candidates more accountable for their negative advertising. The so-called "in person" rule, for example, would require candidates to appear in their advertisements and deliver the attacks themselves. Such efforts to curtail candidates' right to speak, of course, fly in the face of the First Amendment. A more effective remedy might be to make voters aware of the rationale underlying negative campaigning.

Advertising and the Media Environment

A positive feature of an advertising-supported media system is that it sometimes allows the press to function without the constraints of either the government or special interest groups (Russel and Lane, 1999, p. 695). The current situation in Russia demonstrates this point, as the lower house of parliament recently passed a law banning advertising breaks during many television and radio programs. Previously, television and radio were entirely dependent on advertising. Alexander Ponomaryov, general director of Russia's fourth largest TV channel noted that his channel could lose 30 to 50 percent of advertising revenue if the law was implemented. "If this law goes through then we will probably have to seek alternative sources of financing such as from the government or financial industrial groups. And we would be asked to serve their interests in return" (Wendlandt, 2001). The legislative change comes at a time when Russian journalists are growing concerned about the Kremlin's attempts to tighten control over the media. In the United States, up to 75 percent of the print media's revenue and very nearly all of the broadcast media's revenue comes from advertising. Supporters argue that "with this sort of monetary support of the media, citizens have access to a variety of information and entertainment at low cost. Network television and radio broadcasts would not be free commodities, and newspapers would likely cost two to four times more, in the absence of advertising support. Further, the demands of various segments of the population for specialized television and radio programming or special interest magazines could not be economically served without the support of advertisers" (O'Guinn, Allen, and Semenik, 1998, p. 82).

Critics argue that the economic pressures on the media exerted by the influence of advertising are apparent in several areas. First, very few media vehicles have been able to survive without the support of advertising. After holding out for nearly 50 years, *Mad* magazine began accepting advertising messages in the spring of 2001 (Sutel, 2001). *Mad* refused ads for decades at the insistence of its founder, the iconoclastic William Gaines. The magazine's circulation has declined sharply since the early 1970s when it hit a peak of 2.3 million; currently it stands around 250,000. For the editors, it was a simple matter of covering costs; in particular the need for more revenue to cover a long-awaited switch to full-color publication. In a note at the beginning of the March issue, the editors broke the news to their readers with a generous dose of irony: "We offer two exciting new concepts that are sure to revolutionize the magazine business: color and advertising."

Launched in 1980, the Bravo! cable network was commercial-free for its first eight years. However, in 1988, Bravo!, which as a pay-cable service had been deriving its revenues from high fees to cable operators, lowered its fees and switched to public television-like sponsorships to fund programming, which evolved into full ads between shows. For most of the 1990s that economic model worked relatively well. However, in 1999 Bravo! began airing commercials within programs as well, noting the increase in revenues brought by the ads would make it possible for the channel to double its programming budget. A representative for the Bravo! channel noted,

> At the end of the day, we felt the only way to really compete on an even playing field was to have a second revenue stream, in addition to the fees that cable systems pay. Our ability to deliver the kind of quality programming we wanted would be enhanced by advertising revenue more than the viewing experience would be diminished. (Jensen, 1999)

Second, "The quantity of commercial material determines the amount of space or time remaining for non-advertising content, that is, news and entertainment. Newspaper editors are obliged to arrange their editorial content in the space remaining after the advertising department lays out its ads on the available pages. In television news, producers have to slot their stories around commercials, so that there is a limit on the amount of time devoted to each 'package.' And on the entertainment side of TV, programs are constructed to build to a dramatic climax, or peak, going into a commercial break" (Day, 1991).

Third, a long-standing criticism of advertising relates to the influence it exerts over the content of the mass media. It is not unreasonable to hypothesize that publishers and broadcasters might be influenced by those who pay the bills. Indeed, a large number of studies have provided findings that suggest there is merit to this criticism. A report by the Washington, DC-based Center for the Study of Commercialism found two main kinds of censorship: private censorship, which occurs when an advertiser dictates news content, or when an editor quiets or slants stories to placate an advertiser's real or perceived demands; and corruption of the editorial process, which occurs when commercial messages are presented as news, such as with advertorials (Gersh, 1992). Soley and Craig (1992) report that about 90 percent of editors have been pressured by advertisers because of the type and content of stories carried by the paper. Seventy-seven percent said they were pressured to kill stories, and more than 90 percent of editors said that advertisers withdrew advertising because of content disputes. More than one-third admitted that advertisers succeeded in influencing the news at their papers, and over half noted that there were pressures from within their papers to write stories to please advertisers. For example, evidence compiled by journalists, health officials, and public health scholars over a period of years strongly supports the contention that the obtrusive influence of tobacco advertisers precluded the effective utilization of the media—particularly print—to present consumers with the health risks associated with smoking (Weis and Burke, 1986). Such pressure dates back to the 1950s. When *Readers Digest* wrote about the health effects of smoking in July 1957, the American Tobacco Company pressured its advertising agency Batten, Barton, Durstine and Osborn to discontinue its account with the magazine. In a more recent example, and one involving the U.S. broadcast industry, USA Network canceled production of "Who Killed Sue Snow," a film based on the 1986 murders of two Seattle residents who died after taking Excedrin laced with cyanide. The *Los Angeles Times*, quoting anonymous sources involved with the production, said the cancellation was caused by pressure from Johnson & Johnson, a major television advertiser whose executives feared the film would bring back memories of a similar murder case in 1982 involving tainted Tylenol. According to the *Times*, its sources said Johnson & Johnson threatened to pull its advertising from the network if the movie wasn't killed. The health care giant was the network's fifth-largest advertiser, behind such corporate giants as Procter & Gamble and General Motors (Sepinwall, 2000). Clearly, the separation between advertising and content is not a strong one.

Critics have argued that content is also included on behalf of advertisers–particularly content conducive to consumerism. Bagdikian (1992) provides lists of ideas that have been successfully inserted in content-messages like "all businessmen are good or, if not, are always condemned by other businessmen." McAllister (1996) notes that "certain TV genres promote commercialism, such as game shows and talk shows; and that in newspapers and magazines, sections like Entertainment, Lifestyle and Fashion are often commodity-driven. News stories about commodities—like the latest movies, toys, clothes or cars complement the advertising for these very same products" (p. 48).

Finally, critics argue that advertisers only support media content that draws large audiences. As McAllister (1996) notes:

> Obviously, advertisers want to reach as large an audience as possible when they place a commercial on television or a print ad in a newspaper. The farther the "reach" of the ad, the more promotional value they get for their money. All things being equal, TV advertisers want the highest ratings possible, and newspaper advertisers want the highest readership possible. Media decision makers know that in order to reach desired levels of revenue, they must deliver audience numbers. Their economic existence depends on it. On the other hand, their economic existence does NOT depend upon educating us or informing us or challenging us. This leads the media to be extremely entertainment oriented. Television producers know that if programs—or even segments of programs—are too long, or too difficult to comprehend or too boring, people might switch channels. Newspaper publishers know that if they continually publish stories that are too dry, circulation may drop. Topics that are entertaining or intriguing dominate the media; topics that are complex or difficult to grasp or involve historical discussion must run a more difficult road for media exposure. (p. 42)

Above and beyond the entertainment imperative, advertising-supported media all too often stress a middle-of-the-road orientation in terms of content. Programmers and publishers alike avoid any content that might alienate viewers and readers; this results in a lack of diversity as well as of controversy.

International Advertising and the Media Scene in Developing Markets

A major criticism of international advertising is that it promotes commercialism of the media, while introducing Western media content. Wherever international corporations operate, the local mass media have been harnessed to promote sales of consumer goods. As a result, the structure of national communications systems, as well as the programming offered, has been transformed according to the specifications of international marketers. In terms of media structure, many developing countries have shifted away from public or state-financing models to the U.S. model, wherein the media are supported by advertising. The broadcast media, especially, appear to be susceptible to the lure of advertising dollars. Today, the overwhelming number of radio and television stations in developing markets, both government-owned and private, are financed by advertising revenue. This model typically favors amassing profits over serving public needs. In Latin America, for example, 30 to 50 percent of newspaper content, over 33 percent of magazine content, and as much as 18 percent of television content is advertising. Not surprisingly, advertising clutter in many developing markets is even worse than in the United States.

With regard to media vehicles, multinational corporations generally prefer Western programming in which to air their messages. Because such reliance on imported foreign programs reduces opportunities for locals, governments are increasingly taking steps to ensure that a certain percentage of programming remains domestically produced. However, foreign styles and production standards are often copied while traditional styles are abandoned. Lebanon, for example, produced its own version of *Playboy*, and Mexico developed a *60 Minutes*-like program. When the multinationals do utilize local programs, they prefer entertainment-oriented programming over more culturally oriented offerings. Further, they tend to prefer broadcast media over print, so that more advertising revenues flow to the broadcast media than to print media. The end result may well be ever-increasing costs for print media and ever-decreasing levels of readership, which does not bode well for literacy levels. Finally, multinational corporations have been accused of attempting to influence media content by threatening withdrawal—thus exerting powerful pressure on local media.

Some researchers have emphasized the beneficial effects of advertising on the local media scene. Supporters claim that given the limited governmental funding available in many developing countries, advertising support is indeed essential to the health of local media. For instance, international advertising revenues may help to make Third-World as well as First-World media independent of politics (Pollay, 1986).

Conclusion

Advertising clearly does not operate in a vacuum. In Chapter 3 we learned that advertising both shapes and reflects a country's cultural environment. Similarly, advertising influences and is influenced by several additional environments. In this chapter we briefly addressed the interrelationship between advertising and a country's economic, political, and media environment. In Chapter 5 we will explore one last critical environment, the regulatory environment.

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CHAPTER 5

ADVERTISING AND REGULATORY SYSTEMS

Introduction

The main purpose of government regulation is to protect the interests of a society from unbridled business behavior. "Some firms, if left alone, would adulterate their products, tell lies in their advertising, deceive through their packages, and bait through their prices" (Kotler et al., 1999, p. 175). While laws in the developed countries generally protect consumers from most of these practices, there still exist areas in the less developed parts of the world where consumer protection is lacking. In this chapter, we examine how government regulation of advertising operates in different parts of the world.

Advertising Regulation

Many nations gained their independence from Western colonial powers only in the past 60 years. Creating a coherent sense of national identity and validating the local or national culture remains a primary concern in many parts of the world. Thus, advertising regulations are often driven by local cultural and social factors.

To understand how advertising regulation operates around the world we should understand that today only 25 percent of the world's population can access mass media that are free of direct government control and intervention (Merrill, 1995, p. 70). Five main political/economic systems operate in the world; each has its own policies and structures for dealing with the media. Broadly, these systems are the libertarian/capitalist (i.e., the United States), socialist/capitalist (e.g., Japan, Australia, Singapore, and Britain), authoritarian/capitalist (e.g., Brazil, Thailand, and Malaysia), sectarian/authoritarian/capitalist (e.g., Saudi Arabia and Iran), and communist/planned economies (e.g., Vietnam or China). A country's advertising regulatory structure should be seen as a part of its overall political/economic system (Frith, 2002).

The sole libertarian/capitalist system—the United States—advocates complete freedom of speech and regulates the advertising industry only in the areas of deceptive advertising and illegal-product advertising. Industry "self-regulation" is the norm in this system.

Socialist/capitalist systems (e.g., Western Europe, Japan, Canada, Australia, and New Zealand) put more emphasis on social responsibility and hence have stricter rules to curb advertising deemed socially irresponsible. Industry self-regulation is also typical of these countries—even though the government may have established some advertising codes. Social responsibility plays a large part in the regulations of these countries. For instance, in Australia beer advertising cannot feature people engaging in adventurous sports—like car racing or boating—because this would imply that it was permissible to drink and drive.

Authoritarian/capitalist states (e.g., Malaysia, Brazil, Mexico, and Thailand) often have a tight grip on the advertising industry to ensure that it conducts itself in ways that conform to the socio-cultural and political order. For example, in Thailand, you cannot show Thais kissing in advertising because in their culture public displays of emotion are considered unacceptable.

Almost all sectarian states are authoritarian by nature (e.g., Saudi Arabia and Iran). They have strict social, cultural, and religious rules that must be observed by all media as well as the advertising industry. Freedom of speech exists according to the rules set by the political rulers and is further defined by local religious beliefs. In Saudi Arabia and Iran, for example, strict religious rules are followed for portraying women in media and advertising.

In a pure communist system, advertising would not be allowed. In fact, advertising was banned in China during the Cultural Revolution and in Vietnam after the Vietnam War. In the 1980s, however, as these countries gradually opened up to the global marketplace, both China and Vietnam began to permit advertisements. Nevertheless, the ad industry remains very heavily regulated in both these countries.

In this chapter, we look at advertising regulation in several selected countries. We examine the spectrum of advertising regulation, starting with the United States and Japan because they are both highly developed economically (although Japan is not as liberal as the United States in terms of advertising). We also look at Malaysia and Vietnam, two Asian developing countries still actively engaged in the process of "nation-building." Because advertising is seen as an extension of consumer culture rather than "national culture," it is highly regulated in these two emerging markets. Finally, we look at some of the regional bodies in Europe that are setting guidelines for advertisers.

The USA

The United States—the sole libertarian/capitalist system—advocates nearly complete freedom of speech, but still regulates the advertising industry—primarily in the areas of unfair methods of competition, illegal-product advertising, and deceptive advertising. While the freedom of noncommercial speech is afforded the widest possible protection under the First Amendment to the U.S. Constitution, historically U.S. advertising has been held to somewhat stricter standards. But in 1980, the U.S. Supreme Court held, in *Central Hudson Gas & Electric Corp. vs. Public Service Commission*, that commercial speech regarding lawful activity that is not misleading may only be regulated when the government can show a substantial cause for regulating the speech. The trend in more recent cases has been to afford increasingly complete constitutional protection to commercial speech.

Several different U.S. government agencies have been given the power and responsibility to regulate advertising. The Federal Trade Commission (FTC) is the most widely empowered agency. The FTC's role is to regulate interstate and national advertising to ensure a free marketplace based on the dissemination of complete, truthful, and non-deceptive advertising to the buying public.

The agency's job in regulating deceptive advertising is complicated by the fact that the definition of "deception" is both vague and controversial. Currently, the FTC uses a three-part test to determine if an ad is deceptive or untruthful:

1. Where there is representation, omission, or practice, there must be a high probability that it will mislead the consumer.
2. The perspective of the "reasonable consumer" is used to judge deception—the FTC tests reasonableness by looking at whether the average consumer's interpretation or reaction to an advertisement is reasonable.
3. The deception must lead to material injury (Preston, 1983).

If the FTC decides that injurious deception has indeed taken place, it moves quickly to stop the practice. The agency issues a consent decree that requests the advertiser to stop the objectionable campaign. By signing the consent decree, advertisers are not thereby admitting wrongdoing. Firms that fail to comply with the decree and the subsequent cease-and-desist order may be fined, and the FTC may require corrective advertising if it decides that a campaign has established lasting false beliefs. Under this remedy, the FTC orders the offending advertiser to create messages that correct any false impressions in the minds of consumers that could be attributed to their advertising.

Central to FTC enforcement is the concept of substantiating and documenting advertising claims. Advertisers must be prepared to prove, with objective supporting data, that the claims made in their advertising messages are indeed true. If a claim has not been reasonably substantiated before being disseminated to the public, then it is considered unlawful whether or not the FTC is able to prove it is false.

Other U.S. government agencies regulating advertising include the Federal Communications Commission (which prohibits obscenity, fraud, and lotteries on radio and television); the Food and Drug Administration (which regulates the advertising of food, drug, cosmetic and medical products and prohibits false labeling and packaging); the Securities and Exchange Commission (which regulates the advertising of securities and the disclosure of information in annual reports); the United States Postal Service (responsible for regulating direct mail advertising and prohibiting lotteries, fraud, and misrepresentation in the mail); and the Bureau of Alcohol, Tobacco and Firearms, which has the power to determine what constitutes misleading advertising in these product areas (O'Guinn, Allen, and Semenik, 1998).

Self-regulation is the industry's attempt to police itself. In addition to avoiding government-mandated regulation, self-regulation in U.S. advertising generally has three objectives:

1. to protect consumers against false or misleading advertising and against advertising that intrudes on their privacy through its unwanted presence or offensive content
2. to protect legitimate advertisers against false or misleading advertising by competitors
3. to promote the public acceptance of advertising so that it can continue as an effective institution in the marketplace (Rijkens and Miracle, 1986)

In the United States, the most comprehensive self-regulatory organization is the National Advertising Review Council, which was established in 1971 by several professional advertising associations in conjunction with the Council of Better Business Bureaus. The main purpose of the council is to promote and enforce standards of truth, accuracy, taste, morality, and social responsibility in advertising. The operating arms of the National Advertising Review

Council are the National Advertising Division (NAD) and the National Advertising Review Board (NARB).

NAD is staffed by lawyers whose job is to evaluate complaints submitted by consumers, consumer groups, industry organizations, and competitors, as well as to examine referrals from local Better Business Bureaus and other local organizations. NAD also conducts its own industry monitoring. After NAD receives a complaint, it asks the advertiser to substantiate the claims made in the commercial message. If the substantiation is subsequently deemed inadequate, the NAD requests that the advertiser modifies or withdraws the offending ad. If a satisfactory resolution cannot be found, NAD refers the case to NARB. As an added encouragement for advertisers to comply, NAD makes its decisions public.

The 70 members of NARB represent national advertisers and advertising agencies, as well as the public sector. A five-member panel assigned to each case reviews the complaint and the NAD findings. In addition, the advertisers are permitted to present their case. If NARB concurs with NAD's decision, yet the advertiser still refuses to comply, NARB may refer the case to the appropriate governmental agency (usually the FTC).

While NAD and NARB are not empowered to order an advertiser to stop running a campaign or to impose any fines, the threat of appearing before the Board acts as sufficient deterrent to most advertisers perpetuating—or even considering—deceptive or misleading advertising practices. This, along with the threat of negative publicity, means that only a small minority of cases end up being referred to the NARB for resolution.

Various ad industry associations have established voluntary guidelines for their members regarding advertising content. One of the most widely recognized industry standards is the American Association of Advertising Agencies' Creative Code, which promotes high ethical standards of honesty and decency in the creation of commercial messages.

Other associations promulgating rules for self-regulation include the American Advertising Federation and the Association of National Advertisers. In addition, media associations (such as the National Association of Broadcasters, the Direct Marketing Association, and the Outdoor Advertising Association of America) as well as individual media are also involved in monitoring advertising content.

Individual media are responsible for evaluating the advertising they receive for broadcast or publication. They may reject advertisements deemed deceptive, offensive, or even contrary to what they regard as "public standards." Finally, industry associations (such as the Wine Institute, the United States Brewers Association, and the Pharmaceutical Manufacturers Association) have established guidelines for advertising within their specific industries.

To summarize the situation of advertising in the United States as it affects international advertising, it is clear that the form and substance of U.S. advertising practice and regulation strongly reflect publicly held values. Fair play, freedom of speech, and the rights of the individual are among the values that pervade the U.S. cultural ideal. In one way or another, these values became encoded within the practice of advertising long before the industry ventured overseas or went global. Some aspects of U.S. influence are perhaps to be seen in the current Japanese advertising regulations.

Japan

It took the Japanese a little over two decades to transform their war-ravaged country into one of the world's most affluent. While the country may still be suffering the effects of the economic slowdown that has been troubling much of Asia, most foreign economists would agree that Japan—the world's second largest economy—remains the main force driving Asia's economy.

Japan's rapid rise and its current economic strength are to some extent due to the impact of the United States on its industry and economy. Immediately following World War II, Japan's policies were influenced by the United States, as the major economic player in the allied occupation force. The United States provided the basic direction for the postwar reconstruction of the Japanese economy. With U.S. guidance, the Japanese set up a free-trade system and enacted a series of measures, including an Anti-Monopoly Act that promoted fair and free competition by excluding monopolies and unfair business practices. By the mid 1960s, Japan had attained one of the highest economic growth rates in the world and had achieved the second-largest GNP in the world by 1968.

U.S.-based advertising agencies started operating in Japan in the late 1950s. J. Walter Thompson was the first to open a Japanese branch in 1956, followed by McCann-Erickson, Grey, BBDO, and Young & Rubicam. These agencies joined the major Japanese agencies, such as Dentsu, Hakuhodo, and Asatsu (Inoue, 1996).

Today, Japan is the second largest market after the United States in terms of total advertising expenditures. According to a Ministry of International Trade and Industry (MITI) survey, there were 4,898 advertising agencies operating in Japan in the 1990s; however, the combined billings for the top five agencies—Dentsu, Hakuhodo, Tokyo Agency, Daiko, and Asatsu—accounted for nearly half the total Japanese expenditures (Inoue, 1996). In terms of worldwide advertising billings, both Dentsu and Hakuhodo have been among the top ranking agencies worldwide for the past 10 years.

Japanese Advertising Regulation

Because of U.S. post-war influence, advertising regulation in Japan is very similar to that of the United States. It is primarily based on the Anti-Monopoly Act and the Act Against Unjust Premiums and Misleading Representations. These laws prohibit misleading or false indications in advertising. MITI and the Japan Fair Trade Commission are the major authorities concerned with the advertising industry, and these bodies are responsible for enforcing the regulatory acts. These two bodies act in much the same way as the Federal Trade Commission does in the United States; that is, they do not censor or review advertising but act on complaints—particularly those from competitors—or complaints brought to their attention by staff members. These agencies have broad powers to pursue suspected violators and demand information from them in the way of substantiation of claims, endorsements, and product warnings and limitations.

As in the United States, complaints by consumers about individual advertisements are generally referred to a self-regulatory board. The Japanese self-regulatory organization that reviews consumer complaints is JARO (Japan Advertising Review Organization). JARO consists of representatives of advertising agencies, the media, and advertisers. Their activities include:

1. receiving and processing inquiries and complaints concerning advertisements and representations
2. monitoring and giving guidance on advertisements and representations
3. compiling standards for advertisements and representations
4. promoting cooperation and linkages between advertisers, media, and advertising agencies
5. liaison work with consumer groups and administrative offices
6. education and PR activities for companies and consumers
7. establishing a role as an information center, and other tasks that may be deemed necessary (Inoue, 1996)

Although the U.S.-influenced Japanese constitution guarantees freedom of speech and expression, no established precedent says this freedom is applicable to advertising. Aside from the basic legal restrictions, advertising is constrained by various customs and unwritten rules based on the cultural values held by the majority of the Japanese. These include indirect speech, using words or expressions with positive connotations, and avoiding words with negative connotations (Inoue, 1996).

As noted earlier, the Japanese tend to use indirect speech rather than straightforward statements, even when they hold distinct opinions about something.

Instead, they will use indirect phrases or euphemisms, and these roundabout ways of expression are generally considered more appropriate for polite conversation. The same holds true for advertising. Unlike Western ads that state the benefit in the headline, the so-called "soft-sell" approach is more common in Japan. Comparative advertising, which is quite common in the United States, has only recently become legal in Japan because of the cultural value of indirectness. To criticize a competitor in public was considered quite inappropriate. As Inoue (1996, p.26) notes, "The Japanese believe it is better for advertisers to be modest and cautious, so that their advertisements are not regarded as slanderous to their competitors." The Japanese prefer emotional and ambiguous expressions, and advertisers tend to demonstrate their comparative advantages in humorous or roundabout ways instead of identifying their competitors directly (Inoue, 1996).

The automobile advertisement in Figure 5.1 is a good example of how these cultural values translate into advertising appeals. Rather than boasting about the benefits of the product, which would be seen as "putting oneself before the competition," the Japanese tend to use indirect speech and words that have positive connotations. Thus, they appeal to the consumer through connotation and euphemism rather than direct or hard-sell approaches.

Figure 5.1 An indirect headline on a car advertisement

Unlike many countries in Asia, Japan does not use censorship to control advertising content but prefers to let the industry regulate itself. The United States and Japan are similar in this and several other regards, which is hardly surprising considering the key guiding role the United States played in Japan's post–World War II reconstruction. As in the United States, Japanese government agencies dealing with advertising were not set up to censor or review individual advertisements but rather to investigate major concerns with the behavior of the corporations. As we shall see, in the case of Vietnam, this *laissez faire* attitude to advertising is not a position held by all countries in Asia.

Vietnam

In a society that features a "free-market" economy—the United States, for example—advertising is viewed as an essential tool in building a healthy economy (Jeffreys, 1997). However, Vietnam's history and political ideology have shaped a very different perspective on the appropriate role of advertising. First, the government states its mission as follows:

> To build a socialist state of the people, by the people and for the people, with the alliance of the working class, the peasantry, and the intelligentsia as the foundation and the Communist Party as the leadership. To fully observe the right of the people to be the master, strictly maintain social discipline, exercise dictatorship toward all infringements upon the interest of the Homeland and the people (Parry, 1996, p. 22).

While Vietnam has begun to allow some aspects of capitalism to enter the economy through the *doi moi* (economic reform) policy, it nonetheless holds advertising in low regard. At the Eighth Congress of the Communist Party in 1996, speaker after speaker ". . . warned against the capitalistic 'social evils' threatening Vietnamese society and the need to stamp out all manifestations of 'fanatic democratism' and multi-party politics" (Parry, 1996). Among the so-called "social evils" identified by the government were prostitution, gambling, illicit drugs, and the Western-based practice of advertising (Mydans, 1996).

Advertising Regulations in Vietnam

Today, approximately 18 international advertising companies are represented in Vietnam, and the country has about 84 Vietnamese advertising companies ("The bustling market," 1997). Multinational ad firms are only allowed to do business if they form an alliance with a Vietnamese agency. International advertising agencies have petitioned the Vietnamese government to be allowed to set up joint ventures or branch offices to legitimize their business operations, but they have not been very successful. This does not mean, however, that foreign products are not advertised in Vietnam. Quite the opposite: advertising signs festoon the streets of Vietnam (see Figure 5.2). Even so, advertising in other media—print and broadcast—is a relatively new phenomenon.

After the Vietnam War, advertising in the mass media was banned. Advertisements only began to reappear around 1990 when the economic reforms of *doi moi* were initiated. The government initially took a liberal attitude toward them. In December 1994, however, the government published its first set of directives for the advertising industry. The regulations were essentially to protect the national language and culture. While some areas of advertising regulation remain vague and hard to enforce, others like the use of Vietnamese language are strictly enforced. In fact, the *New York Times* reported:

> On storefronts and billboards all over the country, neat swatches of paint have recently been applied, under government orders, to blot out the (English) brand name of foreign consumer products (Mydans, 1996, p. A3).

All advertisements appearing in Vietnam must be in the Vietnamese language. They must also abide by the public morals and customs of the Vietnamese. If an ad needs to use some English then it must also show the Vietnamese words as well as the English as shown in Figure 5.3.

Ads using European or American lifestyles are strictly prohibited. In addition, the following are prohibited in all advertising:

- leotards
- bikinis
- kissing between adults
- kissing between children
- encouraging gambling
- alcohol and tobacco (except beer)

Advertising executives complain that there is no centralized censorship body to approve advertising concepts and that they have to spend the money to produce ads first, only to find out later if the ads can be used. Television stations and print media are all government sanctioned and can directly censor the ads they carry, seeking advice from the Ministry of Culture and Information when they are unsure of an ad's suitability ("Foreign advertising agencies in Vietnam," 1995).

Figure 5.2 Outdoor advertising signs, Vietnam

Figure 5.3 Lipton Tea billboard in English and Vietnamese

Vietnam is still in the process of experimenting with advertising and is wary of letting this “capitalist tool” spread too quickly. The population of Vietnam is one of the fastest growing in the world. It is potentially a huge consumer market, and the government’s determination to regulate the cultural content and expression of capitalism through regulating advertising might prove to be a major barrier to the growth of capitalism in this area.

What would advertising become were it stripped of its consumer-culture underpinnings? Other countries like Malaysia seem to have found a middle path—stimulating consumption with advertising while minimizing any collateral corrosion of their culture.

Malaysia

A multicultural, multiethnic society, Malaysia today consists of approximately 34 percent ethnic Chinese, 56 percent indigenous Malays, and 10 percent Indians. Malaysia’s current multiracial character stems primarily from its days as a colony. Under British colonialism, the indigenous Malays were largely passed over during the development and modernization of the economy. During the late 1800s, Chinese and Indian laborers were imported and rose to positions in the civil service and business. By 1911, the Malay population of the peninsula had already fallen to only 59 percent of the overall population of 2.3 million (M. Frith, 1987).

Malaya gained its independence from the British peacefully on August 31, 1957. In 1963, the nation of Malaysia was formed. Islam, the religion of the indigenous Malay majority, was established as the official religion of the state. Under the administration of Tunku Abdul Rahman, the first Prime Minister, the country underwent significant development and enjoyed relative peace until the outbreak of racial riots in May, 1969. One major cause cited for the riots was the income inequality between the two major racial groups: the Malays (who held the political power) and the Chinese (who wielded significant economic power). As a result of the racial riots, during which hundreds of people died, the government's economic policy over the ensuing three decades has been to attempt to maintain harmony by enabling the Malays to participate more significantly in the country's growing economic wealth. Today Malaysia is a free-market economy, and international advertising agencies are allowed to do business there. However, because of past racial friction in the country, the advertising industry has to walk a tightrope in order to produce ads that are both creative and sensitive to the cultural values of each racial group.

Advertising Regulations in Malaysia

The requirement for advertising to fit within Malaysia's rather complex cultural framework is reflected in the advertising code issued by the Ministry of Information in 1990. For example, the Code states:

> Advertisements must project the Malaysian culture and identity, reflect the multi-racial character of the population and advocate the philosophy of *Rukunegara* [the national ideology], which reads as follows: Belief in God; Loyalty to the King and country; Upholding the Constitution; Rule of law; Good behavior and morality. (Ministry of Information, 1990, p. 1)

In addition to being "legal, decent, honest, and truthful," the Ministry of Information also requires that advertisements take into account the fact that Malaysia is a young nation striving to build a national identity and culture from a diverse population (M. Frith, 1987). Thus, the Ministry's Advertising Code explicitly warns against using foreign cultural values or symbols in advertising, and proscribes the following:

> adaptation or projection of foreign culture which is not acceptable to a cross section of the major communities of the Malaysian society either in the form of words, slogans, clothing, activity or behaviour. (Ministry of Information, 1990, p. 6)

In addition, ads which depict "ways of life that are against or totally different from the ways of life followed by Malaysian Society" are also disallowed (p. 6). Because Malaysia is primarily a Muslim country, commercials for pork and pork products, as well as for liquor and alcoholic beverages are not permitted on Malaysian television. Also banned are scenes of an amorous, intimate, or suggestive nature; kissing between adults; silhouettes of human beings dressing or undressing; naked or scantily clothed models; and any other provocative type of visual—including shots of skin touching (Ngu, 1996).

Besides overt symbols of Westernization, even subtle things can on occasion offend local religious sensitivities. In the 1980s, the Seiko watch company ran a global advertising campaign using the theme: "Man Invented Time, Seiko Perfected It." The Ministry of Information received complaints from concerned Muslims saying that God, not man, had invented time. Seiko was required to withdraw or revise the campaign for Malaysia. The company came up with a new campaign headline that read: "Man Invented Timekeeping, Seiko Perfected It." This slogan was deemed acceptable within the framework of the Islamic value system and allowed to run in the country (K. Frith, 1987).

In an effort to further reduce elements of foreign culture in advertisements, the Ministry of Information also requires all advertising running in Malaysia to be filmed in-country. This is known as the Made-in-Malaysia (MIM) rule. Not only does the commercial have to be produced in the country but also it must feature Malaysian talent. To conform to this requirement, multinational advertisers often filmed commercials in Malaysia and later ran them in other parts of the region. So that the models did not appear to be country-specific, advertisers intending to run the spots around the region began using models that had a "Pan Asian" look. These models were usually of mixed European and Asian ancestry. In the 1990s the Ministry of Information put a stop to this practice, pointing out that these models set an "unattainable" beauty standard for the people of Malaysia. Today, models in TV ads must be identifiably from one of the main ethnic groups in the country: Chinese, Indian, or Malay.

Two adjacent pages that appeared in *Jelita*, a women's magazine in Malaysia, illustrate some other issues (Figure 5.4). The fashion advertisement on the left features a Malay woman dressed in modern Muslim fashion. The lingerie advertisement on the right features a Caucasian model. A Muslim model could never appear in a lingerie ad because of the strict advertising code. However, in most parts of Malaysia lingerie advertisements are allowed as long as the model is identifiably from a race that is not Malay. However, in 2002 the more conservative officials in the Eastern part of Malaysia passed a ruling that all women, regardless of race or religion, must be shown with the *tudung*, the traditional head covering, in outdoor billboard advertisements appearing in these Eastern states.

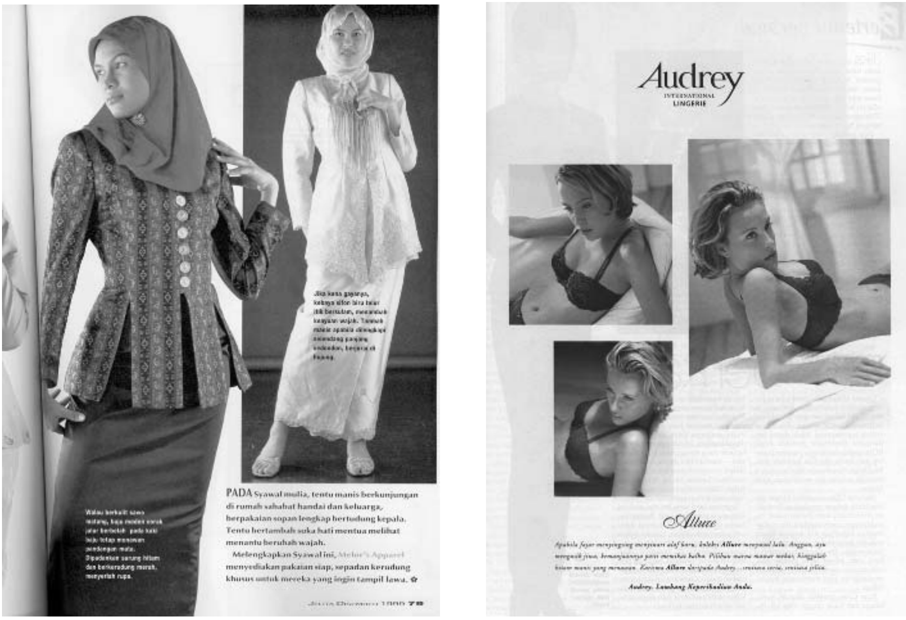

Figure 5.4 Two pages of ads in Jelita magazine, Malaysia

Malaysia's policy toward the advertising industry is interesting to study because it allows us to see how religious values can influence the content of advertising and how plural societies in Asia are dealing with issues of ethnicity. While the censorship of advertising in Malaysia is not as strict as it is in Vietnam, nonetheless all commercials have to be reviewed and must receive a censor's certificate before they can be aired. The regulation of advertising in Malaysia demonstrates how national governments resist the "universal" values, appeals, and strategies that multinational agencies often find the most expedient.

Beyond the National—Regional and International Regulation

THE EUROPEAN UNION

In December 1992, 12 European nations—Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Denmark, Ireland, the United Kingdom, Greece, Spain, and Portugal—banded together to form the European Union. Their first goal was to create a single, unified European market. In 1995, Sweden, Austria, and Norway joined the Union, bringing the total to 15 members. Several former East-Bloc countries expect to join in the next few years. By lifting most physical, fiscal, and technical barriers to free trade among nations, the

EU hoped that people, products, and services would be able to move among member nations with much the same ease as they cross U.S. state borders.

In 1984, the precursor to the European Union adopted legislation that went into effect in 1986 setting forth guidelines and standards for the protection of both consumers and businesses from misleading advertising. While it laid out a series of guidelines for determining unfair or deceptive advertising, Article 7 of the legislation nearly undermined the entire effort by stating that individual nations were not precluded from keeping or adopting provisions that would furnish more extensive protection for consumers, businesses, and the public. This served to put advertising regulation right back into the hands of member states.

Despite efforts to standardize EU advertising regulation, advertising differences across the European Union are still legion. In France, it is illegal to advertise alcoholic beverages; in Germany, "buy one, get one free" offers are illegal, and in Belgium, retail sales can only run for a month and prices must not be cut by more than a third. The European Commission (EC) is working toward a legal framework to govern promotional marketing across the 15 member states. There are two broadly held views on how the EC will achieve its desired framework. One path would be mutual recognition, meaning that any promotion produced in one member country that meets the legal requirements of that country would be accepted as lawful throughout the European Union. This principle of mutual recognition has already been accepted for online sales promotion. However, given the problems of policing the Internet, it is hard to see how the Commission could have reached any other conclusion. While mutual recognition would be very acceptable to the most liberal countries, such as the United Kingdom and Holland, it could be resisted by countries that have traditionally had a more restrictive approach. The alternative would be harmonization—a common set of rules for the whole EU. One merit of harmonization is that it would allow some economies of scale, thus saving some firms money in their pan-European promotions. However, some member states are concerned that if the European Commission follows the latter path, EU-wide directives would impose the most restrictive national regulations in areas such as data protection, alcohol advertising, pharmaceutical advertising, health claims for food, and financial services advertising. Germany is generally considered to have the most restrictive regulations of the member states. At this stage, it is difficult to predict the outcome, though it is likely there will be some degree of compromise (Gofton, 2000).

THE GULF COOPERATION COUNCIL

The Gulf Cooperation Council (GCC) consists of six member countries—Saudi Arabia, Qatar, Kuwait, Oman, the United Arab Emirates, and Bahrain—

that are making a very committed attempt to become an effective trading bloc to rival the European Union. To this end, they are forging a common consumer and trade policy to ensure economic integration. An understanding of the advertising regulatory environment of these member states is essential for marketers interested in this region. Because Saudi Arabia is the largest and economically strongest member of the GCC, it is playing a dominant role in shaping the regulations that will govern all commercial activity among member states.

With regard to the marketing environment, religion takes precedence over all other cultural considerations in Saudi Arabia. Mushtaq Luqmani and colleagues (1989) explain: "The Saudi legal system is unique in that it identifies law with the personal command of the 'one and only one God, the Almighty.' " The Islamic legal code known as the "Sharia" is the master framework to which all legislation is referred and with which it must be compatible. The Sharia is a comprehensive code governing the duties, morals, and behavior of all Muslims in all areas of life, including commerce. Sharia is derived from two basic sources, the *Koran* or Holy Book and the *Hadith*, based on the life, sayings, and practices of the Prophet Muhammad. The implications of religion on advertising regulation in Saudi Arabia are far-reaching (Luqmani et al., 1989).

Several sets of Koranic messages hold special significance for advertisers and advertising regulators. The most important have to do with strict taboos dealing with alcohol, gambling, and immodest exposure. For example, according to the Koran, at no time may alcoholic beverages be consumed, and games of chance are illegal. Religious norms in several Islamic nations require that women cover themselves in advertising messages as well as in public. Therefore, international print messages may need to be modified by superimposing long dresses on models or by shading their legs with black. In addition, advertisers may not picture a sensuous-looking female. Instead, a pleasant-looking woman in a robe and headdress with only her face showing is the typical model. Cartoon characters are often employed to present women in messages because they are less likely to violate the Islamic codes on exposure. Advertising messages may also be considered deceptive by religious standards. For example, according to Islam fraud may occur if the seller fails to deliver everything promised, and advertising may need to use factual appeals based on real rather than perceived product benefits.

No specific governmental agency is responsible for controlling advertising behavior in Saudi Arabia. No self-regulatory industry group exists, and there is no evidence of plans to develop one. Companies are, however, involved in self-compliance, which may eventually lead to self-regulation. As Luqmani and colleagues state,

> Possible violations are monitored in two ways. The government is involved through the Ministry of Commerce, which ensures that ads remain within legal bounds, and the Ministry of Information, which approves television commercials. Less formal oversight is provided by a voluntary religious group, the Organization for the Prevention of Sins and Order of Good Deeds. Members observe public and commercial behavior (including promotions) for any violations of Islamic law (Luqmani, 1989).

THE INTERNATIONAL CHAMBER OF COMMERCE—PROMOTING SELF-REGULATION

The International Chamber of Commerce (ICC) was established in 1919 to promote the interests of international business. The ICC—today represented in over one hundred countries—is the most important international body influencing the self-regulation of advertising. With the support of advertisers, agencies, and the media, the ICC has developed a formal, internal self-regulatory code for advertising. The ICC Code of Advertising Practice states that all advertisers have an overall duty to be "decent, honest, legal and truthful." The code goes on to state that advertisements "should be prepared with a due sense of social responsibility . . . and not be such as to impair public confidence in advertising." With these words, the ICC code moved away from addressing only "hard" matters that center on the deceptive character of advertisements and on proper substantiation of advertising claims. The Code also encompassed "soft" issues, including matters of sex and decency in advertising. Jean J. Boddewyn notes, "reflecting these ICC principles, various clauses on decency, taste, public opinion and social responsibility are usually found in advertising self-regulatory codes and guidelines around the world" (Boddewyn, 1991).

Some self-regulatory bodies refuse to handle such soft issues, limiting themselves to hard issues of truth and accuracy. This is true of the United States' NAD/NARB system. Other bodies, including those in Germany and Canada, are not hesitant in dealing with "taste and opinion" complaints. Most bodies, however, stand in-between, occasionally agreeing to handle soft cases on the basis of the general principles they apply—particularly when gross breaches of social standards occur, as in matters of obscenity, racism, and denigration (Boddewyn, 1991).

In developing self-regulatory guidelines, many countries have turned to the ICC Code. Because latecomers often borrow from the ICC codes—as well as from codes outlined in the United States, United Kingdom, and Canada—voluntary codes often appear to resemble one another. In addition to its code of advertising practices, the ICC also outlines codes of practice in marketing, market research, and sales promotion.

The ICC has drawn up voluntary guidelines on interactive marketing and advertising designed to promote worldwide consumer confidence and minimize the need for regulatory intervention (International Chamber of Commerce, 1998). The revised guidelines on advertising and marketing on the Internet cover such ethical issues as protection of user's personal data, messages directed at children, and the different sensitivities of global audiences. ICC recommendations to marketers include: revealing their identity when posting a message; disclosing the reason for collecting personal information on users; not sending unsolicited commercial messages to those who request not to receive them; and providing information to parents on ways to protect children's online privacy. The guidelines also caution marketers to ensure their messages are not perceived as pornographic, violent, racist, sexist, or otherwise offensive. Online advertising and marketing should be conducted according to the laws of the country from which the message originates, the ICC code stipulates. "If business successfully adheres to this set of guidelines . . . we may well preclude the imposition of restrictive bureaucratic legislation at the national, regional, and global levels," says John Manfredi, chairman of the ICC Commission on Marketing, Advertising and Distribution, which drafted the guidelines ("ICC draws up new code," 1998). Ad associations around the world are expected to incorporate the main provisions of these guidelines into their codes covering online advertising.

Industry, trade, and advertising associations have developed codes of ethics and guidelines in more than 50 nations, and the number is increasing every year. This is particularly true of developed markets and countries where advertising expenditures are relatively large. Increasingly, we are seeing movement toward self-regulation in developing markets.

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CHAPTER 6

GLOBAL CONSUMER ISSUES

Introduction

While some regional and international organizations are emerging to regulate advertising, overall the enforcement remains largely the purview of nation states. As advertising becomes more global, and more multinational corporations engage in business on a transnational scale, the need to establish international guidelines has become more pressing.

The major organizations that have attempted to develop international advertising guidelines include the World Health Organization (WHO) and the various agencies of the United Nations: the UN Commission on Transnational Corporations; the United Nations Educational, Scientific and Cultural Organization (UNESCO); and the UN Conference on Trade and Development (deMooij, 1994). But these organizations lack the power to enforce global regulations. As Barbara Sundberg Baudot explains:

> These organizations lack the attribute of sovereignty, or the legislative authority of a world government to legislate enforceable regulation. Thus, their roles are restricted to the development of voluntary codes and guidelines whose effectiveness depends on moral suasion and public acceptance. (Baudot, 1989, p. 36)

In the previous chapter we looked at government regulation of advertising, and in this chapter we will see how consumer groups can effect changes in advertising and business practices. We shall do this by tracing the history of consumer movements and looking at current consumer issues that are related to global advertising practices.

Consumer Movements

A "consumer" is one who consumes, while the word "consumerism" generally refers to what Kotler (1981, p. 49) defines as "a social movement seeking to augment the rights and powers of buyers in relation to sellers." As Kotler noted, "consumerism is enduring," and thus it affects every generation. In the early 1900s, the issue that most concerned consumers was the quality of foods and drugs. Later, in the 1960s, Ralph Nader led U.S. consumers to demand greater safety from automobile manufacturers; in the 1980s the European consumers led a "green" movement that spread worldwide. In response to green environmental concerns companies like McDonald's stopped using plastics in favor of the more politically correct paper wrappings. Currently issues like the labeling of genetically modified (GM) foods, the production practices of "branded" items in developing countries, and an assortment other moral, political, and economic issues have been taken on by consumerists, who assert that these issues need to be addressed on a global scale.

A Short History of Consumer Movements

According to one American historian (Warne, 1993, p. 91), "fundamentally, it was advertising which was historically responsible for the birth and growth of the consumer movement here and abroad." Most textbooks on advertising trace the history of advertising regulation back to consumer concerns over the safety and quality of foods and patent medicines in the late 1800s. Nearly everyone has seen old drug ads selling a single tonic that promised to cure a person of diseases of the liver, the kidneys, and even scrofula! These types of products and the questionable business practices that accompanied them led to the creation of the National Consumer League, the first organized consumer group, which was founded in the U.S.A. in 1899. This organization was a force in lobbying for stricter government controls for foods and drugs. These lobbying efforts resulted in the Meat Inspection and Pure Food and Drug Acts of 1906 and The Truth in Packaging law in 1966 which gave consumers even more information about the ingredients in processed foods. Most developed countries have adopted laws similar to those in the United States, requiring labels to show ingredients, processing (e.g., frozen or irradiated), conformance to standards of identity (peanut butter, for example, should contain mostly peanuts), and additives (e.g., preservatives). Over the years, consumer concerns over food and product safety, and "unfair" or deceptive advertising practices have spurred better business practices. In addition, the U.S. consumer movement has been a model for consumer groups in other countries (Hamdan Adnan, 2000).

Consumer Rights

In 1985 the United Nations passed its landmark *Guidelines for Consumer Protection*, which states that all citizens, regardless of their incomes or social standing, have certain basic rights as consumers. Over the years, these rights have been expanded to a total of eight. Together they form the basis for the work of the world consumer movement and Consumers International. These rights are:

- *Basic Needs.* The right to basic goods and services which guarantee survival: adequate food, clothing, shelter, health care, education and sanitation
- *Safety.* The right to be protected against the marketing of goods or the provision of services that are hazardous to health and life
- *Information.* The right to be protected against dishonest or misleading advertising or labeling. And the right to be given the facts and information needed to make an informed choice
- *Choice.* The right to choose products and services at competitive prices with an assurance of satisfactory quality
- *Representation.* The right to express consumer interests in the making and execution of government policy
- *Redress.* The right to be compensated for misrepresentation, shoddy goods or unsatisfactory services
- *Consumer Education.* The right to acquire the knowledge and skills necessary to be an informed consumer
- *Healthy Environment.* The right to live and work in an environment which is neither threatening nor dangerous and which permits life of dignity and well being

Source: www.consumersinternational.org

In the industrialized countries of Western Europe and the U.S., governments have been instrumental in attempting to balance consumer interests with those of multinational corporations. However, there is still a lack of consumer representation in government in most Third World countries. Since the issues that concern consumers differ dramatically between the developing countries and the developed world we will look at these issues separately.

Consumer Issues in Developing Nations

According to the *United Nations Population Estimates and Projections*, 97 percent of the world's future population increase will take place in the less developed regions of the globe, places like India, China, Indonesia, and Brazil. While the

TABLE 6.1 World population, by continent (1998–2050 [population in millions])

Continent	1998	%	2050	%
Asia & Oceania	3,615	61	5,314	60
Africa	749	13	1,766	20
Europe	729	12	628	7
North America	305	5	392	4
Latin America & Caribbean	504	8	809	9
Total	5,902	100	8,909	100

Source: http://www.popin.org/pop1998.

population of Europe and North America is expected to shrink to only 11.5 percent of the total world population by 2050—conversely, over the same time period, Africa will grow to account for over 20 percent and Asia will account for 60 percent of the total world population.

A 1999 report from the United Nations Development Program (UNDP) noted that globalization had created a world system in which the wealth is unequally distributed around the globe. For example, if one were to compare the 30 highest-income countries in the world with the 42 poorest countries, one would see that the vast majority of the people living on the planet today face very different problems and futures. Those people living in the highest-income countries have an average annual income of approximately US $18,818 and can look forward to an average life span of 76 years. In comparison, those in the poorest countries earn an average of approximately US $1,187 per year and can expect a life span of only 51 years (Sachs, 1999).

In addition, around 93 percent of the combined populations of the high-income countries live in temperate zones, and all of the large multinational corporations that do research and development of new products are headquartered in these rich countries. The "highly indebted poor countries" (HIPCs), however, are for the most part situated in tropical or desert societies.

The impact of this geographic situation means that multinational pharmaceutical companies that do research on new drugs, for example, tend to develop products for temperate-climate, rich-country ailments such as cardiovascular disease and cancer. The diseases affecting the majority of the world's poorest people—malaria, tuberculosis and the more virulent strains of AIDS—are for the most overlooked by the huge pharmaceutical corporations. The same holds true for agricultural research. According to Jeffrey Sachs (1999) of Harvard, malnutrition in the Third World could be alleviated by the development of hardier, drought-resistant tropical food crops, but the huge agribusiness corporations that are headquartered in rich countries concentrate their efforts on developing and branding new strains of seeds for temperate zone agriculture where the financial returns are greater. Sachs states, "Creativity is needed to bridge the huge gulfs between human needs, scientific effort and market returns" (p. 19).

Promoting Branded Goods in the Third World

One concern among consumer activists has been the costly, high-pressure marketing and promotional methods employed by many international firms, particularly those who produce branded baby formula. Take the case of Nestlé's formula, which was aggressively promoted in the developing world in the late 1980s. In areas where poverty and malnutrition were endemic among children, Nestlés used outdoor billboards featuring pictures of healthy, happy babies being fed bottles of Nestlé's formula. Local mothers, who normally breast-fed their children, saw the ads and were convinced that the Nestlé's product could perform miracles. However, because literacy rates were low, and there was little information to be had from the manufacturer on how to properly use the product, the local mothers diluted the formula with impure local water. So, instead of improving the baby's health, the formula actually caused diarrhea and death.

In 1981, the United Nations World Health Assembly, which helps establish policy for the World Health Organization (WHO), succeeded in winning a ban on marketing directly to new mothers with ads and free samples—tactics that had prompted millions of women in emerging markets to stop breast-feeding their infants in favor of foods that marketers touted as more nutritious—and a code of marketing practices was introduced that same year.

The UN code appears to have provided a challenge for several infant milk formula manufacturers: In 1999 alone, Nestlé, Wyeth, and several other companies were accused of systematically violating the code in Poland, Bangladesh, Thailand, and South Africa.

Another measure considered by the World Health Assembly would severely limit or even ban the marketing of a range of products considered alternatives to breast milk. The range of products includes cereals, juices, puddings, yoghurt, milk, and infant formula. While the World Health Assembly measure itself does not have the force of law, the concern is that individual nations might adopt the recommendations into law. Indeed, Zimbabwe instituted a law in 1997 that restricted the advertising of such products for those less than five years of age, and Puerto Rico, India, Pakistan, South Africa, and Sri Lanka are debating similar measures.

Branded global food products are generally more expensive and often less nutritious. Global advertising has the ability to shift the consumption habits of people by using sophisticated marketing and advertising technique; however, the unintended effects can be hard on people and on local economies (Janus, 1986). For example, through extensive advertising, American breakfast food manufacturers like Kellogg have been able to convince traditionally rice-consuming people that cornflakes are a better breakfast (see Figure 6.1). While this sounds innocuous on the surface, in reality this can have dire effects on local economies. Corn is not grown in most parts of Asia, while rice is a major agricultural crop. So shifting consumer preferences can, over time, adversely effect local farmers and thus weaken the local economy.

Another issue related to branding is that multinational corporations like Nike, The Gap, and Tommy Hilfiger produce and promote "branded" goods in developing countries where their own factory workers cannot even afford to buy the items they produce. As Naomi Klein has pointed out in *The New Statesman*:

> The formula for these brand-driven companies is pretty much the same: get rid of your unionized factories in the west and buy your products from Asian or Central American contractors and sub-contractors. Then, take the money you save and spend it on branding—on advertising. . . . (Klein, 2000, p. 3)

The concept of branding emerged almost a century ago, when companies like Quaker Oats and Levi Straus introduced logos that allowed them to differentiate their brands from others in the marketplace (Sivulka, 1998). In the 1980s however, the concept was extended from a logo on the product carrying a meaning to the product itself carrying a meaning. So, for example, Nike became "Sports," Virgin-Atlantic became "Fun," and Diesel Jeans "created a movement," not a line of clothes (Klein, 2000). Building globally recognizable brands is a costly endeavor and in an effort to cut production costs (so more and more profits could be channeled into advertising and "branding") corporations like Nike, Reebok and Tommy Hilfiger have moved their production outside the U.S.A. to the developing world's "free-trade zones"—free, that is, of taxes and wage or other labor regulations (Klein, 1999). Regardless of where these zones are located, Sri Lanka, Indonesia, Vietnam, China, or the Philippines, employees work between 14- and 16-hour days and receive low pay. In Indonesia for example, a woman working all day in a Nike factory would probably earn less than U.S. $3 per day. This successful formula has allowed the big image-makers like The Gap, Tommy Hilfiger, Ralph Lauren, and Nike to get close to a 400 percent mark-up (Klein, 2000). Consumer activists like Klein charge that:

> What is being abandoned in the relentless quest to reduce the costs of production is the Fordist principle: that labor not only creates products but, by paying workers a decent wage, creates the consumer market for the product and other like it. (Klein, 2000, p. 7)

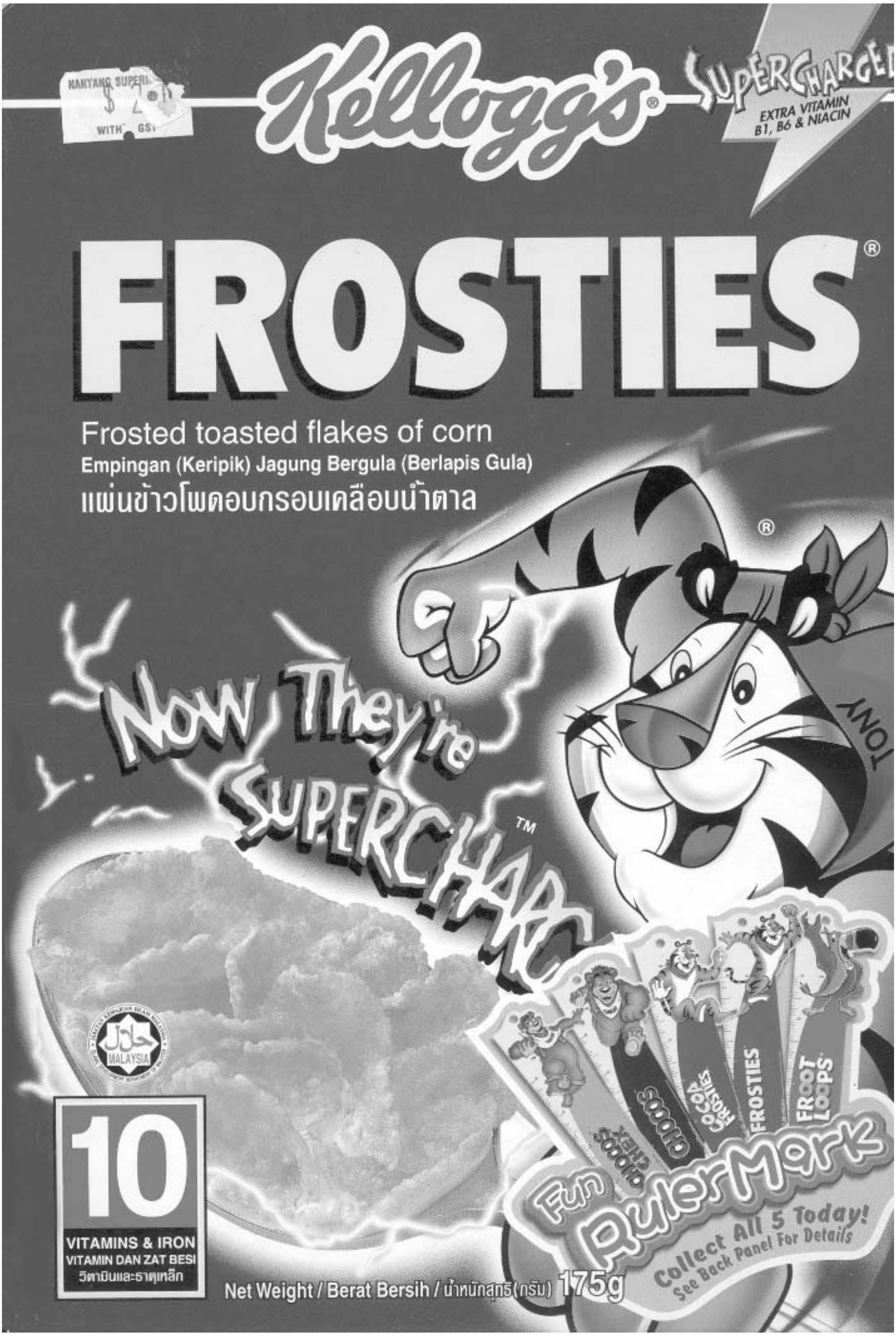

Figure 6.1 Kellogg's Cornflakes package in three languages

Global Cigarette Marketing

Tobacco, long considered the main cause of preventable deaths in the world, is also one of the most widely advertised products on the globe. Approximately 1.1 billion people aged 15 and older now smoke. Seventy-two percent of those smokers live in developing countries, a rate expected to rise to 85 percent by the year 2025. As is noted in Chapter 9, cigarette sales have been falling in North America over the past few decades but have been increasing in Eastern Europe and the Asia-Pacific region. The World Health Organization has made eradicating smoking a centerpiece of its global public health strategy and hopes to finalize a treaty by 2003 that would ban multinational tobacco advertising and sponsorships, increase taxes to make cigarettes less affordable, and introduce other measures to stem the rise in adolescent smoking. Although representatives of all 150 countries present during the initial negotiations supported barring advertising, countries have yet to grapple with several complicated issues. These include the question as to whether the treaty would ban indirect advertisements, which include "branding" clothing stores and bistros that use the logos for well-known cigarette brands. Other contentious issues include cross-border advertising, particularly in sports events, where cigarette billboards are seen on television broadcasts of sports events in countries that might have bans on cigarette ads. Formulating this treaty represents the most concerted international attempt

THAILAND U.S.A. SINGAPORE

Figure 6.2 Warning labels differ from country to country ever to curb the tobacco industry. The treaty took a blow in 2000 when the European Court of Justice decided to overturn the EU directive to ban tobacco advertising (*Bangkok Post*, 2000). The Luxembourg court ruled the EU member states acted outside their competence in adopting the directive, which was challenged by the global tobacco industry.

Related to the global consumption of cigarettes is the issue of labeling cigarettes. While generally known to be a "harmful substance," the labeling of cigarettes differs from country to country. In many countries the health warning must be shown on the front and back of each package. Other countries, like the United States, do not require messages on the front and back but only on the side of the package (see Figure 6.2).

While food and drug manufacturers are required to list the ingredients on the package, cigarette companies have never been required to list product additives, such as additional nicotine, or levels of tar on the package.

Globalization of the Media

Global advertisers in developing countries have also been criticized for having a disproportionately high influence on the local media industries. Because global brands are richer and can afford to buy more time and space than local brands, they have the power to drive the local competition out of the media. As shown in Table 6.2, global advertisers often monopolize local media in developing countries. They are the largest advertisers in many countries. In addition, historically the large multinational advertising agencies that service

TABLE 6.2 The Five Largest Advertisers in Selected Asian Countries, 2000

Philippines	Malaysia
1. Unilever	1. British American Tobacco
2. Procter & Gamble	2. Nestlé
3. Nestlé	3. Unilever
4. Philip Morris Co.	4. Telecom Malaysia
5. United Laboratories	5. Japan Tobacco
Singapore	**Indonesia**
1. Business Times	1. Unilever
2. McDonald's	2. Procter & Gamble
3. Tricon Global	3. Wing's Corp
4. Courts Furniture	4. Kelompok Kerja
5. Singapore Telecom	5. Sampoerna

Source: http://www.adageglobal.com.

these global accounts employ expatriates from the developed countries in the key management positions. This means that the expatriate experts generally hold the major decision-making roles and indigenous media practitioners often hold low-status positions, even in their own countries (Kim and Frith, 1993).

As we have seen, some nations, like Vietnam, have tried to "indigenize" the local advertising industry by passing laws that limit the number of expatriates that will be given work permits and by requiring foreign agencies to work with local partner-agencies. Other countries, like Thailand, have been more successful at indigenizing the local advertising industry by supporting advertising education at local universities and in this way have created a supply of local people who can move up into management positions in the advertising industry. Nonetheless, the problem of "professionalism" remains as one of the main concerns for advertising in developing countries.

Developed Country Consumer Issues

In the developed countries, the quality of food probably has been the single most important issue that has driven consumer movements over the past century. In 1848, the Import Drugs Act was passed in the United States to stem the tide of counterfeit, contaminated, diluted, or decomposed drugs. In 1906, consumer concerns over food quality led to the passing of the Pure Food and Drug Act and the Meat Inspection Act. The Pure Foods Act required a list of ingredients on food containers and medicine bottles. And as mentioned earlier, the 1966 "Truth in Packaging" act requires food manufacturers to provide consumers with detailed information on ingredients. Most developed countries have laws embodying similar principles.

One issue that has recently become of great concern to European consumer activists is whether the foods they eat contain genetically modified (GM) ingredients. While many food producers claim that genetically engineered or modified foods are basically the same—and taste the same—as conventionally grown foods, critics have expressed a wide variety of religious, ethical, and environmental reasons why genetically modified foods should be labeled as such. Genetic modification involves changing an organism's gene sequence to achieve certain qualities, such as resistance to pesticides or a higher vitamin count. This technology is routinely used in research laboratories worldwide and has resulted in many new products and processes such as medicines and vaccines. Nonetheless, its use in agriculture and the food industry has been the focus of intense public and political debate in the United Kingdom and around the world. Consumers and environmentalists and some scientists worry about risks to human health and the environment. The United Kingdom's Food Standards

Agency was set up by the government in April, 2000, to advise the public and government on general food safety "from farm to fork."

This consumer issue has changed the way people shop in many parts of Europe. Now whole sections of supermarkets are devoted to products that boast they are not "genetically modified." Sainsbury's, one of the largest supermarket chains in the U.K. has dedicated large sections of their stores to products that are "pure."

The Iceland chain has even committed to selling meat products from livestock reared on a non-GM feed. Outlets such as ASDA-Walmart have removed genetically modified products from their brand name lines and are working with suppliers to remove GM crops from animal feed. The consumer group, Greenpeace, an environmental organization made famous by their "Save the Whales" campaign, has currently adopted the GM issue (see Figure 6.3).

The countries of the European Union have introduced regulations requiring labeling of all genetically engineered food, but most countries outside of the EU have not considered the issue yet. The Codex Alimentarius Commission, an agency of the United Nations World Health Organization and Food and Agriculture Organization, has been considering whether to adopt a guideline recommending that all countries require labeling of genetically engineered

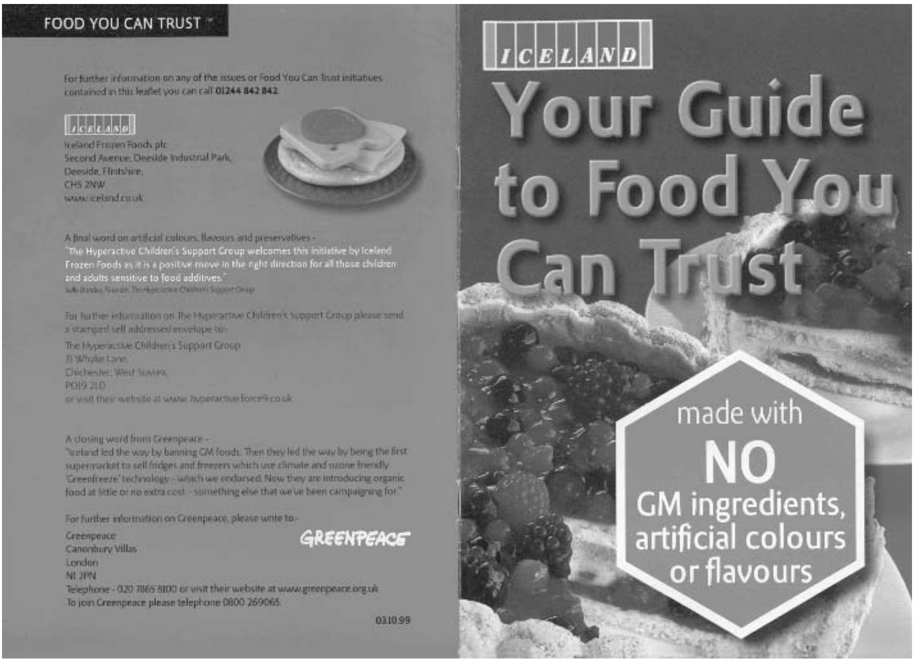

Figure 6.3 Promotional materials from Iceland stores in the U.K.

food. Codex guidelines are not binding, but they are often adopted by developing countries and can be used to settle trade disputes (if a country adopts a Codex standard, that standard cannot be challenged as protectionist). While the issue of GM foods is not an issue among U.S. consumers, nonetheless, the United States exports many foods to Europe that contain GM ingredients. Thus, the two regions have recently organized a series of high-level discussions to resolve issues of genetic modification and labeling.

Conclusions

While a pragmatist might argue that the purpose of any self-respecting capitalist enterprise is to create profits, the consumerists will argue "at what cost." Kotler (1991) takes an interesting position. He argues that consumerism is enduring, beneficial, pro-marketing, and ultimately profitable. He contends that businesses that seek to serve the long-term benefits of consumers will be most profitable. He points out that a "societal" marketing concept is an advance over the older paradigm that valued profits over consumer interests. He notes:

> Consumerism is actually the ultimate expression of the marketing concept. It compels marketers to consider things from the consumer's point of view. It suggests consumer needs and wants that may have been overlooked by the firms in the industry. The resourceful manager will look for the positive opportunities created by consumerism rather than brood over its restraints. (p. 137)

If history is a good gauge, then the consumer movements of the past century have certainly brought about changes for the better in advertising and marketing practices within nation states. The consumer issues of this generation will require solutions that span nations, hopefully to bring about improvements worldwide in the quality of foods, drugs, and workplace values.

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CHAPTER 7

ADVERTISING AND REPRESENTATIONS OF "THE OTHER"

Introduction

To understand how advertising constructs race, we must learn how to read advertisements as cultural texts. For ads are not just messages about goods and service, but as was noted in previous chapters, ads are social and cultural texts about ourselves and others.

The conventional way that marketers define advertising is to describe it as messages that "impart information about products which consumers use to make brand choices" (Domzal and Kernan, 1992). The limitation of this definition is that it falls short of giving us the whole picture. Advertising does much more than impart product information: it tells us what products signify and mean. It does this by marrying aspects of the product to aspects of the culture. Embedded in advertising's messages about goods and services are the cultural roles and cultural values that define our everyday life and the lives of others.

For example, a recent TV commercial that won international awards for an automobile manufacturer showed the car being driven through various countries around the globe. In China, we see the car pass by a group of Chinese people doing *tai chi* exercises on the Great Wall. In Mexico, the car passes a Mexican farmer who is standing near the road wearing a big sombrero—the farmer smiles and waves at the driver. In this way, the viewer, who is sitting comfortably in his or her living room in a small town in the U.S.A. or Europe, is shown glimpses of how people live in other parts of the world. The viewer is given a quick glimpse of "the other."

Certainly not everyone in China does *tai chi*, nor does everyone in Mexico wear a sombrero, but the intrinsic nature of ads is to push for a sale, and in so doing, to exaggerate or magnify certain aspects of the product and the context in which the product appears. Thus, in the process of "magnification" stereotypes of people are enhanced. From the advertiser's point of view, the bottom line is profit and sales. Advertisers have little time for character development. They must get their point across on TV in only 30 seconds. In magazines, the average reader spends only about three or four seconds on each page; again, the advertiser must compress the sales message. To show that a car is accepted by people worldwide, the easiest thing to do is to stereotype people worldwide.

At root, a stereotype is an expression of a mental schema that people use to organize information and to which meaning is attached. As such, stereotyping does not, by definition, carry negative or positive values. It is when we imbue the stereotype with a certain type of meaning that it becomes positive or negative. Also, when stereotypes are magnified in ads, they can be harmful in that the repetition of a stereotype naturalizes it and makes it appear "normal."

In this chapter we look at some of the ways that racial and ethnic stereotypes are used in advertising. Advertisements reflect society, sometimes in a slightly distorted way, and by undressing (Frith, 1998) or demystifying ads we can begin to see the role advertising plays in the creation of racial and cultural stereotypes about "the other."

The Ad as a Cultural Text

All advertisements rely on the cultural knowledge and background of the reader. People "make sense" of ads by relating them to a shared belief system—one that is held in common by most people within a society. Stereotyping, therefore, is based on cultural beliefs. As William O'Barr (1994) noted, before the civil rights movement of the 1960s blacks were only featured in advertisements in subservient roles such as porters, cooks, and bellhops. This type of stereotyping appeared to be "common sense" until these representations were questioned by a large enough group of people.

In his book, *Culture and the Ad: Exploring Otherness in the World of Advertising*, O'Barr (1994) explains that all advertisements contain ideology. He defines ideology as "ideas that buttress and support a particular distribution of power in society" (p. 2) and notes that ideology is, by nature, always political. Because we are so deeply embedded in our own set of cultural beliefs, it is often difficult for us to see the ideas that buttress and support the social system within which we live. Wernick (1991) says that ideology is elided or hidden. In order to undress the ideological messages in advertising, O'Barr suggests that we examine the roles people play in society. Who is in charge? Who holds the power? Who is weak? Who is dominant and who is subordinate (O'Barr, 1994)? These types of questions allow us to begin to see the deeper social structures that are circulated and recirculated in advertising.

Tokenism

You can determine the social relationships in an ad by asking questions about power and control. Who appears to have the power or control in the ad? How is power expressed? Does one person have power over another? Is one person in a subordinate position? We can ascertain the power positions by determining who appears to be stronger, or bigger, or more "in control" of the situation in an ad (O'Barr, 1994). Just as Goffman (1976) examined how women were positioned in ads in subservient or secondary roles, we can also look at the representation of minorities in ads. Take the ad in Figure 7.1, for example.

On the surface, there appears to be no discrimination in this ad. It ran in a multicultural society, and the advertiser probably wanted to use a variety of races in the ad. The black man featured in the upper right hand corner is not stereotyped as a basketball player or a factory worker; he is dressed in a Claiborne suit. It is an upscale image. On the other hand, one might wonder why the black face was cut off. Why are the Caucasians models fully visible but not the black model? Why crop one face, but not the others? Unfortunately, when minorities are used in multicultural ads, there is often unequal representation. Sometimes the face is cropped; sometimes the black model is standing in the background. Is this intentional or unintentional; is this a form of discrimination or merely an oversight? That it happens repeatedly in ads gives one cause to wonder. Even in Benetton ads, which ostensibly are concerned with fighting racism, the same type of cropping occurs (see Figure 7.2).

Tokenism is the practice of making only a symbolic effort or doing no more than the minimum to show compliance with a societal standard. In the case of advertising, we often find that minority groups are given minimum concessions, that is, they are in the ads but they do not hold much power.

Demystifying the Ad

O'Barr suggests that to analyze how power is being depicted in an ad one should tell the story of the ad, then reverse the roles of the key people. By doing this, one can see the relationships between the characters. To understand gender relationships, one might substitute a woman model with a man.

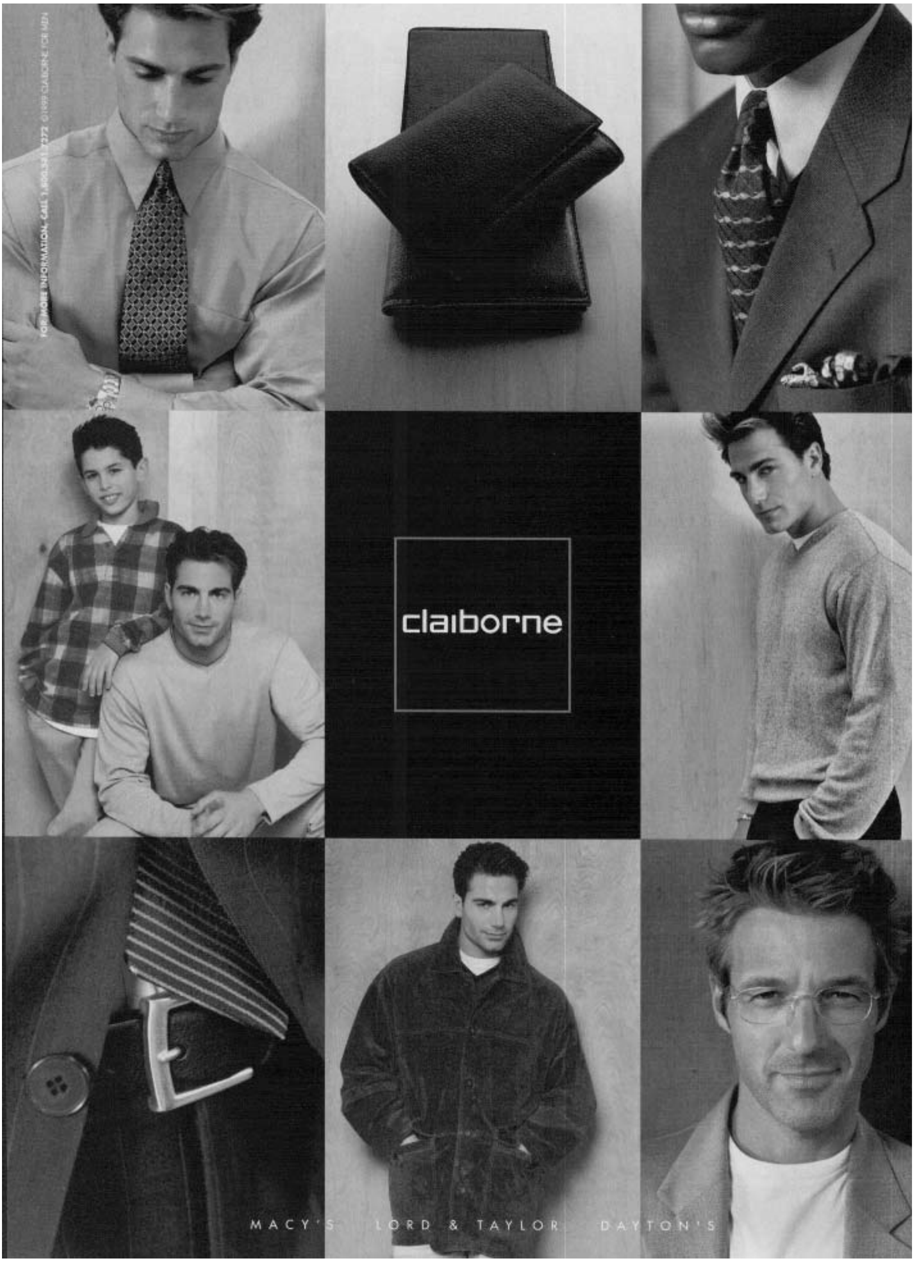


Figure 7.1 Men's magazine ad showing models of various races

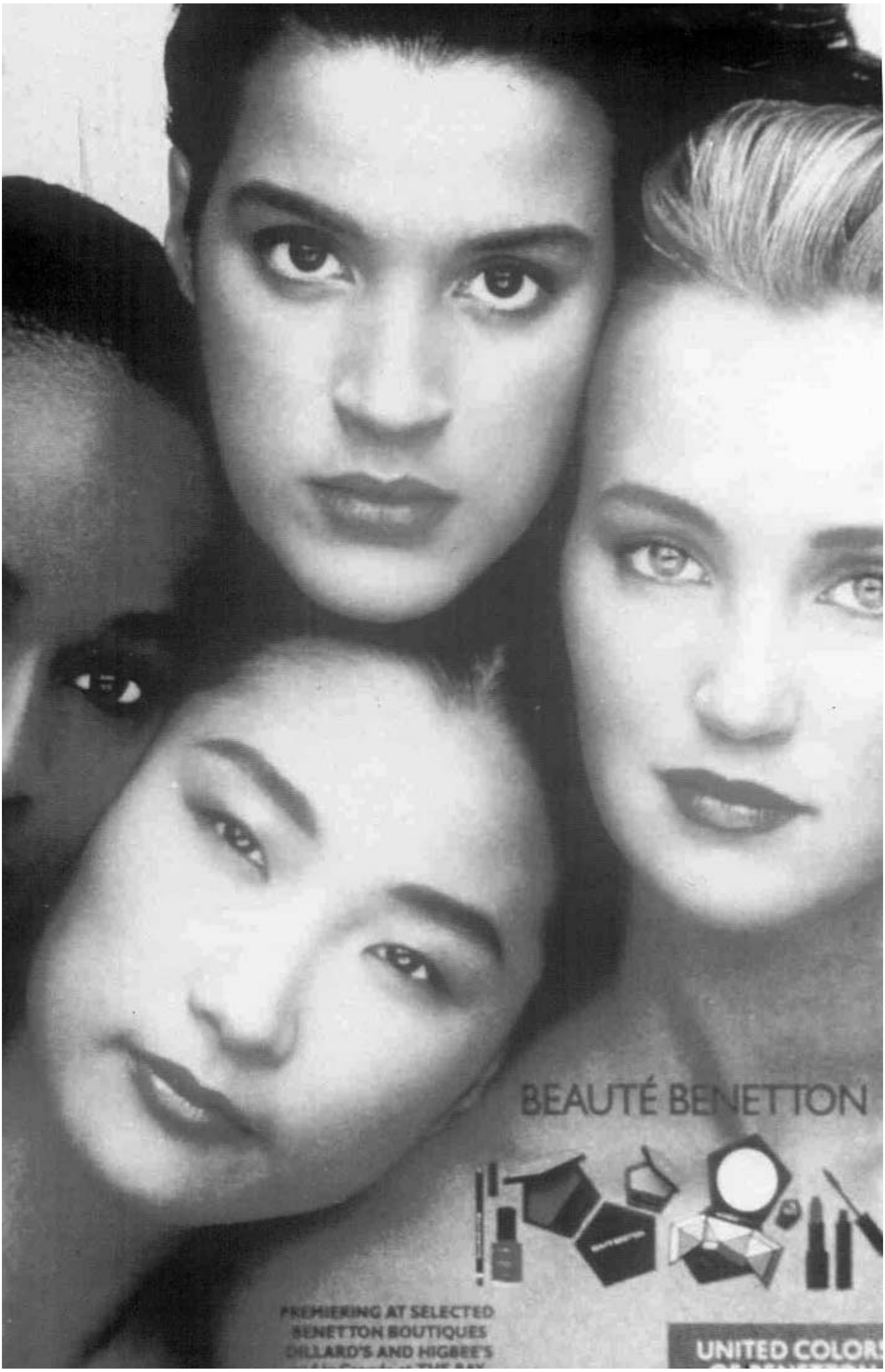


Figure 7.2 Benetton ad

To understand ageism, one might substitute a young person with an older person and to understand racial relationships, one might substitute a white person with a black. When the story is retold, would the message be the same? How would the message change? What does this say about the roles or stereotypes that advertising perpetuates?

This type of analysis reveals the deeper social structures that often go unnoticed in advertising. The method's rationale is that exposure of cultural mores depends on one's ability to engage in self-conscious introspection, for only by viewing what appears "normal" from an outsider's perspective—that of the "other"—can common assumptions about natural behaviors be exposed as merely partial worldviews. O'Barr (1994) points out that asking these types of questions enables us to discover important facts about social relationships in our own society. He asserts that while equality is not precluded as a possible message in the discourse of advertising, advertisements are "seldom egalitarian" (p. 4). The most frequently depicted qualities of social relationships in advertising are hierarchy, dominance, and subordination (O'Barr, 1994).

Myths are preexisting, value-laden sets of ideas derived from a culture and are transmitted through various forms of communication (Leiss, Kline and Jhally, 1988). By retelling the story in an ad, using O'Barr's technique, one can demystify and historicize and expose the myths. Take for example an ad for Jockey Boxers (see Figure 7.3).

The story being represented in the ad relates to a group of people who appear to like snow-boarding and who also appear to like wearing Jockey underwear. There are four Caucasian models and one black model in the ad. It is interesting to note that the white people are all holding snowboards but the black person does not seem to have one. Was this an unintended oversight? Did the prop person forget that there were five models in the ad and only order four snowboards for the shoot? Or, was the black model added at the last minute to give the token impression that Jockey is the underwear company for all races? Berry (1991) has noted:

> There's a buzzword among African American marketers. When you put a black into a white ad, it's called a "permission to buy." It's like saying, we know you're black, but it's ok, you can buy our product, too. (p. 18)

Now let us exchange the key players in the ad. When the story is retold with the roles reversed, would the message be the same? Imagine that the Jockey ad has four black models, all holding snowboards, and one white person who is just standing there? Would this change the meaning of the ad? Would the reader wonder why there was only one white person in the ad? Or,

Figure 7.3 Multicultural group of models in Jockey ad

would the reader feel good that at least a white person was included in the group? Would the reader wonder, why does the white model not have a snowboard? Would this bother a white reader? In the United States, which has historically been a predominantly white society, readers come to expect that groups of models in ads will be primarily white and the minority races will be given token representation.

Historically Favored Positions

We can also ascertain historically based power relationships by asking ourselves, are certain historically favored positions being expressed in an ad? Does the ad suggest that people who are of a certain race are stronger, or richer, or have power over others? Elizabeth Lester (1998) suggests that through its use of verisimilitude, that is, through its evocation of familiar commonsense roles, we enter into the discourses of advertising unthinkingly, enfolding both the product and ourselves within a structure of power relations that have been inscribed over 1,000 years of patriarchy, five centuries of European colonialism and U.S. neocolonialism, and 400 years of racism. She contends that we learn certain attitudes, beliefs, and knowledge about racial roles and relations, class, history, politics, and economics by viewing ads, among other cultural products. Advertising not only defines its target audience but also a much broader audience that is inscribed in larger social discourses about the self and "the other."

Matthew McAllister (1998) echoes this concern in his analysis of the representation of other cultures in the 1996 Olympic commercials that ran on U.S. television. These commercials for corporations like Visa, Coca-Cola, IBM, and AT&T featured images of several countries, including South Africa, Italy, France, Australia, China, Russia, Japan, and Brazil. He noted that the common theme that ran through these commercials was nothing short of old-fashioned jingoism. The overarching message that framed much of the global iconography was that the United States, as a country and a people, was still Number One. American superiority was expressed in a variety of ways. For example, while Americans were portrayed as winners and as individual achievers, foreigners were often characterized in ways that distanced them from the American viewer, even while the ads showed the foreigners happily using the American products.

- An IBM ad showed a laid-back (perhaps even lazy?) group of Crocodile Dundee-type Aussies shuffling their feet and picking their teeth as they hung out on a dusty porch in the middle of the day. Their "strangeness" was emphasized by the use of subtitles at the bottom of the TV screen, despite the fact that they were speaking English in the commercial.
- A Coke ad showed Jamaicans laughing, dancing, drinking Coke, and playing musical instruments made out of Coke containers.
- A savage, distant rainforest dweller was featured in a Panasonic spot with a painted face and holding a spear in his hand.

On the surface, these globalized ads seemed to celebrate cultural diversity. While the ads showed "South Africans smiling in their native garb; Indian children playing cricket against unique architecture; Australians talking in colorful slang; and Euro-hip Italian lovers on the beach" (p. 57), they did not show the true diversity of human society. They presented the stereotyped world of advertising where everyone happily drinks Coca-Cola and carries a Visa card. These commercials present a pleasant view of the world, not meant to disturb those who were sitting comfortably in front of their TV sets enjoying the Olympic games. Yet, contained in the stereotypes in these ads is a colonialist perspective. It is rather like the story being told in a Donna Karan ad that ran in a March, 2001, issue of *Elle* (see Figure 7.4).

In the ad we can see the perpetuation of certain colonial myths. The white woman, in her white Donna Karan suit, is walking in the streets of a foreign

Figure 7.4 Donna Karan ad from *Elle*

city, past an Asian woman who is stereotypically wearing a straw hat. The white woman signifies power (note her size in comparison to the Asian woman). The story we read in the ad is that the white woman is visiting the Third World to "do business" since she is dressed in a business suit and carrying an attaché case. If she were a tourist she would probably be dressed more casually and be carrying a camera. Perhaps the woman represents an executive from the Donna Karan Corporation and has been sent to visit one of the factories where Donna Karan's $400 suits are sewn by Asian women who earn approximately US$1.50 per day.

Stereotypes of Minority Groups in the U.S.A.

Another way that racism occurs in advertising is through the types of images that are chosen to represent minority groups. Ernest M. Mayes (1998) notes that the portrayal of African Americans in advertising has gone through many changes. In pre-civil rights days, African Americans were depicted stereotypically in servitude as porters, cooks, and maids, but today, a contemporary advertisement might feature an African-American woman in a business role. Licata and Biswas (1993) looked at representation, roles, and occupational status of black models in TV ads from the 1970s, 1980s, and 1990s. They found that there was a significant increase in the percent of blacks in ads over time. In 1967 only 4 percent of ads showed black models, but by 1974 they were included in up to 44 percent depending on geographic region. Of 213 commercials that were analyzed, 35.2 percent had at least one black model; however, the models tended to be shown with low-value products (soda, detergents, but not cars, computers, or credit cards). Black models were three times more likely to be shown as athletes than whites. White models were twice as likely as blacks to appear as professionals or in business roles (Licata and Biswas, 1993).

Even children get stereotyped in ads. Ellen Seiter (1995) notes one of the "common" stereotypes of white infants and small children is the "go-getter." This is not a stereotype that is open to black children, who tend to be shown in ads as passive while the white infants are featured in active roles (see Figure 7.5). Seiter concludes that casting, camerawork, and direction all work together with storyline to create stereotypes in children's advertising.

The stereotype of Asians in ads is more complimentary, since Asians, particularly Asian immigrants to the United States, have been described as "the model minority" (Cohen, 1992; Delener and Neelankavil, 1990). Perhaps this is because they have achieved more economic success than any other group in the country. U.S. government reports list the median income of

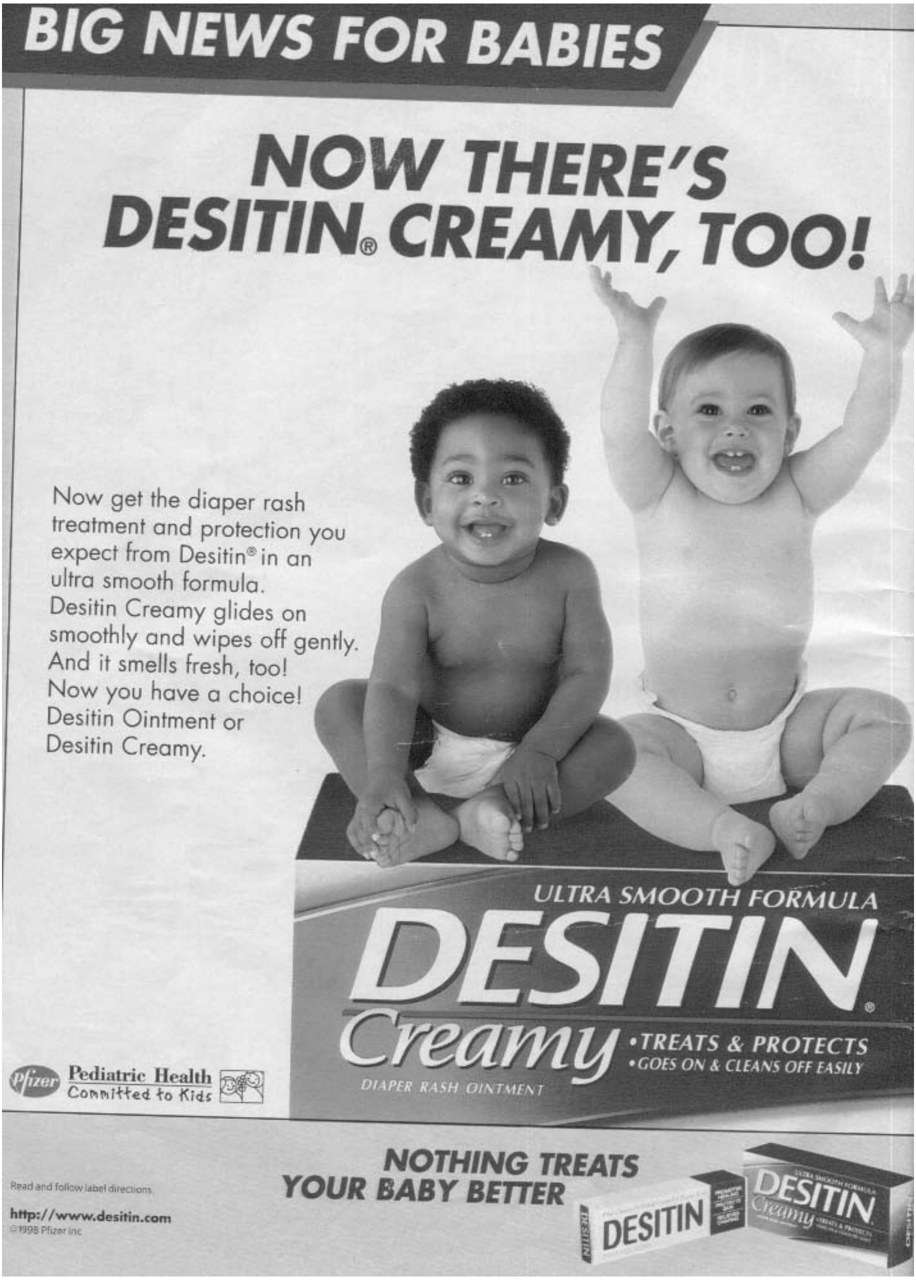


Figure 7.5 Ad featuring babies of different races

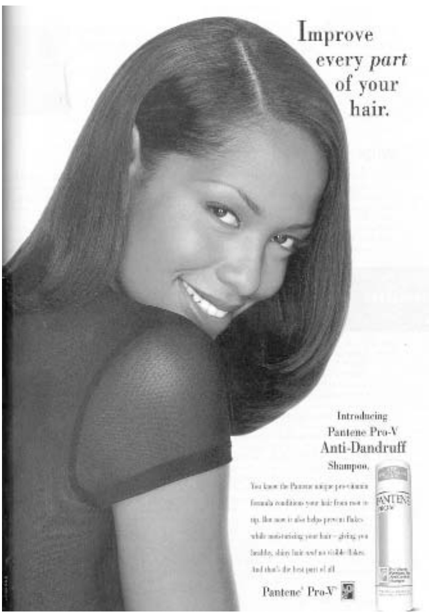
Asian immigrants to the United States as averaging US$42,900 compared to US$24,100 for Latin Americans and US$36,100 for American citizens of U.S. birth (*Straits Times*, October 6, 2000). When Asians are used in U.S. ads, they tend to be featured in ads related to business. While this may seem complimentary, nonetheless it represents a stereotype whose prevalence could have negative consequences, not least of which is resentment from other groups. Taylor, Lee, and Stern (1995) compared the portrayals of African, Hispanic, and Asian Americans in magazine ads and found that when Asians were featured in the ads, they were often shown in business suits or used in ads for technology products. The researchers also found that Asians were more likely than other minority groups to appear in background roles and that Asian women are seldom depicted in major roles in ads. In fact, Asian women were seen less frequently than their male counterparts in ads (less than 1 percent of all ads had Asian women), and when seen were rarely in a nonbusiness setting.

The U.S. Bureau of the Census defines "Hispanic" as a person of any race who either speaks Spanish or has a Spanish-speaking ancestor. Hispanics are the fastest growing demographic segment in the United States, and while marketers like to claim that it is possible to market to Hispanic Americans as a single group, the concept of grouping 22 million people as one market ignores a considerable amount of cultural and demographic diversity. Although there has been a plethora of research on African Americans in advertising, there has been little done on the representation of Hispanics in ads. One study (Taylor, Lee, and Stern, 1995) found that Hispanics are the most underrepresented of all minority groups in advertising. While they made up approximately 10 percent to 15 percent of the total U.S. population they were shown in only 4.7 percent of the ads in general interest magazines. When they were depicted in ads, they were generally used in family-oriented situations.

Black Women and the Dominant Beauty Standard

When black women are featured in advertisements the models that are generally used are those whose appearances conform to traditional Eurocentric ideals. Many current ads feature black models who look almost white, due to their light complexions. Strutton and Lumpkin (1993) point out that empirical evidence dating back to the 1950s shows stereotyping in the selection of black models by advertisers. Moreover, they note that a disproportionately large percentage of black models used in ads possess light skin and Caucasian features. Critics (Joseph and Lewis, 1981; Brown, 1993; hooks, 1995a) contend that the acceptance of African-American female beauty in advertising has been marginal. For example, advertising for hair-care products marketed toward black women proliferates in magazines, but rather than embracing the natural beauty of black hair, the majority of the ads promote the alteration of black hair texture from its natural state into a "relaxed" or straightened state in order to attain social acceptance (hooks, 1992). It appears that the images of black beauty that abound in current advertising are still defined by dominant white societal discourses.

In her chapter "Eating the Other," author bell hooks (1992) discusses this issue in relation to multiculturalism and notes that "when the dominant culture demands that the Other be offered as a sign that progressive social and political change is taking place, and that the American Dream can indeed be inclusive of difference—the acknowledged Other must assume a recognizable form" (p. 26). And, in the case of women, it is the white beauty standard to which they must conform. Joseph and Lewis (1981) conducted a content analysis of ads aimed at black and white women. They examined a number of magazines including *Essence* and *Cosmopolitan* and concluded that the image of women was constructed almost entirely through sexuality. They noted that the concept of female beauty for both black and white women was based on standards set by white males, who are the ones most empowered in American society. In their reading of the ads, Joseph and Lewis felt that black women are



Figures 7.6 and 7.7 Ads featuring famous black models

encouraged to emulate white women by changing their appearance in order to be considered attractive: By altering their physical state to appear with lightened skin and silky straight hair, black women can compete and thereby gain status and security. Two examples of ads using popular black models with white features are shown in Figures 7.6 and 7.7.

Advertisers have come under fire by media critics and scholars alike for their promotion of Eurocentric beauty standards and the preferential usage of lighter complexioned models in their ads (Brown, 1993; Keenan and Woodson, 1994). Clinton Brown (1993) points out that while diverse images of white women abound in advertisements, the diversity of black beauty is rarely shown.

Toxic Racism

While the representation of minorities in ads is problematic, there are other advertising and marketing practices that might be considered even more insidious. Researchers have documented that the cigarette industry focuses considerable effort toward specific ethnic and racial targets, particularly Hispanics and urban blacks. Brands such as Dorado and Rio are targeted primarily at Hispanics, making Philip Morris the single biggest advertiser in Hispanic media with R.J. Reynolds not far behind (Pollay, Lee, and Cartier-Whitney (1995). Black magazines carry a significantly higher percentage of ads for cigarettes than do white magazines, and black neighborhoods have higher densities of billboards for tobacco and alcohol ads than is true for billboards in general (Schooler and Basil, 1990). In fact, the top ten outdoor advertisers in the United States are all cigarette brands (Pollay, Lee, and Cartier-Whitney, 1995).

Conclusions

Whether done intentionally or unintentionally, advertisers continue to compartmentalize racial and ethnic groups in ways that reinforce separateness. One of the major aims of advertising is to target the message—and in so doing, advertisers construct racial and ethnic groups into markets of consumers who are addressed according to their demographic characteristics. This is done in a way which selectively incorporates their actual cultural characteristics into messages so as to invite these groups to identify with a commercialized image of themselves. In this way, advertising reinforces separateness and reifies certain power structures in society and thus contributes to the ongoing racial problems.

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CHAPTER 8

CHILDREN AS CONSUMERS

The Purchasing Power of the Children's Market

In many Western countries, and particularly in the United States, children are perceived by advertisers as a lucrative market. Currently, in the United States there are some 52 million children aged 13 or under. As a consumer group, they spend about US $23.5 billion a year—money they save from gifts, allowances, and odd jobs. They spend an additional $188 billion of their parents' money, even influencing what were once considered adult purchases—cars, vacations, and home computers. Doting parents spend another $300 billion on their children, especially during the holidays. Given a purchasing power that adds up to over $500 billion, it is no surprise that increasingly advertisers target these young people.

While a few innovative advertisers had already begun to appeal to children as early as the 1920s, the 1950s were the seminal decade in the development of marketing to children. This was the decade in which the number of children increased dramatically as a result of the baby boom, and economic prosperity brought a multitude of consumer goods within reach of the typical family. Parents who had suffered through the deprivations of the Depression and World War II vowed that their children would experience the affluence they had missed. During the subsequent five decades, marketers' appeals to children have only increased. And over the past six or seven years, advertising targeted to children has grown 15 to 20 percent a year (Levingston, 1999). Candy, cereal, and toys were the product categories most frequently promoted early on, while today marketers of higher-end products, such as cameras, watches, CD players, and computers are also targeting young consumers. A recent issue of *Sports Illustrated* for Kids featured an ad for Chevrolet's new Venture minivan—the "Warner Brothers Edition"—includes a flip-down monitor and built-in video player to "entertain a small army of kids for miles," (see Figure 8.1). "We look at kids as small people with big opinions," says Karen Francis, brand manager for the Venture. And USAA, a $45 billion insurance and financial services company, is marketing a mutual fund to kids: Children as young as 10, with the help of their parents, can open an account with as little as $250. The company recently sent mutual fund brochures to the children of their 100,000 insurance holders. "Everyone is telling kids how to spend," says Maria Cavazos, manager of the program. "We're teaching them how to save" (Horovitz, 1997).

Any company that fails to target children will soon find itself at a competitive disadvantage. Manufacturers are well aware that establishing loyalty early on ensures a market for their brands in the future. And the definition of "early" just keeps getting younger and younger. Researchers have shown that by the time they are six months old, babies who have watched commercial television have already begun to recognize corporate logos. By the time they are three years old, most children are already making specific requests for brand-name products (Burns, 1999). Board books featuring products like M&M's and Cheerios are being created to appeal to toddlers. At Chuck E. Cheese, the child-themed pizza restaurant with a dancing mouse as its spokesperson, marketing director Richard Huston notes, "we're trying to influence kids as early as we can, maybe 2." At Saatchi & Saatchi, a New York advertising agency, the 80 members of its Kid Connection division aim to implant awareness of the brand—namely General Mills, the division's biggest client—in preschoolers. By the time they reach age 10, the average child has memorized as many as 400 brand names. James B. Twitchell, professor at the University of Florida and author of the book *ADCULT USA*, notes, "These people have not bought cars. They have not chosen the kind of toothpaste they will use. This audience is Valhalla. It is the pot of gold at the end of the rainbow" (Schwartz, 1998, p. 12). Brand loyalty means big profits for companies, who estimate that each future consumer is worth $100,000 to the company. Today, advertisers spend more than $2 billion annually advertising to children, over 20 times more than was spent just 10 years ago (O'Crowley, 2000). Advertising to children has been and continues to be one of the most controversial topics in advertising discourse.

Many view selling to children as less than benign and are quick to blame marketers for a variety of ills. Developmental experts, for example, believe negative trends in children's health correlate with the increased marketing. Obesity rates in kids have skyrocketed, they point out, as children eat more prepared and fast foods—one of the largest segments of marketing to kids. A recent study by Consumers International, a London-based watchdog organization, found that 95 percent of the ads on British TV aimed at children were for foods that are high in fat, high in sugar, or high in salt. The same

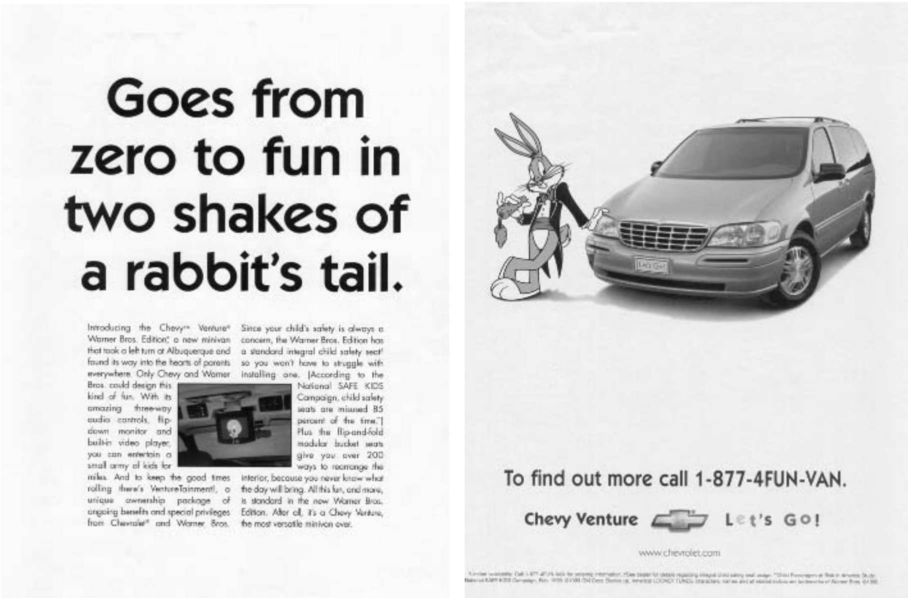

Figure 8.1 Ad for the Chevy Venture Warner Bros. Edition Minivan

survey found that British children are among the most obese in Europe (Ford, 1999). Similarly, a study published in the Australian and New Zealand Journal of Public Health found that during 42 hours of children's programming, more than 60 percent of foods advertised were high in fats, sugar, or both. Nearly 15 percent of the ads were for fast-food meals. Snack foods were shown in 76 percent of the ads and, none too surprisingly, there were no ads for low-cost foods such as bread, rice, pasta, potatoes, carrots, or leafy vegetables (Wilson, Quigley and Mansoor, 1999). Further, as soft drink ads have increased, milk consumption has plummeted, leading to a calcium deficiency in some children.

Experts worry about the lack of spontaneity as children increasingly play with licensed characters—often spin-offs from TV shows or movies—that come with their own, pre-scripted stories. German psychologists have found evidence backing what many adults have suspected for some time: Children don't need all those "must-have" toys. In attempting to prove that children could play creatively without toys, Strick and Schubert (Poulter, 1999) persuaded a nursery in Munich to keep playthings in cupboards for three months out of the year, leaving the children nothing but tables, chairs, blankets, and their imaginations. Initially the children appeared bored, but by the second day their attitudes had changed. They had become excited about the thought of making their own fun, building dens and putting on shows. Shubert noted

"We find that the children concentrate better, integrate better into groups and communicate better then the children who didn't take part."

Other psychologists believe the basic message underlying many products actually compromises children's sense of identity. Berkeley, California, psychologist Allen Kanner notes that "basically, the message in advertising is that you're desirable or good or successful or popular if you have things. You're a loser if you don't. You're consciously making kids feel bad. When that happens day in and day out, it's incorporated into their identity, a sense of who they are" (O'Crowley, 2000). Parents apparently concur. The Center for the New American Dream recently conducted a Kids and Commercialism survey and found that 78 percent of parents think advertising puts too much pressure on children to buy things. Seventy percent think advertising aimed at children has a negative effect on their values and worldview. Almost two-thirds of parents say their children define their self worth in terms of possessions. And a majority admitted buying things for their children against their better judgment because of the "nag factor"—a built-in button created by advertisers (Burns, 1999).

How Children Respond to Advertising

Academic interest in advertising to children has been keen since the 1970s. McNeal (1969) was the first academician to declare children a market. Since then, the bulk of the research on advertising and the youth market has focused primarily on process and outcome effects. Raju and Lonial (1990) provide an excellent overview of two decades of research on the topic. Process effects investigations concentrate on the extent to which children attend to advertising messages, their ability to distinguish commercials from programming, and the extent to which they understand the nature of advertising. Investigations of communication outcome effects concentrate primarily on the impact of advertising on children's attitudes and behavior relating to the advertised products and services, the influence of advertising messages on the parent-child relationship, and the socialization of children.

PROCESS EFFECTS

The concept of age-related cognitive development pervades the literature concerning children and the processing of advertising. Swiss psychologist Jean Piaget was the first to articulate theories of cognitive development, which stress the evolving nature of children's abilities to process information about the world around them. According to Piaget, cognitive development advances in four stages:

- *Sensory-motor intelligence:* (0 to 2 years). During this period, behavior is primarily motor. The child does not "think" conceptually, though cognitive development is seen.
- *Preoperational thought:* (2 to 7 years). This period is characterized by the development of language. The child's thinking about objects and ideas is still poorly organized, and only dominant features of a stimulus are used to make judgments.
- *Concrete operations:* (7 to 11 years). During these years the child develops the ability to apply logical thought to concrete problems. The child can think conceptually and organize ideas in a coherent manner.
- *Formal operations:* (11 to 15 years). During this period the child's cognitive structures reach their greatest level of development. The child becomes able to apply logic to all classes of problems, think in abstract terms and use all aspects of a stimulus to make judgments (Piaget, 1970).

American children's attention to advertising has been examined primarily with studies using observers (usually parents) to unobtrusively watch children viewing television in a natural home environment. In general, most studies of children's attention to television show a decrease in attention from programming to commercials. For example, commercials were ranked last of 11 types of television content in percentage of time watched while the material was aired (Bechtel, Achelpohl and Akers, 1972). Children watched commercials 55 percent of the time, compared to 76 percent for movies (the most watched type of broadcast material). Ward (1978) found that children watch only 50 percent of the advertisements and that this percentage gets smaller as more ads are presented in sequence. Another investigation found all children exhibited a drop in attention to commercials compared to attention to the program, but that this difference was more pronounced among the older children (Ward, Levinson, and Wackman, 1972). It is likely that the inability of younger children to differentiate advertisements from programs is responsible for sustaining their attention to commercials.

A study by Levin, Petros, and Petrella (1979) exposed 3-, 4-, and 5-year-olds to 10 seconds of both program material and advertisements and asked the children to identify the segments. The researchers found that all age groups could successfully identify the segments at a rate higher than chance. However, a number of other investigations have found that preschoolers often do not understand the difference between programs and commercials (Rubin, 1974; Stephens and Stutts, 1982). Robertson and Rossiter (1974) found that first graders were less capable than older children of distinguishing between programming and commercial messages. Stutts, Vance, and Hudelson (1981) found that although 78 percent of 3-, 5-, and 7-year-olds claimed to understand "what a commercial is," only the 7-year-olds exhibited an adequate understanding of the concept. Only 20 percent of the 5-year-olds and 3 percent of the 3-year-olds demonstrated a similar understanding. Stephens and Stutts (1982) placed a program segment in the middle of a cartoon program—where a commercial would normally appear. Five-year olds responded to this program segment as though it were a commercial. It appears that while very young children may, in fact, be able to identify ads, the identification appears to be based on superficial audio or video cues rather than upon a true understanding of the difference between programs and commercials. These findings, along with considerable regulatory pressure, led the networks to utilize various audiovisual techniques to more clearly separate programming and commercials on television directed primarily to children under age 12. An example is the use of "Face," the character on the Nickelodeon Network, who announces to children they'll be taking a short break to watch commercial messages. Interestingly enough, several studies have failed to demonstrate that separators are effective in helping younger children distinguish between commercials and programming (Butter et al., 1981; Stutts, Vance, and Hudelson, 1981).

Just as there are important age-related differences in children's attention to advertising, as well as their ability to distinguish programming from promotions, there are also critical differences in their abilities to discern the intent of advertising. The younger the child, the less likely they are to be able to understand that advertising is designed to persuade, and that biased information may be provided. Such age-related differences in the comprehension of advertising are at the heart of the concerns over advertising directed at children.

Butter, Popovitch, Stackhouse, and Ganner (1981) discovered that 90 percent of preschool children do not understand the reason why advertisements are presented on television. Rubin (1974) found that children in the preoperational stage of Piaget's framework had a more limited understanding of the purpose of advertising than older children in later stages of cognitive development. Ward (1972) found that while kindergartners showed no understanding of the purpose of advertising, second-graders understood that the intent of a commercial was to sell something. Fourth- and sixth-graders knew more and were even able to comment on the techniques employed in the creation of advertisements.

OUTCOME EFFECTS

Regarding outcomes, several types of effects have been identified in the literature. Here we focus on the impact of advertising on U.S. children's attitudes and behavior as well as advertising's effect on the parent-child relationship.

Attitudes Toward Advertising: Clearly, if children like advertising, there is a greater likelihood that they will be persuaded by it. A number of investigators have found that overall attitudes toward advertising become less positive with age. Robertson and Rossiter (1974) found that first-graders rated television commercials much more favorably than did fifth-graders, with the percentage of children who indicated that they like all commercials declining from 69 percent to 25 percent. In interviewing children ranging in age from 5 to 12, Ward (1972) found that distrust of commercials increases with age. Robertson and Rossiter (1977) found that age predicted attitudinal defenses in children better than any other factor, and that older children were more skeptical of and negative toward TV commercials. Regarding behavior, Robertson and Rossiter (1974) asked children whether they wanted "all" products advertised on TV. The researchers found an age-related decline: 53 percent of first graders said yes, but only 6 percent of fifth-graders did so. Asking whether children wanted "most" things advertised on television, Ward, Wackman, and Wartella (1975) found a less substantial decline. Apparently, overall attitudes toward advertising become more negative with age, a finding which should be of significant concern to marketers.

Parent-Child Relationship: Marketers of products targeted at children have long been interested in the dynamics of children's asking their parents to purchase things for them. And critics of marketing to children have long decried the fact that much advertising encourages kids not only to want things but also to nag their parents to purchase those items.

A survey of 109 mothers of 5- to 12-year-old children conducted by Ward and Wackman (1972) found that purchase influence attempts based on advertised products decrease as children become older, but that parental yielding increases with age. It appears that younger children ask for more, but get less, while older children ask for less, but get more. Isler, Popper, and Ward (1987), using a diary method, examined purchase requests among 3- to 11-year-olds and parental responses. The researchers found that over a 28-day period, 250 children made 3,374 explicit purchase requests, or an average of 13.5 requests per child (the range of requests was from 3 to 125). The average number of requests varied markedly by age, from 24.9 among the sample of 3- and 4-year-olds, to 13.3 for 5- to 7-year-olds, decreasing to 10.4 for 9- to 11-year-olds. The study also revealed the ways in which children ask for things and how their mothers respond. Most often, children "just ask" (81 percent of the requests) and pleading or bargaining was significantly less frequent (13 percent of the requests). Mothers agreed to buy in response to two-thirds of the requests and refused in response to one-third. In general, mothers were more agreeable to purchasing less expensive products, and were most reluctant to purchase more expensive ones. Parents reported that the vast majority of children (74 percent) took the refusal to buy as "OK." In another investigation, Atkin (1975) observed 516 mother-child pairs during grocery shopping and found 62 percent of parents acceded to a child's request or demand. "Conflict" occurred in 65 percent of the cases in which children's requests were denied and "unhappiness" in 48 percent. Conflict and unhappiness appeared to be greatest among 6- to 8-year-olds, but these negative responses were seldom intense or persistent. In a second investigation, Atkin (1975) found that one-sixth of children report arguing with their mothers "a lot" and one-third "sometimes" after denial of requests for toys. The findings of these studies confirm that children ask their parents to buy products, but it does not appear that these requests lead to frequent or dysfunctional conflict. A recent investigation of outcome effects was designed to determine whether commercials were actually the cause of those requests. Researchers conducted an experiment among 3rd- and 4th-grade children in two similar elementary schools. One school used an 18-lesson, 6-month-long curriculum designed to reduce children's use of TV, videotapes, and video games; the other school did not use this curriculum. The researchers questioned the children and parents in both schools about the children's toy requests before and after the curriculum was used. By the end of the school year, children in the intervention school reported about 70 percent fewer requests than the children in the non-intervention school. Parent reports indicated about a 60 percent reduction in the intervention school. The researchers concluded that these findings suggest that reducing television viewing is a promising approach to reducing the influence of advertising on children's behavior (*Health Alert*, 2002).

Means of Reaching Children

A recent study by the Kaiser Family Foundation (Diaz, 1999) examined a nationally representative sample of more than 3,000 U.S. children ages 2 to 18 in order to quantify and categorize kids' media exposure. Kaiser researchers found that the time kids spend watching TV, listening to music, surfing the Web, and using other forms of media averages more than 38 hours a week outside school, almost 5 1/2 hours per day. The study found that older kids (ages 8 to 18) were engaged by media just over 47 hours a week—or nearly 6 3/4 hours per day. Younger children (ages 2 to 7) spent 3 1/2 hours a day exposed to media. The study also found that traditional media—TV, print, and music—are still the dominant staples of the American child's media diet, just as they were for the prior generation.

TRADITIONAL MEDIA

Historically, the bulk of all advertising dollars directed at children—nearly 65 percent—has gone to television. This is understandable, given that children watch television far more than they use any other form of mass communication. Average U.S. children spend more than half their media time watching TV, videos, or movies. In contrast, they spend 22 percent of their media time listening to CDs or the radio and 12 percent with print. Currently, computers are in last place with just 10 percent. However, in years to come, traditional media will face increasing competition from the high-tech entertainment sources. Over 62 percent of U.S. households with children 6 to 12 now have personal computers, and 42 percent are connected to the Internet. Some studies show that kids under 12 are logging on an average of almost 10 hours per month, while Internet usage among 12- to 17- year- olds tops 13 hours a month. Computer usage among kids is up 25 percent in the past five years (Rublin, 1999).

While American kids have more media options today, they still choose to spend around 20 hours a week with TV. If kids need their TV, the global media giants most assuredly need children. "Five things cut across all cultures: News, music, sports, sex, and kids," notes Jon Mandel, co-managing director of Grey Advertising's MediaCom buying service, a powerful force in the children's television market. "A major media company can't really play in the sex world. News has become a commodity product. Sports and music are controlled commodities, which you can license but not own. Kid's programming is the only product you can create and exploit across cultures and countries, and there's a whole new group of customers to sell to every few years. You can amortize it forever" (Rublin, 1999).

The typical American home now has access to an average of 78 channels. And while children's television programming was previously relegated to the ghettos of Saturday morning and a couple of after-school hours, today a host of networks have filled the airwaves with a seemingly endless array of cartoons, contests, and true-life dramas. In the United States, kids' TV is a roughly $1.13 billion business in terms of national advertising sales (McClellan and Tedesco, 1999). Most of kids' viewing has shifted from commercial broadcast outlets to cable—with roughly 80 percent of the Gross Rating Points (GRPs) now on the cable side of the business (McClellan and Tedesco, 1999). Nickelodeon rules the roost; controlling about 50 percent of the industry's gross rating points for kids aged 2 to 11. That means 50 percent of this population tuned into television at any given time is watching Nickelodeon. Successful shows such as *Blues' Clues*, *Rugrats*, and *SpongeBob Squarepants* have contributed to this success. See Figure 8.2 for a cross-promotion between *Blue's Clues* and America's Dairy Farmers and Milk Processors. Nickelodeon has carefully built its brand by taking several "radical" steps. In 1992, the network introduced original programming on Sunday mornings, and later moved into Saturday and weekday nights. With both parents working and kids

Figure 8. 2 Nickelodeon's Blue's Clues characters in a "Got Milk?" ad

themselves overextended, more children now stay up later. Management at Nickelodeon recognized the trend and the network extended its kids' programming into the 8 to 9 P.M. time slot.

Time Warner's Cartoon Network is the up-and-comer in kids' television, commanding about 25 percent of gross rating points in the 2- to 11-year-old market. That leaves about seven other suppliers to compete for the remaining fourth of the market. The Cartoon Network was launched in 1992 on the strength of the old Hanna-Barbera cartoon library; today it reaches 60 million homes with a mix of original and archival animation. Time Warner's Kids' WBI (the other giant of kids' TV in the United States) does equally well airing such popular creations as Pokemon. Disney, which has nearly completed a transition from pay- to basic-cable delivery, was advertising-free for more than 19 years. However, in the spring of 2002, parents of small children got some bad news when Disney announced it had begun selling advertising time. The channel's sponsorship deal with McDonald's brought 15-second messages to children during the Playhouse Disney program block, aimed at kids ages 2 to 5. The deal eliminated one of TV's last commercial-free havens for parents concerned about their kids being "branded" at an early age (Electronic Media, 2002). The Disney Channel reaches some 57 million households, while Toon Disney, a cartoon offshoot, reaches 15 million. Fox is the current underdog of children's television. Fox Kids, which premiered in 1990, airs just 14 hours a week.

This boom in children's television is being mirrored in other markets. The United Kingdom is seeing the launch of five new children's channels, just months after industry opinion held that the market was saturated. According to Fox Kids UK's managing director, three factors have emerged to change the consensus: (1) more capacity is available with the advent of digital TV, (2) U.K. terrestrial broadcasters are increasingly looking at maximizing their libraries through niche pay-TV channels, and (3) there is substantial untapped demand for children's TV programming (Dunne, 1999).

The Kaiser study also analyzed parental monitoring and children's media environments. It found that almost half of the children (49 percent) had no TV-watching rules and 58 percent had the TV on during mealtime. TV time shared between parents and children accounted for 19 percent of TV watching for kids 2 to 7, but only 5 percent for kids aged 8 to 18 (Diaz, 1999). Children are increasingly viewing television without adult supervision. Television sets are found in the bedrooms of 34 percent of American children under 12. Among children 6 to 11, that proportion was 41 percent, and among those under 6 it was 24 percent. The same study also revealed that children living in households with higher levels of education are less likely to have sets of their own (Sherman, 1996).

The American Academy of Pediatrics recently recommended that children under 2 not be allowed to watch television. However, according to a recent *Parents'* magazine survey, nearly 90 percent of parents ignore the recommendation. According to Nielsen Media Research, kids aged 2 to 11 watch an average of two hours and 57 minutes of television per day. Viewership among youths aged 12 to 17 now stands at just under three hours (Rublin, 1999). Children watching commercial television are exposed to commercial messages. Estimates suggest that the average child is exposed to three hours of television advertising per week. This translates into viewing some 40,000 television spots each year. By the time a child reaches 18, the child will have spent more time watching TV than in the classroom.

The importance of television as a source of information about products directed at children is reflected in a number of investigations. According to mothers of young children interviewed by Barry and Sheikh (1977), TV ranked first as the learning source for products in general, followed by friends and catalogues. When asked where they would find out about toys and snack foods, about one-third of kindergartners and more than half of the third- and sixth-graders cited TV (Ward, Wackman, and Wartella, 1979).

An increasing concern is that many of the programs featuring commercial products aimed at children constitute little more than program-length commercials. Early examples of toy-inspired shows include *My Little Pony*, *The Care Bears*, and *Strawberry Shortcake*. By 1990, critics identified 70 programs that were based on commercial products, like the *Muppets*, the *Smurfs*, *He-Man*, and *The Masters of the Universe*. The danger is that such shows blur the boundary between advertising and programming. Further, Action for Children's Television (a powerful watchdog organization established in 1968) has charged that such program-length commercials have displaced other kinds of children's shows. Critics also claim that broadcasters are using these programs to circumvent the commercial limits of the Children's Television Act. While there have been attempts to regulate this kind of programming aimed at children, it is currently permitted by the Federal Communications Commission.

Closely related is the concept of licensing. "In brand licensing, a company with an established brand rents that brand to other companies, allowing them to use its logo on their products" (Wells, Burnett, and Moriarty, 2000). Licensed toys represent an ever-larger share of the total toy market. Licensed toys accounted for 32 percent of all toys—up from 22 percent in 1997 (Viselman, 1999). For example, BBC Worldwide earns some $14 million a year in product spin-offs from its programs—including 1,200 *Teletubbies* products ranging from stationery to soft ice cream. Tinky, Winky, Dipsy, Laa-Laa, and Po are the characters who star in the popular television show for preschool-age children which originated in Britain. When *Teletubbies* was first shown in Australia, viewing figures rose by 1,200 percent; in Thailand, Channel 7 achieved a staggering 97 percent audience share when the program was launched; in New Zealand merchandise sold out within days. The fact that *Teletubbies* characters are culturally neutral is partly behind the show's international success (Miller, 1999). The program premiered in the United States on public television in the spring of 1998 and became one of the top three programs for children aged 1 to 5. Recognizing this popularity, McDonald's, the world's largest fast-food chain, incorporated a *Teletubbies* promotion for its restaurants in the United States and Canada during 2000. Tots purchasing McDonald's meals received a *Teletubbie*s toy or trinket; the promotion was accompanied by an extensive advertising and marketing campaign (*Los Angeles Times*, 2000).

British characters have been particularly effective in capturing the imagination of children around the world. In addition to the Teletubbies, some of the most successful characters include Thomas the Tank Engine, Peter Rabbit, and Paddington Bear. In Japan in 1988, half a million children flocked to a theme park dedicated to Thomas the Tank Engine. Over 100 million Beatrix Potter books are now in homes around the world and the television series is shown in 50 territories. Paddington has had similar success internationally—the bear has a huge following among young women in Japan and is even the official mascot of a Dutch women's magazine. "There are replicas of Paddington Station settings in Japanese and U.S. stores, and a special promotion took place in late 1999 at the New York toy emporium FAO Schwarz, where Paddington received a glamorous albeit temporary makeover, courtesy of Tommy Hilfiger and Donna Karan" (Miller, 1999).

Another licensing success story is *Pokemon*, a phenomenon that started life as a Nintendo Gameboy game in 1997. Next came the cartoon series, and finally the toys. There are over 150 Pokemon characters, including Pikachu and Squirtel that must be captured by trainers who become masters if they "catch 'em all" as the advertising jingle goes. Spin-off merchandise includes everything from soft cuddly toys to playing cards and even a line of children's clothing. These quirky Japanese cartoon characters have swept not only Japan, but also the Unites States, Australia, and the United Kingdom, with global sales of $5 billion.

In contrast to television, print media that target children receive less than 10 percent of the advertising dollars. Nonetheless, in the United States, a dozen new children's magazines have been introduced every year since 1990 (Finholm, 1998). Half die within a year, but the trend continues. The reason is simple: the major audience for magazines is baby-boomers—and now that they are parents, they purchase the publications for their offspring. Magazines currently exist for every age range. For 2- to 4-year-olds, *Barney, the Magazine* has proven popular. Based on the popular television show, the magazine features stories, pages to color, and songs from the show. *Ladybug* appeals to 2- to 6-year-olds. This high quality magazine is filled with poems, stories, and art—some of it authored by the children. *Chickadee*, for kids who like animals, appeals to 6- to 9-year-olds. National Geographic's *World* targets the same audience. *Crayola Magazine*, read by 5- to 10-year-olds, is filled with drawings submitted by young readers, a variety of features, such as "Fun with Science" and numerous craft ideas—many of which incorporate crayons made by Crayola, the sponsor. A recent advertisement for Elmer's Glue offers parents a recipe for painting with the product (see Figure 8.3).

Kids aged 8 to 12 love *Zillions*, the junior edition of *Consumer Reports*, and so do parents because it dissects the ads aimed at young shoppers. Kids test some of the latest "must have" toys and games and rate them. Articles like "Toy-ad tricks, would you fall for them?" help kids become savvy about advertising. *Sports Illustrated for Kids* appeals to 8- to 12-year-olds with articles about sports, plus sports cards and posters. *American Girl* speaks to preteens with stories, arts and crafts, and Q&As such as "What should you say when you get a gift you don't want?"

An abundance of young-adult magazines includes *Boy's Life* (articles and fiction for 8- to 18-year-old boys, published by the Boy Scouts of America); *Cosmogirl* (a teen version of Cosmopolitan, for girls 12 to 17); *Latingirl: The Hispanic Teen Magazine* (which addresses the lives and aspirations of Latin female teens in articles on fashion, beauty, and health); *YM* (articles on entertainment, lifestyle, fashion, beauty, and relationships for young women aged 14 to 19); and *Teen People*. With an editorial mix covering entertainment, fashion, and beauty, and featuring real teens and their accomplishments, *Teen People* has become one of the fastest growing launches in publishing history. Launched in January 1998 with a guaranteed circulation of 500,000, *Teen People* announced an increase to 1.5 million (*PR Newswire*, 2000). *Teen People* draws upon a nationwide network of teens, called Trendspotters, who lend a hand to the magazine by testing new products, participating in surveys, and providing feedback. See Figure 8.4 for a recent ad appearing in *Teen People*.

While kids enjoy a wealth of choices in television and magazine entertainment, their choices are far more limited on the radio. The only 24-hour-a-day, seven-day-a-week radio network is Radio Disney, which is now heard in 16 of the top 20 U.S. markets. By 2001 it was expected to be in all of the top-20 metro markets, heard in 70 percent of the United States (Silberman, 2000). The network, which uses outside research companies to measure its presence, now boasts an audience of 1.5 million kids (target demographics: kids 2 to 77 with a core audience of 6- to 11-year-olds), plus about half a million moms. In

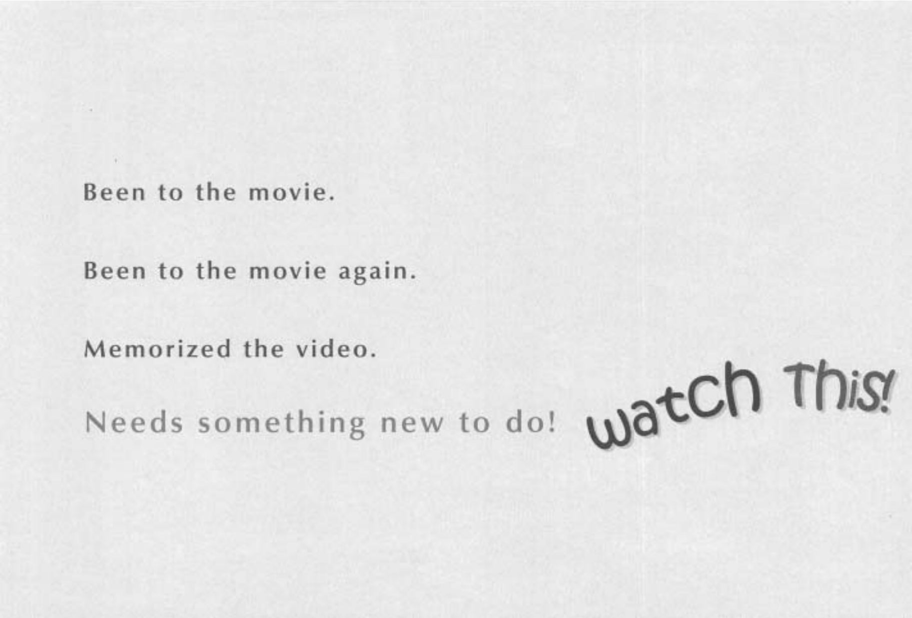

Figure 8.3 Kid's are encouraged to "paint with Elmer's Glue" in this ad in Crayola magazine

terms of content, it plays an abundance of teen-appeal acts such as Britney Spears, 'N Sync, Backstreet Boys, and Christina Aguilera, along with film and TV-soundtrack hits. Radio Disney augments its music with hourly and daily contests and heavy listener interaction. Other features include ABC News and ESPN sports updates tailored to kids.

The biggest non-Disney children's radio show is the Fox Family Countdown, a two-hour program heard every Sunday on 185 stations. In addition to music programming, there is "Talkateria," where family members share their opinions on-air, as well as interviews with music and show-business personalities. Other radio programs include syndicated commercial fare such as the 10-minute "Bedtime with Barney" spots heard on about 50 stations; "The Magical Forest," a half-hour variety series; and "Mrs. Bush's Story Time," where the former First Lady Barbara Bush and character voices read children's books once a week between Thanksgiving and Christmas. "Almost every major market has children's radio programming," notes entertainment attorney and former Kids' radio producer Howard Leib. "The thing is, nobody knows it. The first one to publicize it was Radio Disney, but they and Fox are more for older kids and their parents, which helps them get advertising. That's why most kids' programming is on non-commercial radio" (Silberman, 2000).

NEW MEDIA—ADVERTISING VIA THE INTERNET

Already, some 12 million U.S. children (about 25 percent of kids aged 2 to 12) were already online. That number was expected to grow to 20 million in 2002 (Thompson, 2000). "Going on-line was often thought of as an educational experience for kids, but increasingly it's a shopping experience," notes Kathryn Montgomery, president of the Center for Media Education, a nonprofit group in Washington. "There is content, but there is also a huge amount of marketing and E-commerce and sales," (Lowy, 1999). In the early days of the Internet, it was presumed that limitations inherent to kid commerce, such as the lack of credit cards, would keep a lid on online sales to kids and teens, but "cybertots" have become big business. Parents can now open online accounts for their children at sites that cater to a crowd too young for plastic. And while teenage online spending across the United States and European Union countries was estimated at $483 million in 2000, forecasts reveal this figure will increase to $10.6 billion by 2005 (*PR Newswire*, 2001).

The Center for Media Education (CME) petitioned the Federal Trade Commission to investigate what it considered exploitative marketing on the Internet. CME contended that a number of well-known national brands used Websites that were advertisements in disguise and unfairly targeted children.

Figure 8.4 Teen People stays plugged in to what's cool and what's not for today's teens.

According to CME, the Websites "were designed to capture the loyalty and spending power of children." Other Websites invaded children's privacy by offering prizes and rewards in exchange for personal information. For example, at Mars Inc.'s Website, children were asked to help in the so-called Imposter Search to ferret out a fake M&M candy—by supplying the names and e-mail addresses of playmates. The site provided a form dubbed "Alert Your Friends!" that stated, "If we're going to catch the Imposters, we're going to need all the help we can get. That's where you come in." When youngsters filled in the answers, the site zapped out an automatic e-mail that went to the new recipient—and appeared to have been sent by the friend who supplied the names (Sandberg, 1997).

As a result of such online ploys, in October 1999 the U.S. Federal Trade Commission (FTC) issued the Children's Online Privacy Protection Rule, which required children's website operators to post comprehensive privacy policies on their sites, notify parents about their information practices, and obtain parental consent before collecting personal information from children under the age of 13. The Rule, which went into effect on April 21, 2000, was issued to implement the Children's Online Privacy Protection Act, passed by Congress in 1998. In February of 2001, the FTC announced that the Children's Advertising Review Unit (CARU), the children's arm of the advertising industry's self-regulatory program established in 1974, had been approved as the first "safe harbor" program under the terms of the Act. Safe harbor programs are industry self-regulatory guidelines that, if adhered to, are deemed to comply with the Act. This program is unique because it recognizes the important role industry can play as a partner with government to protect children's privacy on the Internet (*M2 Presswire*, 2001). In addition to issues of privacy, parental consent, and collection of personal information, CARU's guidelines also concern age-appropriate content and links to other Websites that do not comply with CARU guidelines. Following expression of concern by CARU, several sites have been forced to modify their Websites to comply with CARU's guidelines. For example, WB Television Network and Warner Music/London-Sire Websites lacked comprehensive privacy policies, and Marvel Entertainment's Website collected extensive information from minors, while The Cartoon Network's Website featured a game that was inappropriate for younger children. If a Website fails to comply with CARU's guidelines, CARU may refer the matter to the FTC for Children's Online Privacy Protection Act enforcement, which carries penalties of up to $11,000 per violation (LaRochelle, 2001). However, a study conducted by the Annenberg Public Policy Center at the University of Pennsylvania found that almost half of the 162 sites checked didn't have prominent links to statements that disclose how they use any data they collect. One in ten had no link at all on their home page. And some sites let children hit the back button and enter a different birth year if rejected for being under age 13 (Jesdanun, 2001). The FTC has held workshops and set up telephone hot lines to help sites comply with the guidelines.

More than two-thirds of all Internet sites designed for kids and teens use advertising as their primary revenue stream. But obvious tactics, such as banner ads and buttons, have proven less than successful in enticing youthful consumers. Today, sites are employing more creative techniques, from games to e-mails to wireless technology. Some 55 percent of children's and teens' sites now feature games. Although original games with no commercial tie-ins still exist, they have been joined by a growing army of product-related offerings. For example, on Foxkids.com, Sweet Tarts, Burger King and McDonald's have also appeared. These products may be game pieces, the hidden treasure, or some other integral part of the game. Kids will often spend as much as 30 minutes per online session on the Fox site, much of that time playing games. Clearly, this is much more time with a young consumer than a marketer could hope to achieve via a television commercial.

While the Children's Online Privacy Protection Act forbids marketers from using e-mail to sell to kids under age 13 without parental permission, kids can e-mail each other—and increasingly, they are passing along advertising messages gleaned from commercial Websites. It is often as simple as an e-card with a Sesame Street character, which a child can pick up from *http://sesameworkshop.org* or a hyperlink to a Nike site that hosts video clips—starring their shoes, of course. "E-mail is the primary conduit for the 'viral' campaigns (they used to be known as word-of-mouth) that rely on kids to hit the forward button, according to Jupiter Media Metrix, a leading Internet research firm. One example: Lee Jeans targeted 200,000 young men with e-mails sent out by its ad agency that carried mysterious and amusing video clips. Distributed by recipients to an average of six friends each, the e-mails directed consumers to a specially designed online game, and ultimately, to stores, where secret codes for prizes were printed on price tags" (Neuborne, 2001).

Finally, there are numerous independent gathering spots on the Web where kids go to chat about common interests such as music, skateboarding, or computer games. Increasingly, however, marketers are joining those conversations. For example, Tiger Electronics, a division of Hasbro, worked hard at promoting its I-Cybie robotic dog. To ensure that the virtual pet, which responds to voice commands, would be a hit, Tiger executives regularly visited chat rooms and bulletin boards, offering product news and answering the questions of toy and tech enthusiasts.

Many parents are concerned that the Children's Online Privacy Protection Act may simply not be enough. They look to software such as America Online's Parental Control program and browser options such as Surfmonkey.com to help prevent kids from visiting sites they prefer to block. But it is increasingly difficult to keep abreast of the latest marketing ploys, as more are on the way every day. Consider the move to wireless Internet technology. Such technologies would allow advertisers to direct messages to mobile computer users—via Internet-linked cell phones or personal digital assistants—based on their location and cell phone number. Increasingly, children between the ages of 10 to 16 in high-to-medium-income areas are carrying cell phones. Software could automatically e-mail or call kids on their cell phones with an ad when they walk past a store—for instance, sending along a few seconds of a new hit song along with a dollar-off digital coupon for a CD (Harrington, 2000). Clearly, the wireless Internet and other new technologies will present challenges to parents hoping to protect their children from being micro-targeted with ads that will give undue power to the commercial message.

VIA THE CLASSROOM

America's schoolchildren are 43-million strong and their combined buying power is greater than that of many nations. These facts have not been ignored by marketers in the United States. Until fairly recently, public elementary and secondary schools were among the few remaining "marketing-free zones." However, commercialism in schools is clearly on the rise. This is an outgrowth of the difficulties marketers have experienced reaching young people through traditional media channels. The youth market is an increasingly fragmented audience, exposed to ever-increasing advertising clutter as a result of the proliferation of new kid's products. In particular, tweens—pre-teenagers with disposable incomes—are turning to videos, computer games, and other forms of advertising-free media for entertainment.

U.S. advertisers have been forced to explore new avenues to reach this desirable group. Increasingly, schools are being used to deliver promotional messages to America's children. While the United States has been the frontrunner in the rush to open school doors to marketers, other nations have followed suit. In England, corporate funding of education has grown so fast that 85 percent of British schools allowed promotion in their classrooms (Cohen, 2001). Changes announced in Britain in 2001 will allow private companies to manage public schools, though firms would be limited to the management of under-performing schools. Even in France, where education is tightly controlled by the central government, and the law forbids any kind of direct advertising in schools, commercial companies have managed to infiltrate thinly disguised publicity into the classroom. For example, Colgate teaches children how to brush their teeth, the Leclerc supermarket chain tells them about the European single currency, and the state power monopoly provides material in favor of nuclear energy (James, 2001).

Critics of in-school advertising argue that public school classrooms and playgrounds should be areas in a child's life that are free from commercial pressures (Wartella, 1995). Some suggest that spending class time on advertised messages takes time away from more substantive instruction. Another criticism of in-school advertising is that contradictory messages are sent to the students. In today's curriculum, children are taught about the importance of environmentalism, then, through advertising, encouraged to embrace consumption, the antithesis of environmentalism (Manilov, 1994). Other mixed messages include nutritional values versus the promotion of fast foods and snacks, and the commercial emphasis on physical appearance.

Yet, proponents claim the opportunities offered by advertisers will benefit education. With tax dollars scarce, school fund raisers are forced to move beyond the traditional bake sale and Parent-Teacher Association raffle. The trend toward privatizing education has been seen as a viable alternative to the reliance on dwindling public funds (Molnar, 1994). As schools face reduced financial resources, using advertising to generate much-needed funds has proved to be a solution for some schools. Public-private partnerships between education and corporations can provide public schools with equipment and educational materials at corporate expense. The sponsoring corporations are seen to be supporting public education and at the same time benefiting by getting their advertising messages, brand names, and logos distributed through the school system.

A myriad of marketing activities can be found in today's public schools. Advertisers can communicate with students via wall media: In 1984, Whittle Communications introduced "Connections" wall posters to schools. Published 14 times per year, each issue is made up of four themed poster boards. The list of sponsors includes Proctor & Gamble, Coca-Cola, and Levi Strauss. In 1988, American Passage introduced "Gymboards." Designed for locker rooms, the left panel of the board is for editorial content, to the right is a chalkboard for use by gym instructors, and the center panel is a display area for national advertisements. A typical buy for advertisers, 2,300 boards for two weeks, costs about $60,000. Sports & Educational Enterprises has launched Campus Communication Centers—a wall medium designed for display in school lobbies. Each unit contains an electronic moving message board, a four-week calendar, a bulletin board, and three national advertisements. A typical buy of 100 locations for one year runs an advertiser about $50,000. School newspaper supplements are also increasingly seen on campuses. Inside Inc. has launched *Inside*, a magazine distributed to 400,000 students in 400 schools. A full-color page in the publication runs approximately $16,000.

One of the most controversial attempts to communicate with students as consumers is *Channel One*, a 12-minute daily television news and current affairs program that features two minutes of commercial messages. Schools promise to show *Channel One* in exchange for approximately $50,000 worth of audio-visual equipment—television monitors, video cassette recorders, and satellite dishes, plus installation and technical assistance. *Channel One* is beamed to more than 12,000 schools and now reaches more than 8 million high school students (Manilov, 1994). A single 30-second spot on the program costs advertisers upwards of $198,000.

Critics of *Channel One* point out that the two minutes of advertising daily adds up to a full school day every year. Educators, in particular, express concern regarding the loss of control over the curriculum. Consumer advocacy groups such as UNPLUG, Adbusters, and the Center for the Study of Commercialism, have targeted *Channel One* as a social detriment for children. Educational groups such as the National Parent-Teacher Association, the National Education Association, and the National Association of Secondary School Principals, have lambasted *Channel One* for its overt commercialism. Other critics argue that schools with more money for educational materials (i.e., those that can afford to), are more likely to say "no" to advertising-sponsored programs. A University of Massachusetts analysis of schools that receive *Channel One* found that schools spending the least on educational materials were three times more likely to receive the program than schools spending more on materials. Additionally, the study found *Channel One* disproportionately located in low-income schools. The researchers concluded that students in poorer neighborhoods might be receiving an "unequal education," subjected to the propaganda of corporate America, which may not have education as its prime objective (Morgan, 1993).

In spite of the criticism of *Channel One*, some studies have found positive benefits associated with its presence in public education. Tiene and Whitmore (1995) found that most public schools subscribing to "Channel One" use the television equipment provided for a variety of other purposes: showing instructional television programs, school announcements, special events, and student productions. More than 80 percent of the schools surveyed indicated an increase in the use of educational television since subscribing to *Channel One*. Forced exposure to national and international news stories also aided students in developing a better understanding of current events. Wulfemeyer and Mueller's (1992) study of values present in *Channel One*'s advertising did not find an exorbitant amount of blatant materialism. And Johnston (1995) found that most teachers using *Channel One* have favorable impressions of the program and consider advertising a small price to pay for the benefits.

A number of U.S. states have denounced *Channel One*. Despite intense lobbying efforts by Whittle Communications, the New York State Department of Education has officially banned *Channel One* in its public schools. California's superintendent of schools, William Honig, was highly critical of the program, and while the California Department of Education initially banned the program, it subsequently lost the court battle, and today individual school districts in the state decide whether or not to participate in the program.

Sponsored educational materials (SEMs) are teaching aids and classroom-ready curricula provided by corporations and organizations. SEMS include booklets, pamphlets, filmstrips, study guides, posters, book covers, videotapes, and CD-ROM computer programs. For example, the manufacturers of Cheer laundry detergent provide teachers with a poster which explains "How to become a Cheer-ful Helper (by collecting and sorting laundry, filling and emptying the washing machine, and finally, drying, folding, and putting away clean clothing). A pamphlet accompanies the poster. The take-home booklet includes games and activities (such as stack up and put away the tower of towels) for families to engage in together (See Figure 8.5). Today, more than 12,000 companies or individuals are sponsoring these materials and reaching almost 20 million elementary and secondary students in the United States (Mueller and Wulfemeyer, 1993). A leader in this category is Lifetime Learning Systems of Fairfield, Connecticut. Hundreds of companies and entities have hired the firm to peddle their products (or ideologies) in the academic setting, including the Coca-Cola Company, the National Frozen Pizza Institute, the Snack Food Association, and even the government of Saudi Arabia. In its promotional literature, Lifetime claims to reach 63 million young people every year and that its materials "combine both strong commercial appeal and sound educational information."

Critics point out that most SEMs are provided not for altruistic reasons but as a means of targeting a very lucrative, captive market. Opponents to advertising-sponsored educational aids question the objectivity and educational value of these materials. They wonder how such aids can provide impartial instructional content when the overriding objective for sponsoring firms is the endorsement of their brands. For instance, Campbell's Soup provided schools with a poster, pamphlet, and other materials for use in science classes. The company's "Prego Thickness Experiment" instructed students how to scientifically prove that Campbell's spaghetti sauce was thicker than the sauce made by rival Ragu. Similarly, nutrition posters from Burger King, personal finance materials from a credit card company, and Johnson Wax's sponsorship of programs on the environment are examples of corporations providing information that may be in conflict with accepted curricula, or at least represent a conflict of interest for the sponsoring firm (McGowan, 1993).

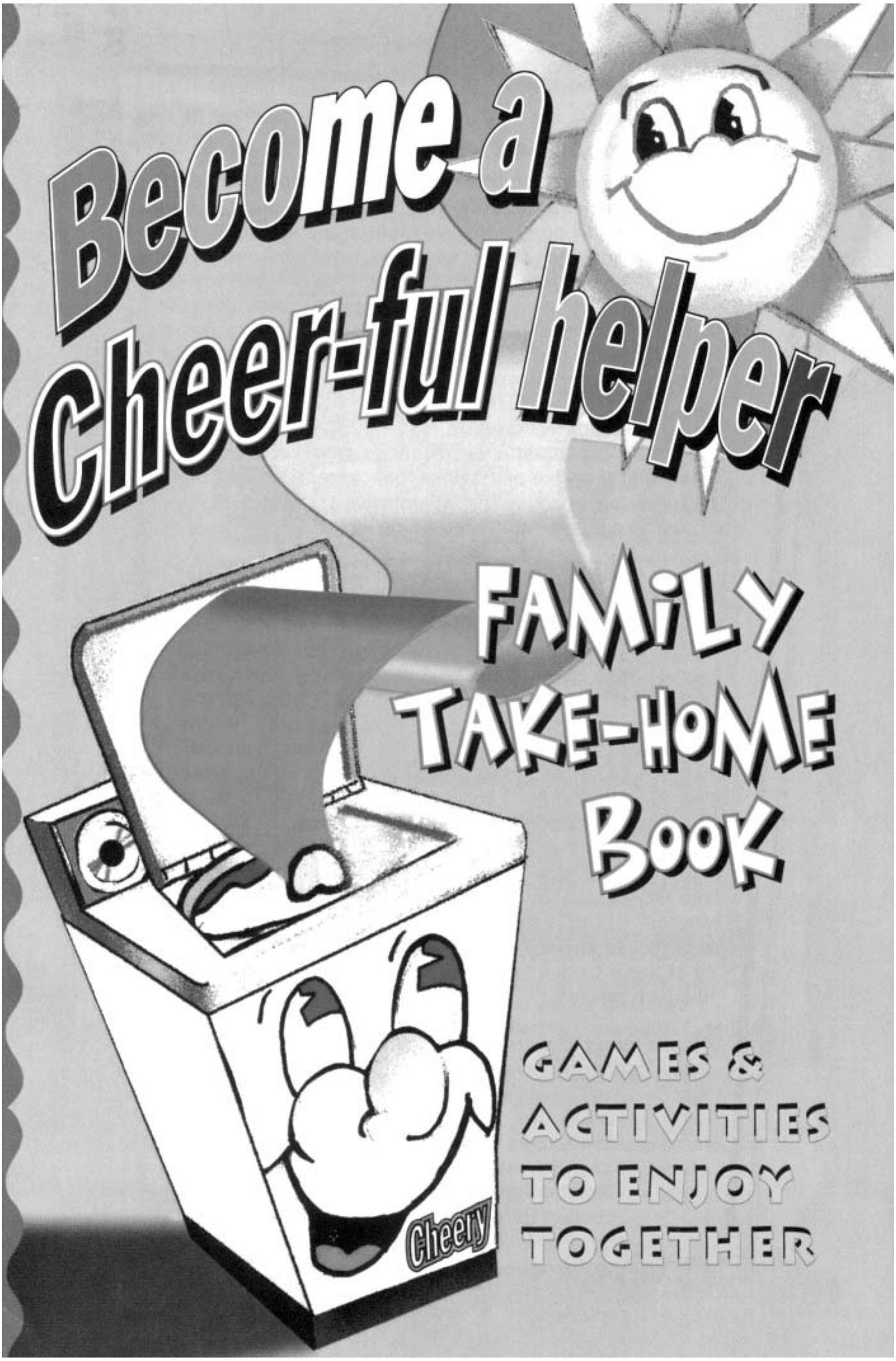

Figure 8.5 Manufacturers of Cheer laundry detergent target school children with posters and pamphlets.

Proponents of SEMs say educators would not use materials that are subjective or lack educational value. Corporate sponsors claim they provide innovative materials that enhance the curriculum, and with today's budget shortfalls, corporations are filling a critical need by providing increased learning opportunities and materials for schools. Indeed, a recent survey of elementary and secondary school teachers found that the majority of educators felt the materials were well-designed and featured useful, up-to-date, real-world examples, and most did not perceive the SEMs as overly commercial (Mueller, Wulfemeyer, and Penny, 1999). "Teachers are so overwhelmed with their total job that they welcome anything that will aid them in making their subject area more attractive to students, easier to grasp, and save teacher time in making up original material. If an industry can offer all of those things, a teacher is just grateful-to hell with where it comes from" (Cearley, 1979).

ZAPME! is a company that provides free computers and Internet access to schools in exchange for screen space to post advertisements. The computers include a special browser with access to 10,000 educational websites. A box on the left-hand side of the screen highlights brand names and other products targeting the needs and desires of school-age kids. Interested students can click on an icon for a full spread of advertisements and promotions. The opportunity for free computers and accessories has prompted more than 10,000 schools to apply for ZAPME! The company purchases the computers and technology to give to schools free and paying for the related costs by selling advertising space on its specially designed Net space. To keep the computers, the schools must guarantee that they will each be used for at least four hours per school day. ZAPME! officials note that they are providing students with access to modern learning tools to use for communicating, collaborating, and accessing the Internet, and they argue that the advertisements will not overshadow the benefits of the program (Cearley, 1999).

Schools are becoming increasingly innovative in providing advertisers with the means to spread their commercial messages inside the venue of public education. Thousands of students receive bags filled with free samples of shampoo, deodorant, mouthwash, and feminine hygiene products—items that research shows enjoy the highest level of brand loyalty. Sampling Corporation of America, one of the nation's largest in-school marketers, works with packaged-goods firms that wish to reach students from kindergarten to college. The firm estimates it reaches over 70 percent of kids aged 6 to 12 and 85 percent of high school students.

Cola companies are spending well over $100 million on exclusive rights contracts ("Not for Sale," 1999). For example, Pepsi was named exclusive vendor in Denver, Colorado, schools, administrative offices, stadiums, and gyms—a deal that is expected to generate at least $5.4 million for the schools over five years—including $1.5 million of it as a donation (Schwartz, 1998). The San Jose, California, school district recently signed a deal making the Pepsi-Cola company the exclusive fizzy drink vendor for its schools. The deal is worth $3.5 million to the district, and even more if the kids drink up (Gumbel, 1999). To date, over 150 schools and school districts have exclusive drinks contracts in what is rapidly turning into a turf war between Coca-Cola and Pepsi-Cola. In fact, one Georgia teenager who wore a Pepsi shirt to his school's Coke Day was suspended for insubordination.

U.S. fast-food restaurant chains have managed to introduce not only their corporate names but also their products into school breakfast and lunch programs around the country, and around the world. School breakfasts in the United States often include highly sugared cereals. In addition, General Mills sponsors teaching materials and computer software on the importance of breakfast, and its "Big G Box Tops for Education" program donates money to schools for box tops students collect. About 9 percent of elementary schools participating in the school lunch program (in which the government subsidizes the cost of school lunches) offer brand-name fast foods—a number expected to balloon in the coming years (Levine, 2000). Most popular vendors are Domino's, Taco Bell, and Pizza Hut. Pizza Hut delivers to over 4,000 school cafeterias. The food industry gains access to elementary schools by marketing its programs and materials to school food service personnel, administrators, teachers, and other professionals, on the promise of increased student participation in the school lunch program and needed funds and materials for their chronically under-funded schools (Levine, 2000).

The appropriateness of advertising directed toward children and teens is a controversial topic that stirred debate long before these relatively recent attempts at tapping the student market. And marketing in the classroom has drawn the bulk of the criticism in recent years. To date, policy in none of the states governs advertising in the public schools. Decisions are usually made by each district's superintendent, or may be left to the discretion of individual principals. Until the issue of the role of advertising in the classroom is resolved, states, school districts, and teachers should develop systematic procedures for reviewing and evaluating commercial messages and media targeted at young people. In 1990, educators at a meeting hosted by the University of Wisconsin at Milwaukee developed a series of principles for corporate involvement in the schools (see Table 8.1). The National-Parent Teacher Association, The American Association of School Administrators, the National Association of State Boards of Education, and the National Education Association have endorsed these rules. Compliance is, of course, voluntary.

Educators can also take advantage of the opportunity afforded by *Channel One* and other student-oriented advertising vehicles by using the commercial

TABLE 8.1 National Principles for Corporate Involvement in Schools

School-business relationships based on sound principles can contribute to high-quality education. However, compulsory school attendance confers on educators an obligation to protect the welfare of their students and the integrity of the learning environment. Therefore, when working together, schools and businesses must ensure that educational values are not distorted in the process. Positive school-business relationships should be ethical and structured in accordance with all eight of the following principles set by the Consumers Union Education Services (1990, p. 3).

1. Corporate involvement shall not require students to observe, listen to, or read commercial advertising.
2. Selling or providing access to a captive audience in the classroom for commercial purposes is exploitation and a violation of the public trust.
3. Since school property and time are publicly funded, selling or pr0viding free access to advertising on school property outside the classroom involves ethical and legal issues that must be addressed.
4. Corporate involvement must support the goals and objectives of the schools. Curriculum and instruction are under the purview of eduction.
5. Programs of corporate involvement must be structured to meet an identified education need, not a commercial motive, and must be evaluated for education effectiveness by the school and district on an ongoing basis.
6. Schools and educators should hold sponsored and donated materials to the same standards used for the selection and purchase of curriclum materials.
7. Corporate involvement programs should not limit the discretion of schools and teachers in the use of sponsored materials.
8. Sponsor recognition and corporate logos should be for identification rather than for commercial purposes.

content as a catalyst for discussions on how to interpret advertising messages and techniques. This could serve to encourage students to become more discriminating consumers of both commercials in classrooms, and more importantly, commercials in everyday life outside the classroom.

Regulation of Commercial Messages Targeted to Children

Parents, educators, and, in particular, regulators have been concerned about the amount of advertising directed at children for at least the past 30 years. Three basic views regarding advertising to children exist (Sandage, Fryburger, and Rotzoll, 1989). First is the view that directing any advertising to children is wrong. The desire to restrict advertising to children is based on a number of concerns. Many critics believe that advertising promotes superficial values and a consumption ethic. They argue that children are inexperienced consumers and thus are easy prey for sophisticated marketers. And, as any parent can attest, advertising influences children's demands for just about everything. Such demands often lead to an environment of parent-child conflict. A second view holds that advertising directed toward children may be permissible under certain conditions. Third is the viewpoint that advertising is a part of life: Children must learn the skills needed to function in the marketplace as part of the consumer socialization process. According to this view, any special care needed for children is best handled through self-regulation by the advertisers, agencies, and the media. Countries vary in their perceptions of children as a market, and a particular country's position on advertising to children may vary over time.

Since the 1970s, in the United States a great deal of concern has been expressed over appealing to children as consumers. By then, marketers were already spending over $400 million a year advertising in children's programming (Sivulka, 1998). A 1977 study found that the average child watched more than 1,300 hours of television annually, which resulted in exposure to some 20,000 commercials per year (National Science Foundation, 1977). The vast majority of these advertisements pitched sugared foods (sugary cereals, candies, snacks, and juices) which posed a threat to children's well-being. Critics argued for greater regulation because of children's inability to evaluate advertising messages and make purchase decisions. Much of the controversy during this time centered on television advertising.

In response, the Federal Trade Commission initiated proceedings to study the possible regulation of children's advertising. The FTC's recommendations included: (1) a total ban on television advertising directed to children "too young to understand the selling purpose of, or otherwise comprehend or evaluate" commercials tentatively identified as aimed towards children below 8 years of age; (2) an additional ban on television advertising for "sugared products, the consumption of which poses the most serious dental health risks" directed to older children, tentatively identified as being ages 8 through 11; and (3) a requirement that television advertising directed to older children for sugared products not included in the proposal be "balanced by nutritional and/or health disclosures funded by advertisers."

These recommendations were intensely debated and strongly opposed by the advertising industry. And several major advertisers argued that the First Amendment provides the right to communicate with those consumers who made up their primary target audience (Enis, Spencer, and Webb, 1980). Opponents also suggested that it was the parent's responsibility to help children understand advertising messages and to refuse to comply with unreasonable demands. The FTC proposal was subsequently rejected. Outside of the Children's Online Privacy Protection Rule discussed previously, the FTC's current stance toward children's advertising is focused primarily on cases of alleged deception. In recent years, the FTC has tackled commercials featuring a toy helicopter that appeared to be able to hover and fly under its own power, a ballerina doll that seemed to stand alone and twirl without human assistance, and a paint sprayer toy that was made to look easier to use than it was.

Action for Children's Television was instrumental in getting the House of Representatives and the Senate to approve the Children's Television Act in October 1990. This Act placed a 10.5-minute-per-hour cap on commercials in weekend children's television programming and a 12-minute-per-hour cap for weekday programs. The rule went into effect January 1, 1992, and stations voluntarily report to the Federal Communications Commission whether they are complying with the guidelines when their licenses come up for renewal every three years. Since the law was enacted, 84 stations have been found in violation. The stiffest fine has gone to KTTU-TV in Tucson, Arizona. The FCC fined the station $125,000 for 581 overages, including 140 instances in which advertising went two minutes past the time limit. In a recent FCC survey of 465 stations, 28 percent were found to be out of compliance (Albiniak, 1998).

The act also outlined rules requiring commercial breaks to be clearly distinguished from programming and officially barring host selling, tie-ins, and other practices that involve the use of program characters to promote products. The federal government, broadcasters, and children's advocates also reached an agreement requiring all TV stations to air three hours of children's educational programming per week. However, according to a study by the Center for Media Education, some broadcasters have attempted to fulfill their obligations by airing such programs as *G.I. Joe* or *The Jetsons* (Andrews, 1993).

Self-regulation by the advertising industry has attempted to fill the void. In 1974 the National Advertising Division (NAD) of the Council of Better Business Bureaus set up a group charged with helping advertisers deal with children's advertising in a manner sensitive to children's special needs. The Children's Advertising Review Unit (CARU) was established to review and evaluate advertising directed at children under the age of 12. The CARU guidelines address seven areas (see Table 8.2).

In addition to these guidelines, a section has been added on interactive and electronic media advertising to children. The CARU recognizes that it is important to many companies that they are able to communicate directly with

TABLE 8.2 Children's Advertising Review Unit Guidelines

1. *Product Presentations and Claims:* Children should be able to understand how a toy looks and works. The CARU is concerned that a product be demonstrated in a manner that can be duplicated by the child.
2. *Sales Pressure:* Undue sales pressure includes urging children to ask parents or others to buy products. There should be no suggestion that a parent who buys a product for a child is better, more generous, or more loving than one who does not. Further, ads should not suggest a child will be better than others or more popular by owning a given product.
3. *Disclosures and Disclaimers:* Marketers should include all essential information in their advertisements. For example, advertisers should note when batteries are required and if items shown in the commercial must be purchased separately. All information should be in a language that children can comprehend. For example, the average youngster may not comprehend "some assembly required," but will readily understand "you and your parents have to put this together." The CARU encourages both audio and video disclosures.
4. *Comparative Claims:* While comparative claims are rarely employed in advertising directed to children, when they are, the language should be clear and meaningful to the audience.
5. *Endorsements and Promotions by Program or Editorial Characters:* Program characters should not appear in commercials within their own programs, either as characters or products. In print, title characters should not appear in ads within their own publications, either as characters or products. The argument is that such presentations may hamper a child's ability to distinguish between programs or editorial content and advertising.
6. *Premiums:* When premiums are offered, primary emphasis in the commercial message should be on the product.
7. *Safety:* Safety is the one section of the guidelines that also applies to advertising directed at adults. No unsafe behaviors should be portrayed in commercial messages targeted at children.

children. However, only by voluntarily complying with these guidelines will they be able to avoid potential conflict with those who believe advertising directed to children should be strictly regulated or banned altogether. Five basic principles underlie the CARU's guidelines.

1. Advertisers should always take into account the level of knowledge, sophistication, and maturity of the audience to which their message is primarily directed. Younger children have a limited capability for evaluating the credibility of what they watch. Advertisers, therefore, have a special responsibility to protect children from their own susceptibilities.

2. Realizing that children are imaginative and that make-believe play constitutes an important part of the growing process, advertisers should exercise caution not to exploit the imaginative quality of children. Unreasonable expectations of product quality or performance should not be stimulated whether directly or indirectly by advertising.
3. Recognizing that advertising may play an important part in educating the child, information should be communicated in a truthful and accurate manner with full recognition by the advertiser that the child may learn practices from advertising that can affect his or her health and well-being.
4. Advertisers are urged to capitalize on the potential of advertising to influence social behavior by developing ads that, wherever possible, addresses social standards generally regarded as positive and beneficial—such as friendship, kindness, honesty, justice, generosity, and respect for others.
5. Although many influences affect a child's personal and social development, it remains the prime responsibility of the parents to provide guidance for children. Advertisers should contribute to this parent-child relationship in a constructive manner (Council of Better Business Bureaus, 1983).

As excellent as these guidelines are, the primary problem is that the CARU doesn't have the power to enforce them, while the FTC, which has the power, cannot issue sweeping regulations. The FTC can only respond to complaints on a case-by-case basis.

Other countries have been more aggressive in regulating marketing to children. The Canadian province of Quebec has long banned advertising to children on television and radio. New Zealand's government has also indicated it intends to eliminate advertising during all children's programs. To date there are no continent-wide rules regarding marketing to children in Europe, but in Norway, Austria, and the Flemish part of Belgium no advertising is allowed around children's programs. Greece does not allow advertisements for toys to be screened between 7:30 A.M and 10 P.M., and the Republic of Ireland restricts advertisements in its preschool programming. Italy, Poland, Denmark, and Latvia are studying plans for tighter regulation.

Sweden has taken the strongest line on the issue and bans all television advertisements aimed at children under 12. This rules out not just advertising for toys and candy, but also many ads for products with wider family appeal: McDonald's in Sweden, for instance, cannot employ the clown Ronald McDonald in any of its TV ads. The ban applies only to broadcasts originating in Sweden. While some satellite channels based in London—like Nickelodeon's Nordic service—forgo advertising in deference to local sensitivities, others are not so scrupulous. The Swedish government pushed hard for its ban to be extended across Europe, partly under pressure from domestic commercial broadcasters who complained that they faced unfair competition. As a result of these efforts, it appears that an increasing number of European countries are softening their objections to such a proposed ban (Hill, 2000).

British advertisers and agencies, however, are completely opposed to such a ban, and have responded with a collection of counterarguments. They claim that a Swedish-style ban would seriously damage the funding of independent children's television programming, a view supported by commercial TV chiefs. James Aitchison of the British Advertising Association, an umbrella organization for the industry, notes "Greece brought in its ban in 1994 and has suffered a 40 percent reduction in the investment in children's programs. Cheap programs are being bought which means that children are suffering in that way. Sweden only has half an hour of children's TV which is sometimes shown at odd times" (Brown, 1999). Nickelodeon, owned by MTV Europe and BSkyB, makes an explicit link between the 33 percent of its revenue which comes from advertising rather than subscription, and the 25 percent of its program budget which goes on original programming. Without advertising, says Nickelodeon's managing director Janie Grace, the channel's U.K.-produced drama, news, and short-form educational items would be at risk (Higham, 1999). It remains to be seen whether an EU-wide ban on broadcast ads aimed at children will be imposed in the near future.

Conclusion

This chapter explored the issues related to targeting children as consumers. Regardless of the level of regulation or self-regulation in a particular marketplace, parents can do much to inhibit materialistic behavior, as well as police the propaganda aimed at their children—thereby helping them become savvy consumers. One effective means of combating commercialism is by simply setting limits to purchase behavior and by discussing the differences between wants and needs with children. When children beg for the latest toy, parents should discuss why they want the new object before saying no or giving in. By talking about the root cause of a want, parents may be able to diffuse the youngster's fixation on the item.

Regarding commercial messages targeted at children, parents can take an active role if they begin to teach media literacy—helping children to be critical viewers and consumers of the media.

1. Parents can mute the television during commercials or watch commercials with their children to help them understand that the purpose of advertising is to sell products. They should explain to a child that the products advertised on TV or

elsewhere are made to seem as appealing as possible, and that not all information about a product may be included in the ad.

2. Parents and children should do research before making a purchase. For example, parents should encourage the child to look carefully at a toy and its package in the store and to ask friends for their experiences. Together they should try to determine how the product actually performs, what pieces come with it and how much assembly is required. Parents can teach a child to watch and listen for key phrases such as "pieces sold separately" or "batteries not included."
3. Parents can explain how special effects, production techniques, camera work, or editing are used to enhance a product's operation in commercials. For example, many ads show toys being used in imaginary settings in ways that don't represent how they may work in the home. Parents should help the child focus on the part of the ad that shows a product's real-life operation.
4. In some ads, products may look easy to play with or operate. The truth is they may require hours of practice before they can be used as shown. Parents should remind children that because of different levels of skills and talents, not all toys are appropriate for all kids.
5. Once a child owns a particular toy, parents should talk about its performance. Does it perform the way the child thought it would perform? Is another toy a better buy?
6. If a child falls for a deceptive ad, teach him to complain. Write the FTC, the TV station that aired the ad and the product manufacturer (Schnabel, 1997).

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CHAPTER 9

ADVERTISING OF CONTROVERSIAL PRODUCTS

Introduction

Many question the wisdom of allowing controversial goods and services to be promoted. Cigarettes and alcoholic advertising have traditionally been criticized, with concern being expressed over both the marketing of dangerous and addictive products and the targeting of women, teens, and minorities. Other product categories that have generated debate include contraceptives, feminine hygiene products, firearms, gambling, and state-run lotteries. More recently, concern has arisen over the advertising of pharmaceutical products. While the promotion of many of these product areas is already regulated, serious efforts are under way to impose more stringent constraints or even bans on the advertising of these products altogether. Research has revealed that these product categories appear to be perceived as sensitive in many countries around the world (Shao and Hill, 1994). This chapter will take a closer look at the marketing of tobacco, alcohol, and pharmaceutical products.

Tobacco Advertising

In the early 1900s smoking was considered an undesirable habit. "Moralists blasted cigarettes, referring to them as coffin nails and gaspers. Henry Ford deemed cigarette smokers unemployable in a 1914 pamphlet. Others held that the cigarette smokers were most likely criminals, neurotics or possibly drug addicts," (Sivulka, 1998). World War I and aggressive marketing changed the public's perception of tobacco. During the First World War, cigarettes gained wider acceptance when both soldiers and civilians found cigarettes more convenient, cheaper, and more sanitary than chewing tobacco.

Nearly a century has passed, and a million cigarette ads later we have come full circle. In the United States, cigarette smoking is no longer considered fashionable as consumers have finally confronted the health hazards associated with smoking. According to Michael Jacobson and Laurie Ann Mazur (1995), hard evidence regarding the hazards of tobacco actually began to accumulate as early as 1900, when medical experts noticed a suspicious increase in lung cancer, and tobacco juice was first used to induce cancer in a test animal. The authors note that in 1938, Dr. Raymond Pearl, professor of biology at Johns Hopkins Medical School, released a study showing that smoking reduces life expectancy. The most serious efforts by the public-health community to reduce tobacco use started in 1964 with the release of the first Surgeon General's Report, which announced that cigarette smoking was a "health hazard of sufficient importance to the United States to require remedial action." This ultimately had two direct influences on the marketing of cigarettes: First, in 1965, warning notices had to be printed on every pack ("Caution: Cigarette smoking may be hazardous to your health"), and second, in 1971 broadcast ads for cigarettes were officially outlawed under the Federal Cigarette Labeling and Advertising Act. Finally, in 1972 health warnings in ads were mandated, but debates ensued over the size of type needed to comply with the law's requirement of "clear and conspicuous display." During the 1980s, determined regulators and lawmakers continued the battle against the cigarette industry. Then Surgeon General C. Everett Koop spearheaded a crusade against cigarette smoking that significantly raised the awareness of the dangers of smoking among health officials, lawmakers, and the general public. Statistics suggest that by 2020, advertising ban or no, smoking is expected to kill 10 million people worldwide—about one in three adult deaths (Swanton, 1999).

One needn't even be a smoker to be affected by cigarettes. Secondhand, or environmental, tobacco smoke has been classified as a "known human carcinogen" by the Environmental Protection Agency. A comprehensive study released by the EPA in 1992 revealed that secondhand smoke causes as many as 3,000 lung cancer deaths and as many as 50,000 deaths from all causes among nonsmokers each year (Cowley, 1992). Subsequently, numerous states passed "clean indoor air" laws as the health risks associated with secondhand smoke became clear.

With recent U.S. legislation banning cigarette smoking from most workplaces, restaurants, and even bars, many smokers were left feeling rather ostracized. Philip Morris responded with an empathy campaign for its Benson & Hedges brand. Print and outdoor ads addressed the real world with the theme: "The length you go to for pleasure." One ad showed smokers seated at desks protruding outside office windows. "Have you noticed finding a place to smoke is the hardest part of your job?" the headline asked. "For a great smoke, put in for a window office," the copy suggested (Sivulka, 1998, p. 396).

TARGET MARKETS: WOMEN, TEENS, AND MINORITIES

The level of cigarette advertising is among the highest of any consumer item. Tobacco companies spend more than $6 billion a year in the United States alone on advertising and promotion. Although both the level of cigarette advertising and the social costs of cigarette use are substantial and well documented, the link between advertising and usage remains a controversial subject, and the research on the subject has produced mixed results (Saffer, 1998). Cigarette companies have long denied that their commercial messages encourage consumers to smoke. Instead the industry "insists that its ads are intended to persuade existing smokers to switch brands." However, there are only six major cigarette manufacturers in the United States, and two of those (Philip Morris and RJR Nabisco) control 75 percent of the market. So if a smoker changes brands, there is a good chance he or she will switch to another brand of the same parent company (Jacobson and Mazur, 1995). The primary objective of all advertising, in fact, is market expansion. And it makes particular sense that if you market a product that kills your customers, you must recruit new ones. Public health advocates have long argued that advertising increases total consumption, and in particular consumption among women, teens and minorities. Some years ago a model named David Goerlitz, during a photo shoot for a Winston ad, asked a group of R.J. Reynolds executives if any of them smoked. One of them replied: "Are you kidding? We reserve that right for the poor, the young, the black and the stupid."

The basic rationale behind the market segmentation strategy is "that a variety of marketing programs (unique combinations of products, advertising, packages, pricing, distribution, etc.) each designed to better match the psychology and interests of a separable segment, will ultimately generate more sales and profit than would a single undifferentiated marketing program, so-called mass marketing. But selective targeting can be benign or beneficial, only if the product is. If the product is unwholesome, even addictive and lethal, segmentation's efficiency delivers more death and disease, not more benefits, and provides a disservice, not a service," (Pollay, et al., 1992). It is death and disease that have been delivered via the target marketing efforts directed at females, young people, blacks, Hispanics, and Asians.

Targeting Women. At the turn of the last century, society did not consider smoking an acceptable social practice for women. But during World War I, the number of women who took up smoking increased as cigarette tobacco became milder and cigarettes made it easier to smoke than "rolling one's own."

Cigarette manufacturers realized the potential of this untapped market. "One 1912 ad for Velvet Tobacco showed a respectable woman sitting with a man who was smoking, 'I wish I were a man,' she mused, suggesting that she might like to smoke. Some ads hinted at this daring idea, while others took a more direct approach. In 1926 the Newell-Emmett agency daringly presented a poster showing a romantic moonlit seaside scene and a gentleman lighting his Chesterfield with a woman perched beside him saying, 'Blow some my way.' These four words shocked many people. Yet Chesterfield resolutely carried on with its campaign paving the way to the vast women's market" (Sivulka, 1998). The Lucky Strike brand, not wanting to miss out on a profitable market segment, began its own aggressive advertising campaign. Early on, the cigarette was associated with women's liberation. In 1929 the American Tobacco Company orchestrated a parade of cigarette-puffing feminists down Fifth Avenue in New York to protest the taboo on women smoking in public (Ewen, 1976). One early Lucky Strike campaign ("Reach for a Lucky instead of a sweet") was credited with creating more women smokers than any other single advertising effort. The connection between smoking and weight loss was firmly established in women's minds, even though the Federal Trade Commission ruled in 1930 that tobacco firms must stop claiming that smoking cigarettes could control people's weight.

In the mid 1930s, the ratio of male to female smokers was three to one. By 1985, men and women smoked in roughly equal numbers (Warner, 1985). Today, female smokers in the United States will soon exceed male smokers, and women younger than 25 already smoke more than men. Apparently, more men are quitting smoking and fewer take up the habit in the first place. Worse still, it appears from emerging research that women have up to triple the chance of developing lung cancer, given similar smoking habits as men (Rosenberg, 1997). The rate of lung cancer deaths (deaths per 100,000 population) among women increased 72 percent between 1979 and 1994. Because scientists estimate that 85 percent of all lung cancer deaths are directly due to smoking, the rise in women's lung cancer and associated deaths are tied to the shift in marketing cigarettes to women in the 1960s and 1970s. During that time, Virginia Slims, a cigarette specifically aimed at women, hit the market. Revitalizing the association with the feminist movement, the campaign employs the theme "You've come a long way, baby." The message of each and every version of the Virginia Slims campaign is clear—women are now free to smoke when and where they please. Interestingly enough, the very same campaign also makes a barely veiled reference to tobacco's reputation as an appetite suppressant, implicit in the use of "Slims" and "Superslims" in the product name. Needless to say, the models portrayed in the commercial messages are all quite slender.

At about the same time the Virginia Slims campaign was introduced, tobacco companies also began sponsoring women's sporting events. "By aligning themselves with prime examples of aerobic health, tobacco companies subliminally refute the health hazards of smoking. The Virginia Slims Tennis logo, for instance, depicts a woman holding a tennis racket in one hand and a cigarette in the other" (Jacobson and Mazur, 1995). According to the American Lung Association, smoking rates more than doubled among 12-year-old girls from 1967 to 1973 during the marketing campaign. Lung cancer's latency period (the time it takes to develop cancer from exposure to smoking) is typically 30 to 50 years. So the bulge in women's lung cancer cases reflects the surge in smoking long ago and portends a continuing rise if the rate of women who quit smoking does not increase.

Targeting Children. Many proponents of tobacco advertising bans have argued that commercial messages encourage young people to smoke. Since smoking kills people, each year tobacco companies have to replace two million American smokers. Children are an ideal audience because research has shown that the average young smoker begins at age 13 and becomes a daily smoker by 14. Every day more than 3,000 U.S. adolescents smoke their first cigarette, according to a recent study, and 750 of them will die of a smoking-related disease (Kaiser, 1996). While the tobacco industry has long denied the assertion, even advertising executives believe that tobacco firms target children. In a recent survey, about two-thirds of the 300 advertising executives questioned say they believe the goal of cigarette advertising is to target teenagers. And 82 percent of those surveyed think teenagers are getting the smoking message (Parker-Pope, 1996A). Over 85 percent of all young people who smoke prefer Marlboros, Camels, or Newports—the three most heavily advertised brands. And company documents revealed that cigarette firms have a long history of targeting teens and children. R. J. Reynolds memos show that the number 2 cigarette maker targets teens as young as 13 in a plan to steal their competitors' youngest smokers. Reynolds even created a brand aimed at young boys. Code-named Project LF, a 1987 memo stamped "RJR Secret" says the company created a "Wider-circumference non-menthol cigarette targeted at young adult male smokers-primarily 13 to 24 year old male Marlboro smokers." Other RJR papers illustrate that the highly popular Joe Camel campaign targeted teens despite the firm's repeated denials. A 1973 marketing memo says that to "help lure younger smokers away from Philip Morris' Marlboros, the leading teen brand, comic-strip-style copy might get a much higher readership among young people than any other type of copy." Shortly thereafter the Joe Camel cartoon debuted in France. It appeared in the United States in 1987. RJR provided the papers to California attorneys as part of a $10 million settlement of lawsuits brought by San Francisco and other communities that accused Joe Camel of targeting teens (Neergaard, 1998). Prior to 1988, only 1 percent of smokers under age 18 smoked Camel cigarettes. This figure jumped to 33 percent with the introduction of Joe Camel, and the cigarette subsequently became the number two brand among teens. In 1997, under pressure from a variety of groups, R. J. Reynolds finally agreed to discontinue the use of Joe Camel as a spokesperson for its brand in the United States. Note that the Camel is still being employed in other countries. Figure 9.1 shows a 1999 kiosk advertisement in Germany employing a camel crawling out of a glove compartment. The copy reads, "Always have a Camel handy in your car."

In a U.S. study examining awareness of product logos among young children 3 to 8 years old, 82 percent recognized Dr. Seuss's Cat in the Hat and the Energizer Bunny, while a surprising 73 percent recognized the Joe Camel logo and 27 percent recognized the Marlboro logo (Henke, 1995). It is interesting to note, however, that when asked whether "cigarettes were good or bad for you," 97 percent of the children reported that cigarettes were bad for you. The children were also asked to identify the appropriate target audience for cigarettes. A majority of the youngsters reported that cigarettes are for adults, and 27 percent volunteered the response that cigarettes are appropriate for "nobody." The findings suggest that for young children, recognition of brand advertising symbols does not necessarily result in positive affect for a product category or belief in the appropriateness of the product for children.

A longitudinal investigation by the Cancer Prevention and Control Program at the University of California at San Diego directly links tobacco promotions and advertising to a progression toward smoking in teens who a few years earlier had no intention of starting to smoke. In 1996 the researchers reinterviewed over 1700 California teenagers who just three years earlier had indicated they were resolved against smoking. The results found that those teens who in 1993 had a cigarette promotional item or wanted one, or who had a favorite tobacco advertisement, were three times more likely to have thought about or tried smoking or actually become a smoker than the other two groups. Promotional items the study found to be influential to the onset of smoking included products available through coupons inside cigarette packages, such as T-shirts, sunglasses, towels, mugs, coolers, headphones, and inflatable rafts. Interestingly enough, the researchers found no correlation between a teen's initial smoking and whether that teen had friends or family members who smoked (Clark, 1998).

The power of the cigarette manufacturer's images crosses national borders. In studies conducted in late 1998, the smoking behavior of more than 1,700 Hong Kong high school students and more than 1,300 students, ages 14 to 17, drawn from Bangkok schools, researchers found that students who smoke are

Figure 9.1 Joe Camel on a European kiosk

more likely than nonsmokers to see more U.S.-made movies and to recall U.S. cigarette advertising. As a result of their exposure to these cultural artifacts, these teenagers overestimate how many Americans smoke. "Smoking, for them, is one way of identifying with U.S. culture, something that many are keen to do" according to the researchers (PR Newswire, 1999A).

Targeting Minorities. The targeting of ethnic groups by cigarette manufacturers is not a new phenomenon. Pollay, et al. (1992) document that racial segmentation by the cigarette industry was quite well established in the 1950s. Pollay noted that "this segregation involved more than buying space in black magazines and appealing to ethnic pride with black models. Blacks were first subject to less and then to more advertising than whites. Endorsements from athletes were five times more likely to be employed for black audiences than for white audiences and blacks were not offered filtered brands until years after whites. In short, the cigarette industry treated the black and white markets separately, but not equally." (Pollay, et al. 1992).

Cigarette companies in the United States have been particularly aggressive in their targeting of ethnic groups. Evidence of this, some critics say, are minority neighborhoods plastered with countless tobacco-touting billboards as well as minority publications filled with cigarette ads. According to one study in predominantly Asian neighborhoods, those tobacco billboards are 17 percent more prevalent than in predominantly white neighborhoods (Warmbrunn, 1998). And in many Black and Latino neighborhoods, 80 to 90 percent of billboard advertising is for tobacco or alcohol (Chelala, 1998). According to a review by the American Cancer Society, the leading advertisers in several black-oriented magazines are cigarette makers. *Essence* magazine, which appeals to black women, gets over 12 percent of its revenues from cigarette companies (Anderson, 1995). In 1997 Philip Morris spent almost $24 million doing business with minority-owned companies, much of it on advertising that provides critical revenue for struggling ethnic newspapers and magazines. "We probably could survive without tobacco ads, but it would be difficult," said Dorothy R. Leavell, president of the National Newspaper Publishers Association, which represents 215 black-run newspapers (Fletcher, 1998).

Many cigarette ads aimed at ethnic communities are printed in the native language (Vietnamese, Chinese, or Spanish)—with the exception of the Surgeon General's Warning, which is printed in English. The discrepancy seems too glaring to be merely an oversight. If consumers are only literate in one language, they may well be unaware of the dangers associated with smoking. A campaign to change these ads was spearheaded by the San Francisco Vietnamese-American community in large measure because of the high incidence of smokers among male Vietnamese—estimated to be 35 percent, about 1.5 times that of the general population. The result—the Federal

Trade Commission issued a policy amendment in 1998 requiring advertising disclosures, such as the surgeon general's warning, to be in the language of the ad's target audience (Fernandez, 1998).

When the tobacco firms aren't creating advertising messages to sway the minority audience, they are wooing minority groups via generous donations. RJR Nabisco doled out more than $800,000 over two years to minority-run groups from the Congressional Hispanic Caucus to the Korean-American Liquor Market Association. In addition, the National Urban League, the United Negro College Fund, and the National Association for the Advancement of Colored People (NAACP) have all received moneys from the cigarette manufacturers. Tobacco companies also make a practice of buying goodwill by sponsoring inner-city youth groups and backing ethnic festivals.

Tobacco firms have been accused of pouring millions of dollars into creating addicts. And, apparently, they have been successful. According to the Surgeon General's Report, released in June of 1998, cigarette smoking is a major cause of disease and death among minority groups. While smoking increased 34 percent among Hispanic students between 1991 and 1997, it surged a whopping 80 percent among black students (Centers for Disease Control and Prevention, 1998). African Americans currently bear the greatest health burden. More than 45,000 black Americans die each year from smoking-related illnesses, giving them a higher death rate due to lung cancer than any other race.

In 1989 RJR Nabisco launched Uptown, a menthol cigarette designed to appeal to black smokers. But when RJR test-marketed Uptown in Philadelphia, it drew bitter protests from the National Association of African Americans for Positive Imagery (NAAAPI) as well as then-Secretary of Health and Human Services Louis Sullivan, who accused the tobacco manufacturer of promoting a "culture of cancer among blacks." Ultimately, RJR Nabisco was forced to scrap its plan to introduce Uptown, at an estimated loss of nearly $10 million. But tobacco firms have continued to develop brands to appeal to minority audiences. In 1998 Lorillard Tobacco began distribution of a new, low-priced brand called Maverick. The cigarettes sold for about $1.85 a pack, less than the then current $2.25 price of generic brands and significantly less than the major brands. Advertisements cropped up in Milwaukee and other cities with large African-American populations, including Philadelphia and Detroit. The Reverend Jesse Brown, acting executive director for NAAAPI said the ads were unfairly targeting African Americans, primarily young people (Thomas-Lynn, 1998).

Industry giant Philip Morris now plans to roll out a new cigarette—Marlboro Milds, a menthol brand. Protests against Marlboro Milds were organized by the National Association of African Americans for Positive Imagery to encourage the manufacturer to pull the product. Studies have shown that 75 percent of black smokers prefer menthol cigarettes and smoke cigarettes that are generally higher in tar and nicotine content than those smoked by whites. The three most popular brands among black smokers are Newport, Kool, and Salem, all menthol cigarettes. Researchers say menthol causes smokers to inhale more deeply and is associated with higher carbon monoxide concentrations, and menthol cigarettes create more cancer-causing agents than non-menthol cigarettes (Dyer, 1999).

INCREASING REGULATION OF CIGARETTE ADVERTISING

Like alcohol, tobacco is a product which can legally be sold in nearly every country in the world. Nonetheless, the marketing and advertising of tobacco faces increasingly severe restrictions, particularly in the United States and other Western countries. In many instances, however, these restrictions have proven counterproductive. They have forced cigarette marketers into becoming more creative and innovative (some would argue, conniving) in their approaches to reach target audiences.

European Union countries have a history of limiting tobacco advertising. An EU directive from 1989 banned TV advertisements and sponsorships. Nonetheless, around 500,000 people die prematurely from smoking each year in Europe. Smokers account for 30 percent of all adults in the EU, while in the United States they comprise just 20 percent of the population (Meller, 2001). A major goal of a new draft directive is to bring down the level of EU smokers. The directive says that member-state laws should be harmonized to ban tobacco advertising in the print media, on radio, and on the Internet. The proposal would ban sponsorship of cross-border events involving tobacco promotions and forbid the handing out of cigarettes at such events. The directive would, however, exclude posters and cinema advertising. Most countries in the EU already have some form of ban on tobacco advertising. The Commission argued that a directive is needed because national laws differ widely. Germany consistently votes against anti-tobacco laws and supports the tobacco companies in court proceedings. Although Luxembourg and Austria are also known to support the tobacco lobby, EU Health Commissioner David Byrne believes that the majority of Member States and the European Parliament will support the proposal. France, Italy, Portugal, and Finland already have a total ban in place, and the United Kingdom, Ireland, the Netherlands, Denmark, and Belgium are currently tightening up their existing laws. Those countries which still have limited restrictions on tobacco advertising are Sweden, Luxembourg, Spain, Greece, Austria, and of course Germany. The proposal will need to be agreed upon by the European Parliament and the Council in co-decision and this should take between one and a half and two years. This will be followed by the usual transposition time of two years into national legislation. There are no other transition periods foreseen at this stage (*European Report*, 2001).

European marketers are experimenting with other methods in anticipation of the ban. These include direct mail, promotional gifts, and Websites. One well-known brand, Silk Cut, even went so far as to produce its own magazine. Others are stretching cigarette brands into additional areas, known as brand extensions. Marketers are taking advantage of a European Union Directive issued in 1998 which stated that tobacco names used for other products may continue to be used "provided the appearance is clearly distinct from the use of the tobacco product." Camel cigarettes has introduced a line of boots. Dunhill claims that its line of branded clothing for upper-middle-class consumers is actually more lucrative than selling cigarettes. Marlboro has become a chain of clothes shops, specializing in western-style jeans, suede jackets, and boots. By establishing a separate company, Philip Morris can argue that they no longer have anything whatsoever to do with cigarettes and thus are not covered by the ban. However, the government is toughening its stance on so-called "brand stretching" by requiring all brand extensions to apply for a license to trade. The onus will be on proving such brands are not really "covert" cigarette advertising (Rogers, 1998).

The U.K. guidelines for tobacco advertising date back to 1975, when tobacco and advertising officials decided to set voluntary ad restrictions to appease anti-tobacco forces calling for a total ban on tobacco advertising. The resulting regulations, however, initially proved to be a nightmare for the advertising industry. For example, cigarette ads can't be too funny. The actors must be unattractive. Rivers, mountains, lush landscapes, and anything that implies fresh air or beauty are out. The ads generally can't show people smoking, exercising, having a good time or doing anything that might make a consumer want to go out and buy cigarettes. And anything that would attract children is prohibited. In addition, before appearing in magazines or posters, the ads must obtain a certificate of approval from the United Kingdom's Advertising Standards Authority, which regulates all non-broadcast advertising. Notes one British copywriter who works on tobacco ads, "We can't show people who look nice, and we can't even show a sunny day. Basically, the ad can't be appealing, which makes it tough." Tough, but not impossible. Beleaguered ad writers have discovered that the less a tobacco ad has to do with smoking, the better. The result, a cheese grater shredding purple silk to create a ticker-tape parade is really an ad for Silk Cut cigarettes; the ancient Stonehenge ruins covered with blue dots to look like a set of dominoes advertises Benson & Hedges Lights, and a fold-out map of the United States advertises Marlboro country (the famous Marlboro man, with his rugged, healthy looks, isn't allowed in the

United Kingdom). Because the ads are often so obscure, they provide the tobacco companies with a strong argument that their ads aren't targeting nonsmokers. Instead, they say, the surreal ads serve to build a hip brand image that generally is understood only by existing smokers (Parker-Pope, 1996B).

Taking its war on smoking to a more graphic level, Canada's government forces manufacturers to display on cigarette packs health warnings that include color photographs of diseased hearts and cancerous lungs and lips. Alan Rock, Canadian Health Minister, noted, "With these hard-hitting health messages and compelling graphics, we will reach smokers directly and effectively." With teenage smoking rates climbing in Canada during the 1990s to about 29 percent today, Rock warned that 90 percent of Canada's habitual smokers acquire the habit before they reach their 18th birthday. Government research found that warnings with pictures were 60 times as likely to stop or prevent smoking as were just words. Canadian legislation also bans tobacco advertising on broadcasts, billboards, street kiosks, bus panels, and shop displays and imposes restrictions on promotions in mailings and magazines. A complete ban on tobacco companies' sponsorship of sporting and other events will come into effect in 2003. Canada's Tobacco Act and regulations, the World Health Organization notes, are being used as a model in some 40 other countries worldwide (Spurgeon, 2002).

In 1994, the heads of seven top U.S. tobacco companies swore before Congress that nicotine was not addictive. This blatant lie ushered in a wave of litigation on the addictive nature of tobacco products. In November of 1998, tobacco producers and 46 states came to a $246 billion settlement to resolve state claims for health costs related to smoking. As part of the settlement, stricter guidelines related to the marketing of cigarettes were imposed. Gone, or soon to be gone, are outdoor billboard messages; advertisements on the sides of buses, in subways, and on top of taxis; stadium advertising; branded merchandise such as caps and T-shirts; payment for product placement in movies and on TV; and point-of-sale advertising excessive in size.

In 1999, representatives of the tobacco firms recanted their statements and finally admitted that nicotine is indeed addictive. And in late 1999, the U.S. Justice Department filed a sweeping civil lawsuit against the nation's largest tobacco companies. It seeks to force cigarette makers to give up profits that were "ill-gotten" through what it says were efforts to conceal the dangers of smoking that go back to the 1950s. The suit alleges that beginning in 1954 tobacco executives met at the Plaza Hotel in New York to plan a long-term campaign to conceal the health risks of smoking. The lawsuit accuses the tobacco industry of promoting biased research, wrongly asserting that nicotine was not addictive and falsely denying that they were targeting their products to children. The federal suit does not specify how much would be sought in damages.

But the lawsuit seeks to recover billions of dollars the federal government spent on smoking-related healthcare for elderly Medicare patients, military veterans, and federal employees, expenses not covered by the settlement that the industry reached in 1998. The defendants include Philip Morris, The Liggett Group, American Tobacco, British-American Tobacco, R.J. Reynolds Tobacco, Brown & Williamson Tobacco, and Lorillard Tobacco. Along with these companies, which sell 98 percent of the cigarettes in the United States, the suit also names two industry groups, the Council for Tobacco Research USA and the Tobacco Institute (New York Times News Service, 1999). The Clinton Administration and the Food and Drug Administration proposed very strict regulations regarding the promotion and advertising of tobacco, including a ban on magazine advertisements that have a 15 percent or greater readership among those under 18, a ban on billboard ads within 1,000 feet of a school or playground, a ban on the sponsorship of sporting or entertainment events, as well as a ban on cigarette machines in stores or restaurants. The Bush Administration inherited the lawsuit from the previous administration and is proposing even more stringent regulation, including banning terms such as "low tar" and "light," requiring that health warnings cover 50 percent of cigarette packs and advertisements, and even eliminating cigarette vending machines (Zuckerbrod, 2002).

With the number of promotional venues rapidly shrinking, U.S. manufacturers have relied heavily on the print media. However, recently both magazines and newspapers have begun to turn away tobacco dollars. *New Yorker*, *Good Housekeeping*, *Seventeen*, and *Reader's Digest* have all voluntarily banned tobacco advertising. The *New York Times* published its last cigarette advertisement on April 26th, 1999. While cigarette advertising in 1998 accounted for less than 1 percent of the *Times*' advertising revenue, it nonetheless came to nearly $10 million—not a sum to be given up lightly. A spokeswoman for the *New York Times* said, "We don't want to expose our readers to advertising that may be dangerous to their health." She pointed out that the *Times* does not accept ads for handguns, mace, tear gas, or other legal but dangerous products. Other newspapers have made the same decision, including the *Seattle Times*, *The Christian Science Monitor* and the *Deseret News* of Salt Lake City. But the *Times*' spokeswoman recognized that "most American newspaper publishers contend that it is their duty to maintain a free flow of information that requires they adopt as few restrictions as possible on the advertising of legal products (Proffitt, 1999).

A serious concern is whether the Web will turn into a way to evade restrictions on tobacco advertising. Online tobacco sales are not a large slice of the industry's overall sales volume nationwide, although a definitive study has yet to be conducted. However, more than 200 Websites peddle cigarettes, according to a recent survey by the Massachusetts Health Department. Among them are Nicotinecity.com, Cigarettesbymail.com and Halfpricecigarettes.com, which warns that "smoking half price cigarettes will still kill you, you'll just die richer." Some, like Barbi's Butts, are based on Indian reservations. Others are the online outposts of small tobacco retailers and distributors across the United States and abroad (Fairclough, 2001). Most sites offer cartons of cigarettes for about one-third less than the price at the corner shop. *Tobacco Reporter* magazine estimates that annual Internet sales of cigarettes will reach $10 billion within the next five years. Meanwhile, the Tobacco Merchants Association and other industry sources note that overall tobacco sales in 2001 were about $75 billion, which includes cigarettes, tobacco, snuff, and other tobacco products (Szynal, 2002).

The proliferation of sites has antismoking activists and state officials worried. They fear that the widespread sale of cheap—and often untaxed—cigarettes will lead to increases in cigarette consumption and eventually cost state governments billions in lost tax revenue. They also say Internet sales could make it easier for kids to get their hands on cigarettes. And they worry that Websites would turn into a powerful new marketing tool. Online marketers with teenage customers would do well to keep on eye on proposed legislation that would tightly regulate the sale of tobacco products over the Internet. A bipartisan bill introduced in December 2001 and known as the Tobacco-Free Internet for Kids Act would require online tobacco marketers to follow strict guidelines for selling and distributing cigarettes and other tobacco products legally. The measure includes a provision calling for tobacco marketers to obtain proof of age, both at the time of purchase and when the goods are delivered (Szynal, 2002).

SELLING CIGARETTES IN DEVELOPING MARKETS

Increased public awareness of the health risks of smoking along with increasing regulation have taken their toll. U.S. cigarette sales volumes dropped by almost 10 percent in 1999 (Edgecliffe-Johnson, 1999). And smoking rates in other industrialized countries are decreasing at a rate of about 1 or 2 percent per year. In contrast, smoking rates in developing countries are increasing at about 3 percent a year—a trend which is expected to escalate in the coming decade. Table 9.1 shows the top 10 countries in the world in terms of per capita cigarette consumption.

By the year 2010, nearly 5 trillion cigarettes will be fired up annually. Some estimates are that if current trends persist for another 30 years, some 10 million people worldwide will die annually from tobacco use—three times as many as today's annual rate. Seventy percent of those deaths will occur in developing countries (Chelala, 1998).

TABLE 9.1 Top 10 Countries by Annual Per Capita Cigarette Consumption

	2010	1997
1. South Korea	4,153	3,987
2. Hungary	2,689	2,992
3. Poland	2,532	2,913
4. Japan	2,739	2,810
5. Bulgaria	2,159	2,551
6. Greece	2,648	2,321
7. Romania	2,172	2,315
8. Czech Republic	1,983	2,169
9. Turkey	1,822	2,054
10. Slovakia	1,688	2,049

Source: Brandweek (NY) April 6, 1998, p. 27.

Since the early 1980s, U.S. trade officials, with help from the Office of the U.S. Trade Representative, have led a sustained campaign to open markets in a number of countries where health information is scarce. As Table 9.1 suggests, Central and Eastern European markets have proven particularly appealing. Western tobacco companies have made post-communist economies offers that are difficult to refuse: hundreds of millions of dollars in investments and hundreds of thousands of jobs. U.S. and European tobacco companies now own all of the cigarette factories in the Czech Republic, Hungary, Slovakia, the Baltic States, and Kazakhstan, as well as some of the biggest in Poland, Ukraine, and Russia. The World Health Organization estimates that in 1995 about 17 percent of all deaths in the region were caused by tobacco use. This figure is expected to increase to 22 percent by 2020 (Tkach, 1998).

While smoking has always been common in Central and Eastern Europe, rarely has it been associated with glamour. Now advertising billboards in post-communist cities call on consumers to "fire the night," "taste the freedom," and "Test the West." Consumers in these markets associate Marlboro, Camel, and Pall Mall brands with fashion, sexuality and showing off. Figure 9.2 shows a double-page spread in a Hungarian magazine which invites the reader to "Come to Marlboro Country."

Demonized as a public health menace in the United States and Western Europe, "Big Tobacco" is nurturing a different reputation in the Central and Eastern European markets: local hero. Tobacco money flows to hospitals and schools, student scholarship and athletic programs, and the Red Cross. Police and fire brigades get support too, along with orphanages, senior citizens groups, and the disabled. Many argue that these community sponsorships have helped sway government officials from enacting tough anti-tobacco legislation. In response to the charges, cigarette manufacturers defend the programs

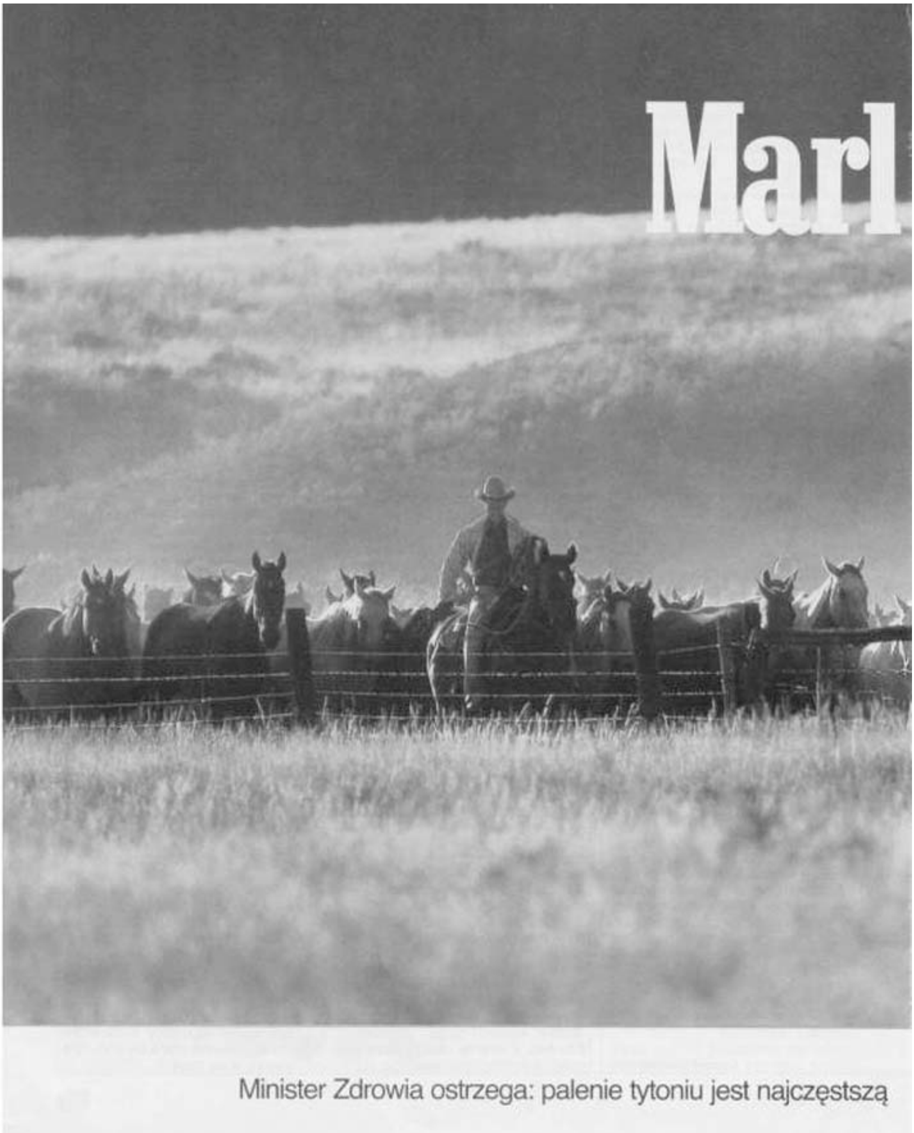
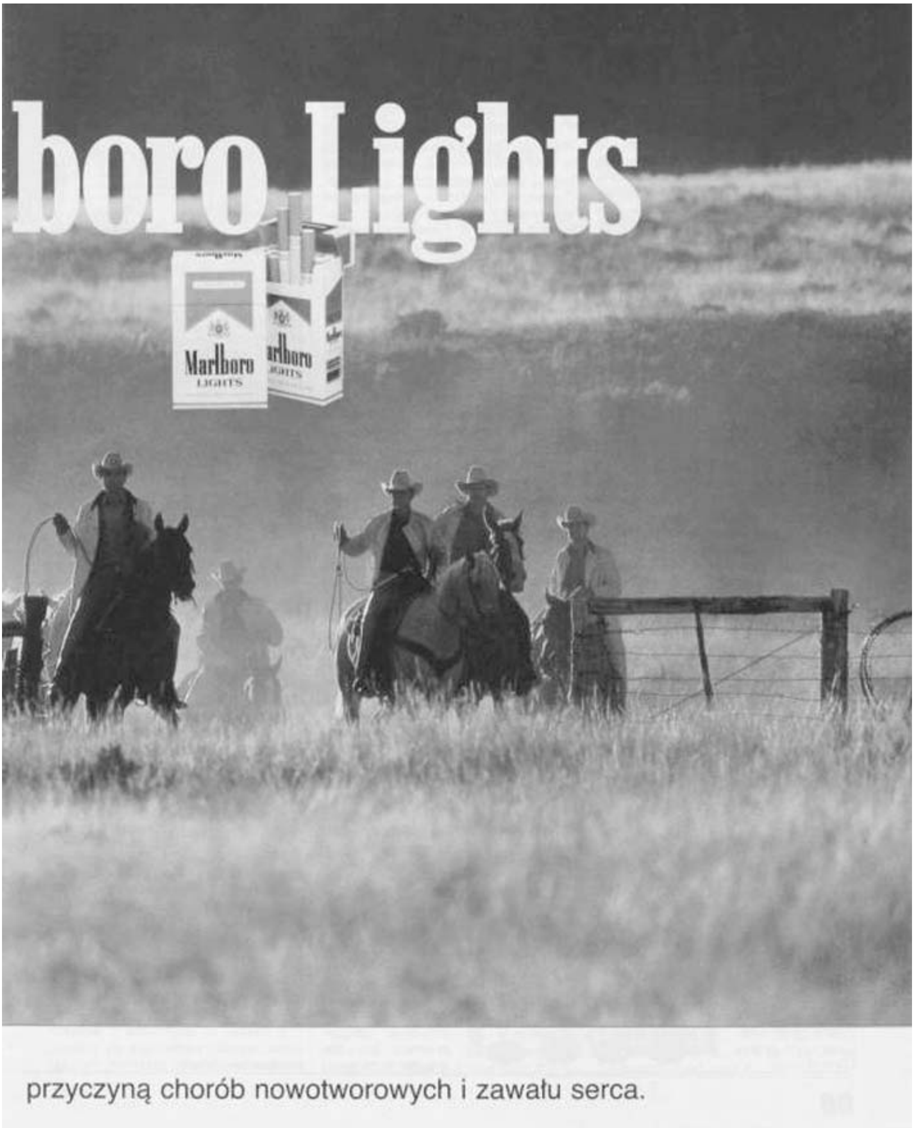


Figure 9.2 Marlboro advertisement in a Hungarian magazine

as legitimate public relations efforts and note that it is important to shoulder the welfare burden in these markets. "We want to be good corporate citizens and avoid the impression that we are Western occupiers," said a spokesperson for British-American Tobacco (Beck, 1998). And, when Western advertising began to provoke a nationalistic backlash in Russia, a new brand of cigarette appeared. "Peter the Great" cigarettes were designed, according to



the inscription on each pack—for those who believe in the revival of the traditions and grandeur of the Russian lands." And yes, the brand was introduced by R.J. Reynolds (*Washington Post*, 1998).

Until recently, the Taiwanese government held a monopoly on the cigarette industry and cigarette advertising was banned altogether. However, pressure from the United States coupled with a desire to join the World

Trade Organization (WTO) led to a recent easing of restrictions on cigarette imports (Taiwan formally applied to join the WTO in 1998). In conjunction with allowing the sale of foreign-made cigarettes, the Taiwanese government agreed to allow the advertising of cigarettes in magazines but held firm on continuing the ban on cigarette ads on television (Taylor and Raymond, 2000). These efforts to force open the Taiwan market by cigarette manufacturers in the United States and elsewhere have resulted in a significant increase in smoking, particularly among women and children. Another prime target for increased tobacco use is China. China represents an estimated 300 million smokers. While U.S. smokers consume 450 billion cigarettes a year, those in China consume approximately 17 trillion. Lung cancer in China has been increasing at a rate of 45 percent per year. China previously imposed an import duty of 200 percent on cigarettes and licensed international brands for sale in only a limited number of outlets. However, in March 2000 the White House negotiated a trade agreement that substantially increases cigarette and tobacco exports to China (Hall, 2000).

American cigarettes packing genetically altered, high-nicotine tobacco are being exported to Asia, the Middle East, and other countries. Brown & Williamson began work on the genetically altered, nicotine-rich plant as far back as 1981. The Food and Drug Administration first learned in 1994 that the company had been using the higher nicotine leaf in U.S. cigarettes during 1993 to 1994. After the FDA informed Congress, the tobacco firm assured the governmental agency it would stop using the leaf. In a deposition for New York State's class-action lawsuit against the major tobacco companies, Roger Black, Brown and Williamson's director of leaf blending, stated the company quietly resumed the use of high nicotine tobacco in the U.S. in 1995. The deposition also revealed that Brown & Williamson adds twice as much of the nicotine rich leaf to cigarettes sold overseas as it does to brands sold in the United States (Lewan, 1998).

A Public Citizen's Health Research Group study shows that cigarettes sold in Asia, Africa, South America, and Eastern Europe give consumers less warning about the risks of smoking. The study suggests that non-Americans are being denied vital information available in the United States. While packages in the Unites States must carry labels warning that cigarette smoke contains carbon monoxide and that smoking can cause cancer and heart and lung disease, the warning label on a package of Marlboro cigarettes sold in an Asian market simply stated "Be careful not to smoke too much" (Monroe, 1998).

The result of such aggressive marketing tactics—much as in the United States and Western Europe—has been the increased regulation of cigarette advertising in developing markets. Poland's lower house of parliament decided that from 2000 onward, a total ban on cigarette advertising would be observed in all media and public places. Cigarette ads were prohibited on radio and TV, in cinemas, health care centers, schools, and in youth magazines. Within two years, tobacco firms would not be allowed to sponsor cultural, sports, or educational events. The decision brings Polish law in line with the European Union, which Poland hopes to join by 2003. A 50,000 zlotys (US$12,300) fine will be levied for breaking the ban. This represents a dramatic change of attitude in a country that formerly had one of the highest smoking rates in Europe.

Cigarette advertising is illegal in Malaysia as well, but some cigarette manufacturers have tried to fight back. For example, Benson & Hedges has rebranded a chain of trendy bistros and a blended coffee. In Kuala Lumpur the B & H Bistro has the cigarette company logo emblazoned all over it (see Figure 9.3). In the bistros, the emphasis is on opulent luxury—from polished hardwood tables and plush armchairs to the Western menu and waiters in starched white linen aprons. B & H coffee, the manager proudly informs, is blended in London. Everywhere, under huge golden yellow umbrellas, the country's young urban elite meets, eats, and greets. This is clearly the place to be seen. The cigarettes themselves, however, are noticeable by their absence. Coincidentally, despite the advertising ban, smoking in Malaysia among teenagers has increased by 12 percent, and the number of teenage girls smoking is double the national average (Swanton, 1999).

In China, all cigarette advertising was banned in 1995 as part of the Advertising Law. But while federal law prohibits commercial messages, some manufacturers have resorted to using promotional techniques on the fringes of the law. These tactics include conducting giveaways at bars and nightclubs and offering products in exchange for used packs of cigarettes (Taylor and Raymond, 2000).

The Korean government imposed very heavy restrictions on cigarette marketing in 1996, prohibiting all electronic and print advertising (except 60 insertions per annum in certain magazines), consumer promotion, sampling, branded sponsorships, and signs outside shops or on shop windows. Such severe restrictions would appear to spell an end to commercial communications on the part of cigarette manufacturers. However, there is no restriction on verbal communication. Taking into consideration the importance of interpersonal relations in Korea along with the fact that Korean consumers appreciate novel ideas, British-American Tobacco, Korea, launched their "Ambassador Program." Professionally attired young adults working in convenience stores were given the assignment to inform consumers attempting to purchase a competitor's product of the British-American line of cigarettes. Since consumers switching to a British-American brand would still have to pay full price, it was not considered a sampling activity. The program turned out to be a

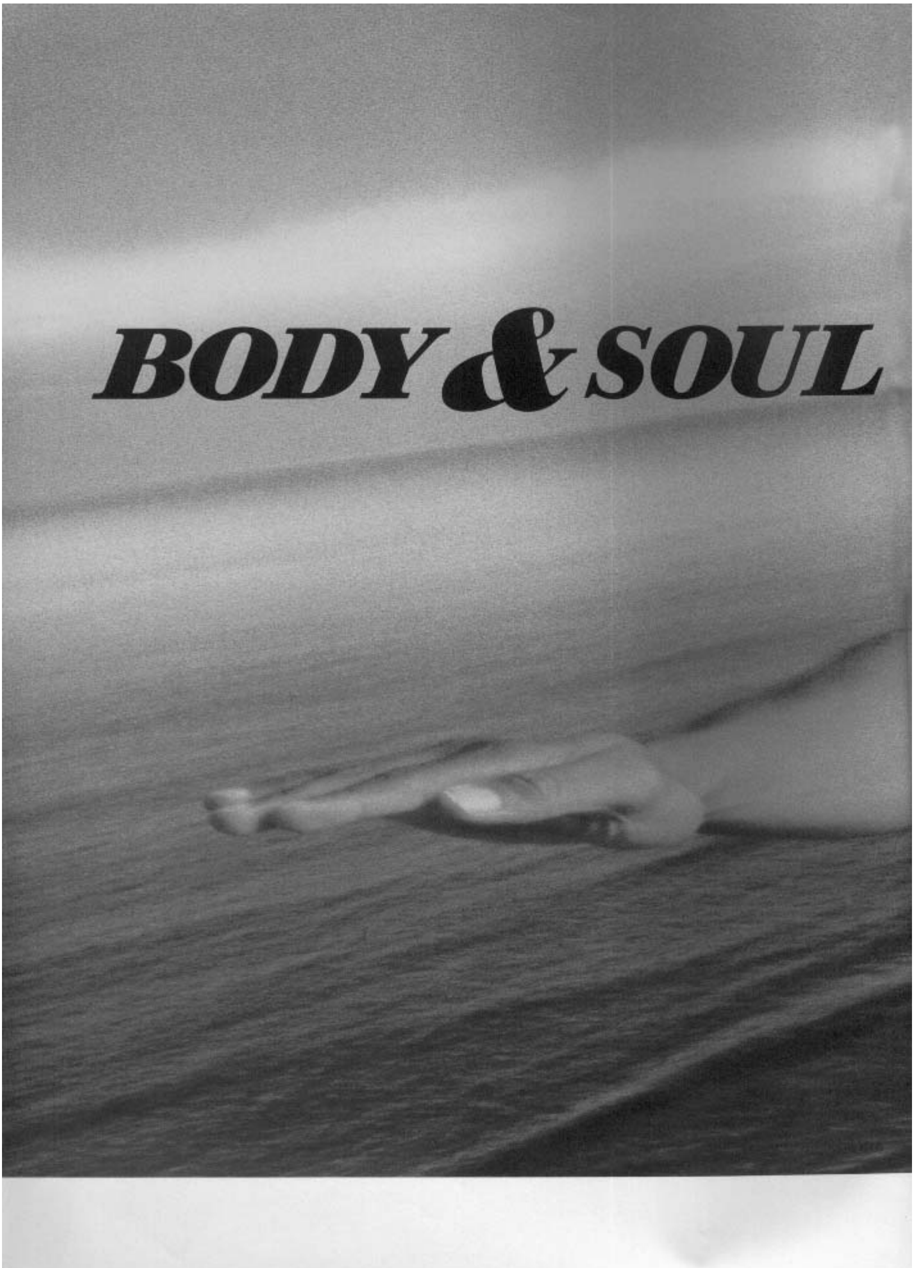
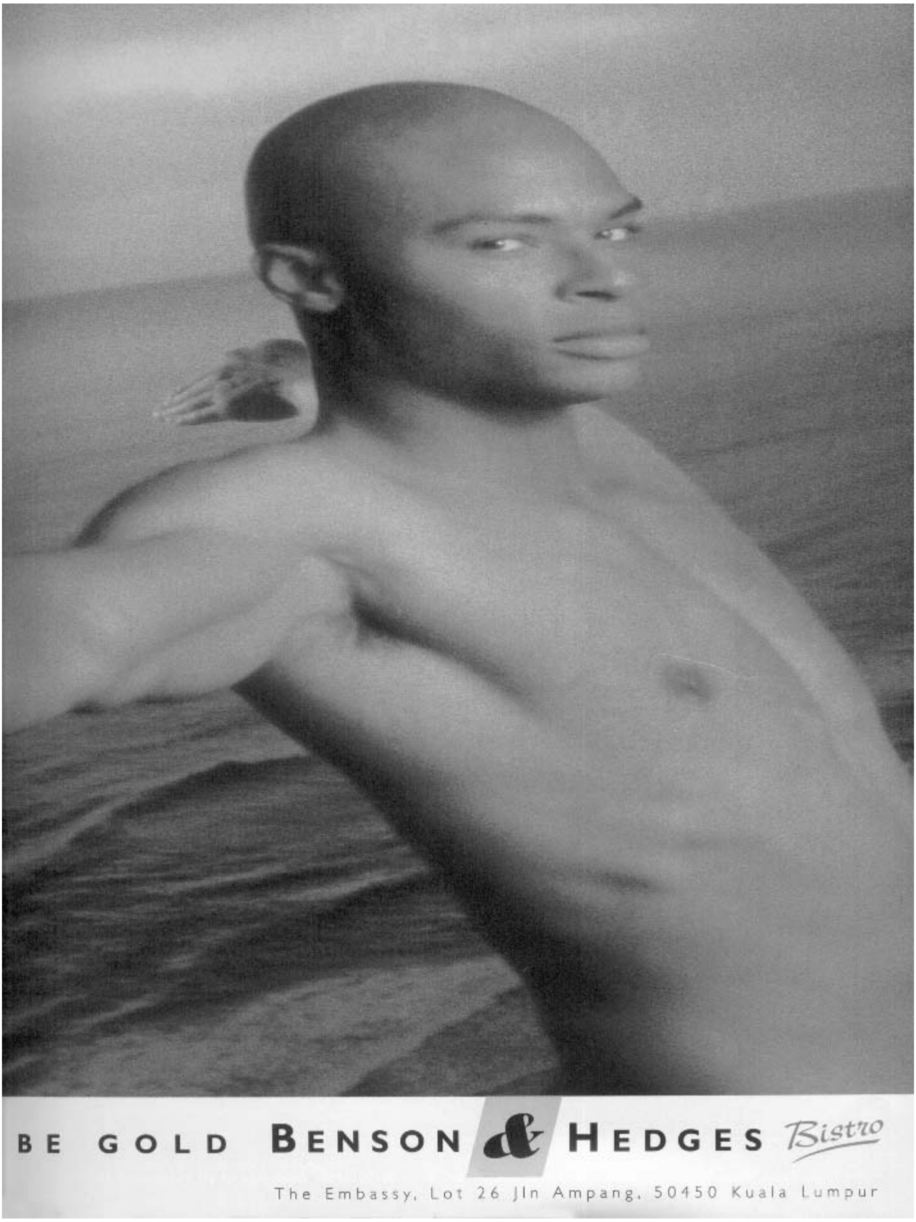


Figure 9.3 Benson & Hedges Bistro ad from Kuala Lumpur


BE GOLD BENSON & HEDGES Bistro
The Embassy, Lot 26 Jln Ampang, 50450 Kuala Lumpur

great success for British-American Tobacco, with 46 percent of consumers switching to one of their brands. And since the "ambassadors" helped the retailers at the counter during the times they were not busy with the cigarette customers, the shop owners also welcomed the idea of having a free and professional helper.

The World Health Organization (WHO) is urging developing countries to file lawsuits against multinational tobacco companies. They argue that the tobacco industry must be held accountable at the national and international level through legislation, litigation and any other means. The WHO believes that litigation may well be the most effective of the tools in controlling cigarette consumption. While filing lawsuits was initially conceived in the United States, it is being carried out against the tobacco industry in at least 15 countries (*The Bangkok Post*, 2000).

IF BANS DON'T WORK, WHAT WILL?

Several investigators have questioned the effectiveness of bans on cigarette advertising. At least three studies of cigarette advertising bans using international data have been published. Two investigations (Hamilton, 1975; and Stewart, 1993) found that bans have no significant effect. The third investigation (Laugesen and Meads, 1991) suggests that newer laws have restricted advertising efforts to a greater degree, and have in fact resulted in lower cigarette consumption. Duffy (1996) reviewed several cigarette advertising ban studies using national data and reported little or no effect. The research suggests that advertising bans lead to media substitution, so that a total ban on all forms of cigarette promotion is needed if bans are to be successful. And, as we have seen in the examples cited, wily marketers ultimately find ways around advertising bans.

Interestingly, counter-advertising has been shown to influence consumption rates. Studies by Lewit et al. (1981), Schneider et al. (1981), and Baltagi and Levin (1986) included measures of counter-advertising, and all conclude that counter-advertising was effective in reducing cigarette consumption. A review by Flay (1987) of 56 counter-advertising campaigns also concluded that counter-advertising is effective in reducing cigarette consumption.

The California Department of Health Services waged a highly effective, $28 million antismoking campaign in the early 1990s. A study revealed that during the campaign cigarette sales fell at a rate of 164.3 million packs a year—more than triple the annual decline in smoking before the campaign. The researcher who conducted the study estimates that the ads cost the tobacco industry $1.1 billion in lost sales. The success of the campaign has convinced a growing number of health officials and lawmakers that a well-financed advertising offensive that portrays smoking in an unflattering light is the single most effective way to cut down on smoking (Shapiro, 1993). Singapore provides an excellent example of counter-advertising. The National Health Education Department in Singapore has been running public service campaigns discouraging citizens from smoking (see Figure 9.4).

In an unusual twist, cigarette manufacturers have begun to parody consumer health warnings appearing on cigarette packs and in advertisements. In a Brazilian television advertisement for Sydney brand cigarillos, a series of exaggerated "warnings" tell viewers that microwaves, X-rays, TV sets and other objects all cause cancer. The spot ends with the line "100 % tobacco, 99 % honest" (see Figure 9.5).

Another approach to curbing smoking is to raise the price of cigarettes. The Centers for Disease Control and Prevention (CDC) said a statistical analysis of smoking habits since 1976 suggests raising cigarette prices by 50 percent. Such a hike in cigarette prices would cut overall consumption by 12.5 percent, with even greater declines among minorities and young adults. Increasing the price of cigarettes would cut consumption by 7 percent among whites, 16 percent among blacks, and almost 95 percent among Hispanics, according to the CDC's predictions (Tribune News Services, 1998).

But perhaps the most effective approach to curbing cigarette consumption would be a multi-pronged one: the combination of a total ban on tobacco advertising and promotion, public education through continual publicity on the health consequences of smoking, and repeated price increases of cigarettes. Other important components are school curricula and aggressive enforcement of restrictions on tobacco sales to minors.

Alcohol Advertising

Similarities are evident in the controversies that surround alcohol and tobacco advertising. Consumption of both alcoholic beverages and cigarettes has been linked with serious public health concerns. Alcohol is considered one of the United States' most serious health problems. Its complications kill 100,000 Americans annually. It can kill outright or lead to cancers, cirrhosis of the liver, heart disease, and fetal alcohol syndrome. Research shows that alcohol abuse literally changes the structure of the brain—programming users to return again and again to the source of pleasure even though most of them know it will ultimately harm them. Some 14 million Americans abuse alcohol, according to federal studies. Worse, as many as 40 million more may be at risk of becoming problem drinkers (Ferraro, 1999). Alcohol is the cause of or a contributing factor in almost every community and family tragedy. Some 62 percent of the drownings in America involve alcohol. About 70 percent of all

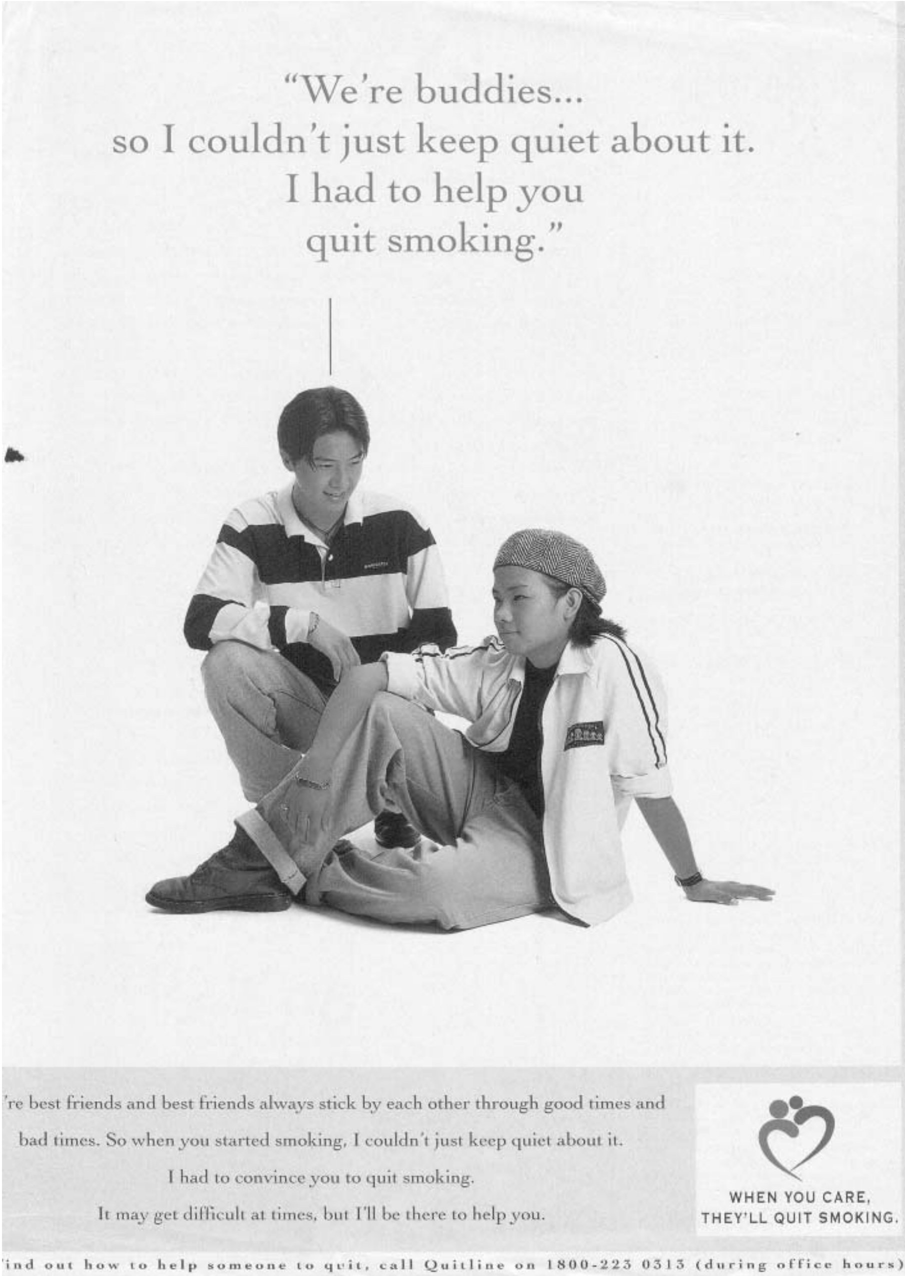


Figure 9.4 Antismoking campaign in Singapore

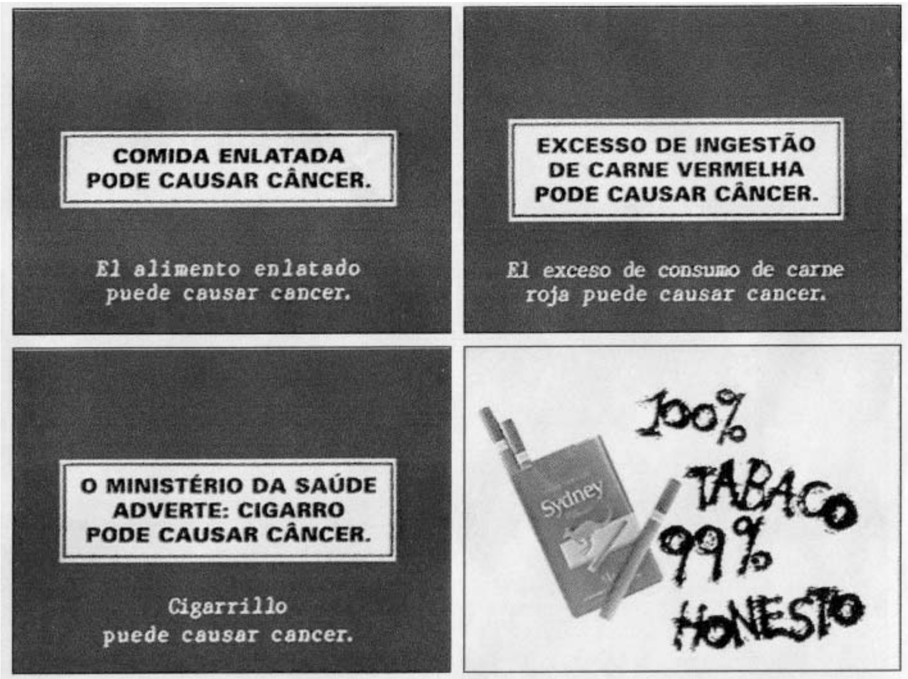


Figure 9.5 Brazilian ad for Sydney cigarillos parodies health warnings

homicide arrestees are involved with alcohol, and more than one-half of prison inmates used alcohol before committing their crime (Brown, 1992). Nearly two-thirds of single-vehicle accidents involve alcohol, and each year nearly 20,000 lives are lost in alcohol-related accidents. It is estimated that alcohol abuse costs the United States more than $99 billion annually.

Interestingly enough, the two industries use highly similar defenses. Alcoholic beverage companies, like tobacco firms, argue that until wine, beer, or liquor products are ruled illegal, they should be legally permitted to promote their sale via advertising campaigns. The alcoholic beverages industry has the support of advertising organizations such as the American Association of Advertising Agencies, whose president argued "If the product is legal, then both its producers and its legal users are entitled under our Constitution to the full benefit of truthful, non-deceptive advertising" (Farris and Albion, 1980). And much like cigarette manufacturers who argue that they are not promoting smoking but rather using commercial messages to influence brand selection, the beer, wine, and liquor manufacturers suggest that instead of encouraging people to drink more they are inducing a preference for one brand over another via advertising. It is true that advertising does work to "shift consumers from one brand to another, but to suggest that it does not help bring in new consumers and encourage current users to consume more begs credulity," (Hacker, 1998).

ALCOHOL ADVERTISING AND CONSUMPTION

Much research has been conducted to determine the variables that influence alcohol consumption. Price, availability, and social influences have been found to affect consumption (Parker, 1998). The impact of advertising on the consumption of beer, wine and spirits (as well as other products) is complex and not fully understood. Advertising effects may well be present, but they are often difficult to detect or measure and the results of investigations are often contradictory. For example, an early study by Galbraith (1958) revealed that both aggregate alcohol consumption and brand preference are affected by advertising. In contrast, a more recent investigation (Frank and Wilcox, 1987) found no evidence of a statistically significant relationship between total advertising and consumption of beer, but did find a weak significant relationship for wine and distilled spirits. And, in its 1990 report to Congress, the Department of Health and Human Services stated that "research has yet to document a strong relationship between alcohol advertising and alcohol consumption," (Becker, 1992). However, a lack of conclusive evidence does not prove that no relationship exists. "If alcohol advertising does not get people to drink, why does the industry spend $1.1 billion a year on it? Certainly, each company wants a bigger slice of the existing market pie. But the net effect of all booze companies seeking a bigger slice is that the pie itself is likely to expand, or at least less likely to contract" (Jacobson and Mazur, 1995). Advertising professionals are quick to argue that strong advertising has a direct influence on sales. Note the success of the Absolut vodka campaign. Twenty years ago, Absolut vodka represented no more than 2 percent of the vodka market in the United States and was a very small piece of the overall vodka market. TWBA first acquired Absolut's advertising business in 1980 when the brand started distribution in the United States. That year, Absolut sold about 12,000 cases. The agency created a two-word headline (Absolut Perfection) that became the campaign's signature. The visual consisted of the Absolut bottle with a halo. The basic theme of the campaign has remained virtually unchanged for two decades. See Figure 9.6 for an example of Absolut advertising. Today, the agency proudly boasts Absolut has about two-thirds of the imported vodka market in the United States and that the market is about 10 times the size it was just 10 years ago. In the United States, Absolut now sells more than 3 million cases per year and is the fifth leading brand of all spirits in the country (Lewis, 1998). To encourage consumption of its products, the alcohol beverages industry appeals to the heavy user. Ten percent of the adult population

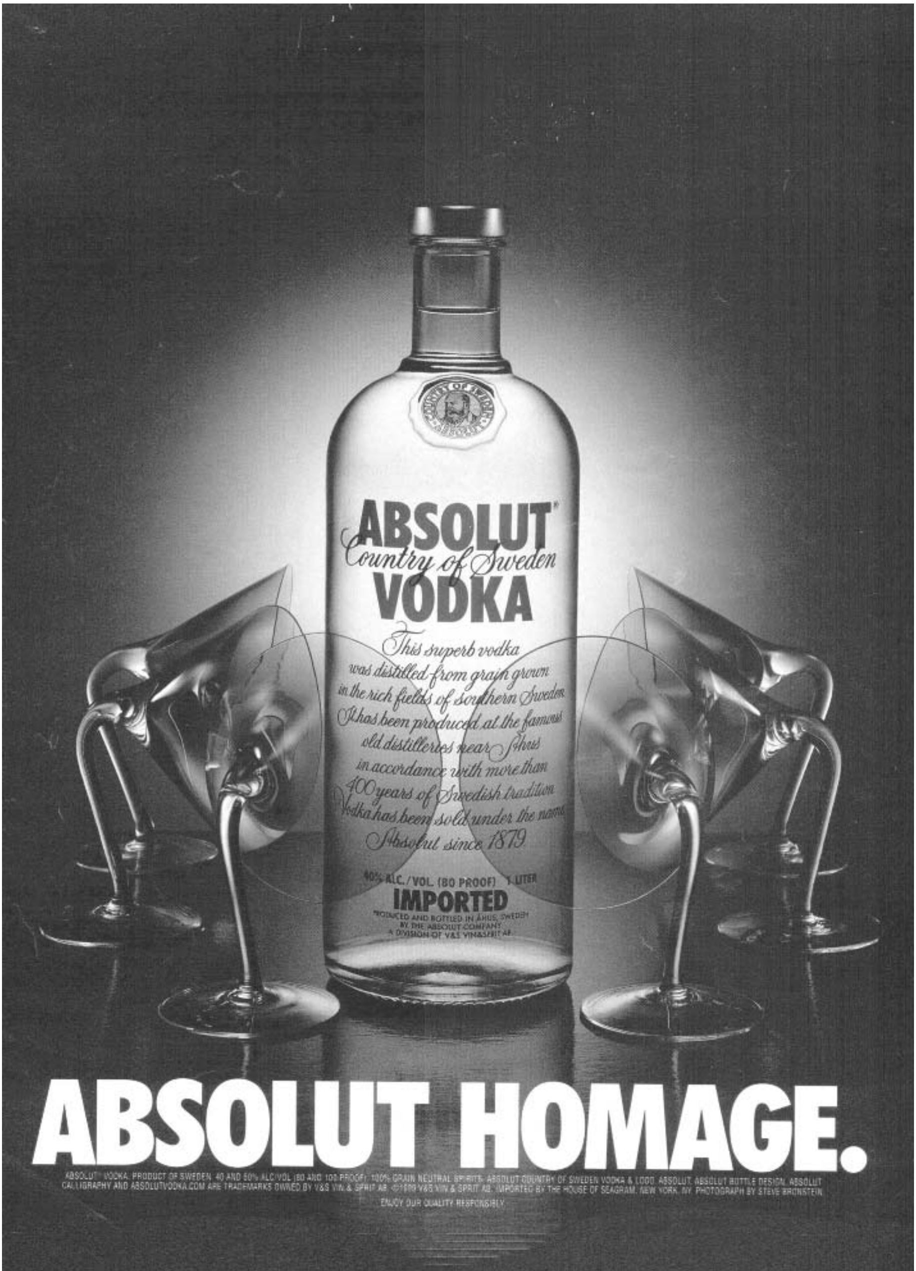


Figure 9.6 Example of Absolut advertising

drinks almost 60 percent of all alcoholic beverages consumed, so the industry relies heavily on alcoholics and binge drinkers (Jacobson et al. 1993).

REGULATING ALCOHOL ADVERTISING

In the United States, alcoholic beverage advertisements are controlled as to what they can say, how they can say it, and where they say it. Visual aspects of the message are also regulated. For example, advertisers cannot show the product being consumed nor can they show people who might appear to be underage holding alcoholic beverages of any kind. In 1988, U.S. anti-alcohol advocates won a federal law that requires alcohol manufacturers to put health warnings on bottle labels. There is also an ongoing battle to have these very same warnings included in alcohol ads. The Sensible Advertising and Family Education Act of 1993 called for warnings to be included in both print and broadcast advertisements. However, the bill was opposed by powerful alcohol and advertising industry forces, including the Beer Institute, the American Association of Advertising Agencies, the National Association of Broadcasters, and the Ad Council. The bill was withdrawn shortly before the scheduled Senate committee vote when it appeared the effort would fail (Mundy, 1994). In addition to federal regulations, various states also have specific liquor laws. California, for example, bans the offering of any premium, gift, or free goods in connection with the sale of alcohol. As a result, a Superior Court judge imposed a temporary restraining order against Anheuser-Busch when the company attempted to introduce its "Bud Rewards," campaign in that state. The promotion in North Carolina, where it was legal, offered Budweiser duffel bags, mugs, T-shirts, caps, and other items in exchange for points accumulated by buying Budweiser beer. Under the system, the more beer you drink the more stuff you win (*PR Newswire*, 1999B). Concerned citizens and legislators continue to lobby for greater regulation of alcohol advertising.

Some countries have more lenient guidelines on the marketing of alcoholic beverages than does the United States, while others have restrictions that are even more stringent. Practices that would not be deemed as acceptable in the United States are practiced in Japan. For example, Anheuser-Busch recently introduced Buddy's, a beer created for the Japanese market that contains less malt but more alcohol than most other beers. This allows Anheuser-Busch to advertise both the product's lower price and to advertise it as "extra strong," a claim backed up by its alcohol content, which is 20 percent higher than Budweiser's. The use of celebrities to advertise hard liquors in television advertising is also tolerated. And while cigarette manufacturers in Japan are not allowed to target women, alcohol advertisers can do so freely (Taylor and Raymond, 2000).

At the other extreme is France—the only EU nation to have a full ban on alcohol advertising. However, after an eight-year battle to outlaw tobacco advertising and sponsorships, the European Union noted it has no plans for an EU-wide ban on alcohol advertising. A spokesperson for EU Health Commissioner Padraig Flynn stated that while Mr. Flynn is implacably hostile to smoking as a potential killer habit, "alcohol, taken in moderate quantities, can be good for you" (*European Report*, 1998).

In 1999, all alcohol advertising (as well as all tobacco-product advertising) was banned from Nepal's radio and television stations. The ban is a culmination of a government public service campaign questioning some of the themes—"glamorous," "brave," "modern," and "western"—used in the industry's advertising. The beers sold in Nepal include licensed brands of European, Indian, and other Asian brewers. Among them are Carlsberg and Tuborg from Denmark, San Miguel from the Philippines, Kingfisher from India, and Shanghai from Thailand. The alcohol content of beer does not have to be disclosed on beer labels and some brands are said to be "extra strong." "Here beer is not used as a mild drink," noted Bhoj Raj Pokhrel, secretary of the Health Ministry. "Many people drink beer as a substitute for hard liquor, that is why beer advertising was also banned" (Bhattarai, 1999). The ban is likely to have a significant impact on the advertising industry, since together alcohol and tobacco advertising account for about 40 percent of Nepal's advertising revenue.

As in cigarette marketing, confront alcoholic beverage manufacturers with regulations, and they will find a way around them. In 1998, Poland's Parliament ruled to keep a long-standing general ban on all alcohol advertising. But while it is illegal to advertise beer in Poland, it is impossible to turn on Polish television without being exposed to an ad for beer or to drive more than 100 yards without seeing a billboard message. Figure 9.7 shows a comparative advertisement for Grolsch beer appearing in a Polish magazine. Since 1997, Polish breweries have been creating nonalcoholic brands that have the same bottle type and—except for the small print—the same name and label as their regular beers. Apparently the advertising for nonalcoholic brands is paying off, because sales of "real" beer are rising 10 percent a year in Poland, the highest growth rate in Europe. According to advertising executives, the beer industry annually spends about $100 million marketing nonalcoholic brands. The Polish Consumer Federation estimates that the industry sells about $20 million worth of nonalcoholic beer each year—in other words, $5 in advertising for every $1 in sales. "They are making a mockery of the law," says Krystyna Zazdrosinska, an attorney with the Consumer Federation, which sued the beer industry for violating the law and wants the advertising stopped. "Everyone knows what they are doing" (*Salt Lake Tribune*, 1998).

Figure 9.7 Comparative ad for Grolsch Beer in a Polish magazine

SELF-REGULATION

Like any industry under attack, the U.S. alcoholic beverages industry has been aggressively outlining codes of ethics related to the marketing of beer, wine, and spirits. For example, the following is a small section drawn from the Wine Institute's code of advertising standards:

> Wine and wine cooler advertising should encourage the proper use of wine. Therefore, subscribers to this code shall not depict or describe in their advertising: a) the consumption of wine or wine coolers for the effects their alcohol content may product; b) direct or indirect reference to alcohol content or extra strength, except as otherwise required by law or regulation; c) excessive drinking or persons who appear to have lost control or to be inappropriately uninhibited; d) any suggestion that excessive drinking or loss of control is amusing or a proper subject for amusement." (Wine Institute, 2002)

The Beer Institute and the Distilled Spirits Council have similar codes of ethics. Of course, compliance for all codes is voluntary. The code may give the impression that the alcoholic beverage manufacturers are willing to go above and beyond even federal guidelines in order to engage in ethical marketing practices. However, in 1996 the U.S. Distilled Spirits Council announced it would reverse a 50-year voluntary ban on broadcast advertising of hard liquor and begin purchasing commercial time on radio and TV stations willing to air them. As recently as 1993, the president of the Distilled Spirits Council had described the ban to a Senate committee as part of the liquor industry's "responsibility to combat alcohol abuse." The decision to dump the restraint resulted from desperation after two decades of plummeting liquor consumption. In addition, hard liquor companies envied beer marketers' ability to reach mass audiences of young, heavy-drinking consumers and perceived themselves to be the victims of their own and the regulator's hands (Hacker, 1998). Surprisingly, U.S. airwaves have not been flooded with hard liquor advertisements. This is in part due to broadcasters' massive resistance to the advertisements (the major networks will still not air them) but also to unwillingness on the part of distillers to make a serious financial commitment to radio and television ads (Seagram, for example, spent just $197,100, or 4.2 percent of its 1996 Royal Crown advertising budget, on spot TV). These factors, together with widespread public opposition, have served to preserve the status quo (Hacker, 1998). President Clinton called the abandonment of the voluntary code "Simply irresponsible," while Attorney General Janet Reno and 26 members of Congress asked the Federal Communication Commission to investigate what could be done to protect children, in particular, from broadcast liquor messages. Others have petitioned the FCC to ban such ads outright. As with cigarette advertising, bans on a particular medium may only drive manufacturers to other outlets. As one liquor industry executive noted, "Kids can now view liquor ads—and just about anything else—on the Internet" (*Greensboro News Record*, 1996).

To date, there are only a handful of alcohol advertisers on the Web. Because of the newness of the Web as a marketing tool, and a fear of generating controversy, many alcohol manufacturers and distributors have moved slowly to build Websites and place ads online. This has led some of them to rely on Internet-savvy third-parties, an approach that often results in glitches. For example, in 2000, Brown Forman, makers of Jack Daniels whiskey and Southern Comfort liquor, hired Internet advertising company DoubleClick Inc. to place banner ads on Websites that would reach its typical drinker. The Internet sites chosen, like the Food Network and getmusic.com, draw traffic that includes a cross-section of the alcohol makers' consumers. But the ads also ran for several weeks, unbeknown to Brown Forman, on United Media's Comics.com site, the home page for Ziggy and Garfield. They also appeared on Snoopy.com, which features Charles Schultz's characters. These sites expressly prohibit alcohol advertising because of their family appeal. A DoubleClick official stressed it was a mistake, noting a clerical worker checked the wrong box on an ad placement form when typing in the instructions for the liquor ads. With DoubleClick placing more than 1.5 billion ads each day on the Internet, there are bound to be some mistakes in placement. The glitches illustrate the power and pitfalls of the Internet as a new advertising medium (Kranhold, 2000).

TARGETING CHILDREN

The statistics regarding alcohol consumption by young Americans are particularly frightening. Youth in the United States begin drinking in junior high school and binge drink (five or more drinks per occasion) at the rate of 30 percent by the time they are high school seniors. Four million children are alcoholics or problem drinkers. Alcohol is by far the most abused drug among young people. It is a major factor in the three leading causes of death for 16- to 24-year-olds. It is also the third leading killer overall (behind tobacco and diet/activity problems), contributing to more than 100,000 deaths each year in the United States alone (Hacker, 1998). In a recent 145-page study, the National Center on Addiction and Substance Abuse claimed that children drink 25 percent of all alcohol consumed in the United States (Branch, 2002). Unfortunately, the United States does not possess a monopoly with regard to such figures. In Europe, 56 percent of 15- to 16-year-olds admitted in a survey by the European School Survey Project on Alcohol and Other Drugs to having had more than five drinks in a session in the past month, with 30 percent of this age group admitting this behavior three or more times a month. In the

United Kingdom, which has one of Europe's highest percentages of teenage drinkers, the frequency of drinking has remained constant. "But what is different is the level of alcohol they are now consuming," which is now significantly higher, said a spokesperson for the U.K. Office of National Statistics (Branch, 2002).

Much like cigarette manufacturers, alcoholic beverage manufacturers prefer to pass the buck. "There isn't a 15-year-old out there who isn't interested in being as adult as they can be. It's up to parents to enforce the rules," notes Francine Katz of Anheuser-Busch "And a recent Roper Poll does show teens themselves naming parents as the primary influence on their decisions about drinking," adds Katz (Elias, 1998). A recent study by the U.S. Department of Health and Human Services has found one in four U.S. children (19 million children or 28.6 percent of children up to 17 years of age) is exposed some time before age 18 to family alcohol abuse or alcoholism. "Children of alcoholics may be neglected or abused and frequently face economic hardship and social isolation. They also are vulnerable to psychopathology and medical problems, including an increased risk for themselves developing alcohol abuse or alcoholism" (Grant, 2000). Clearly, the frontline against alcoholism must be in the home. Nonetheless, to deflect some of the criticism targeted at the industry, most alcoholic beverage manufacturers have developed self-regulatory guidelines that deal specifically with marketing to minors. (Recall that compliance with the guidelines is voluntary.) Regarding children, the Wine Institute's Code of Advertising Standards states:

> Any advertisement which has particular appeal to persons below the legal drinking age is unacceptable. Therefore, wine and wine cooler advertising by code subscribers shall not: (a) show models and personalities in ads who are under the legal drinking age. Models should appear to be 25 years of age or older; (b) use music, language, gestures or cartoon characters specifically associated with or directed toward those below the legal drinking age; (c) appear in children's or juvenile magazines, newspapers, television programs, radio programs or other media specifically oriented to persons below the legal drinking age; (d) be presented as being related to the attainment of adulthood or associated with 'rites of passage' to adulthood; (e) suggest that wine or wine cooler products resemble or are similar to another type of beverage or product (milk, soda or candy) having particular appeal to persons below the legal drinking age; (f) use current or traditional heroes of the young such as those engaged in pastimes and occupations having particular appeal to persons below the legal drinking age; (g) use amateur or professional sports celebrities, past or present. (Wine Institute, 2002)

Alcoholic beverage companies, however, flagrantly violate their own codes of ethics by designing campaigns which appeal specifically to children. For a number of years, Spuds MacKenzie, a cute bull terrier, served as the spokesdog for Bud Light. In ads that pandered shamelessly to kids, Spuds frolicked with Ninjas in television spots at a time when the Mutant Ninja Turtles were highly popular among youngsters. In response to public criticism, Budweiser retired Spuds MacKenzie. Yet, his replacement, a cartoon character named Bud Man, turned out to be no less popular with children. In a recent report to Congress, the Federal Trade Commission documented the fact that alcohol companies are using television shows and films popular with youth to promote their beverages—despite the voluntary rules against marketing to underage drinkers (Gellene, 1999). Current placement standards allow advertising in media when as much as 50 percent of the audience is under age 21. What is the result of such aggressive campaigns? Eight- to twelve-year-olds in the United States could name more alcohol beverage brands than presidents, according to a study. Another found kids knew the Budweiser frog slogans better than slogans for ads intended for them—Tony the Tiger in Frosted Flakes or Smokey the Bear. Indeed, the Budweiser Frogs have been called the Joe Camel of the alcohol industry (Emert, 1998). Middle-schoolers who are most familiar with beer ads also have the most favorable attitudes about alcohol and expect to drink more frequently as adults than classmates who barely recognize the ads. An investigation of 7th- to 10th-graders found those who viewed and liked alcohol commercials were more likely to drink than kids less exposed to the ads (Elias, 1998). Apparently, young people are learning consumption behaviors from commercials. Advertising intended for adults, yet viewed by young people who cannot legally buy, possess, or consume alcoholic beverages, teach the virtues and pleasures associated with beer and wine (Hacker, 1998). According to a spokesperson for the American Academy of Pediatrics (AAP), television in particular functions as a "super peer" to teens, showing what's cool and worthy of emulating. The AAP favors a ban on all alcohol advertising. But George Gerbner, the pioneering Temple University television researcher, regrets that "No matter how much characters drink, there are no harmful consequences in programs. It's just shown as funny. We know this teaches children" (Elias, 1998). An FTC report recommends that the industry both reduce underage exposure to alcohol ads by changing the current placement standards and improve enforcement of its guidelines by creating an independent external review board with responsibility and authority to address complaints from the public or other industry members (M2 Presswire, 1999). According to the report, this recommended change would promote the goals underlying the codes, as well as improve public confidence in industry efforts to self-police.

Various constituencies are arguing for the V-chip to prevent children from being exposed to broadcast ads for alcoholic beverages. For example, the Campaign for Alcohol-Free Kids, along with the National Women's Christian

Temperance Union and the American Council on Alcohol Problems, petitioned the Federal Communications Commission to expand the capability of the V-chip to include all alcohol advertising (Fitzgerald, 1998). V-chips, which are now available as stand-alone units, as well as built into some TV sets, allow parents to block programming. The V-chip can be employed along with the TV ratings system to block shows by age, levels of sex, violence, language, and suggestive dialogue. However, the idea of rating or blocking ads is uncharted territory, which has lobbyists in Washington concerned. After all, if viewers can block one type of ad, they could ultimately block all ads. Also, for any kind of advertising V-chip to work, the industry would have to rate itself much like the broadcast industry has done. Once the ads are rated, parents could conceivably block them. To date, the FCC has not officially responded to the petition, and would likely encounter vociferous opposition to any such action. Allen Banks, executive media director for Saatchi & Saatchi in New York, believes that the V-chip is "clearly censorship. It's blacklisting a product irrespective of how responsible any of the ads in the category might be" (Fitzgerald, 1998). Further, many do not believe the FCC has authority in this area, since it is the FTC that regulates deceptive and unfair practices in advertising—including harm to children—on a case-by-case basis. Nonetheless, the various constituencies are not without clout, and this issue is expected to receive greater attention in the future.

MARKETING ALCOHOLIC BEVERAGES TO MINORITIES

The alcoholic beverages industry has frequently been criticized for targeting minorities. But alcoholic beverage manufacturers defend their right to target African Americans, Hispanics, and Asian Americans by arguing that these groups should have the right to make their own decisions, including which ads they should see and what they should buy. Indeed, they have even found support for this position from an unlikely source. They quote Benjamin L. Hooks, retired executive director of the National Association for the Advancement of Colored People, who in response to the position that minority groups should be "protected" from advertising for some products, including alcoholic beverages, stated "Buried in this line of thinking, and never really mentioned by these critics, is the rationale that Blacks are not capable of making their own free choices and need some guardian angels to protect their best interests" (Castellano, 1992).

Research has shown that alcohol availability (measured by the number of bars and stores selling alcohol in a specific geographic area) and alcohol advertising are disproportionately concentrated in ethnic communities (Alaniz, 1998). One study found that West Oakland—an area in Oakland, California, where racial and ethnic minorities and the poor are concentrated—had one liquor outlet for every 298 residents. In contrast, Piedmont, the more affluent, predominantly white area of Oakland, had one alcohol outlet for every 3,000 residents (Mack, 1997). Merchants use storefronts and interiors of alcohol outlets to advertise beer, wine, and spirits. One study found that a student walking from home to school in a predominantly Latino community in northern California may be exposed to between 10 and 60 storefront alcohol advertisements, and that same study found that there are five times as many alcohol ads in Latino neighborhoods as in predominantly white neighborhoods (Alaniz and Wilkes, 1995). Studies of alcohol advertising in minority communities have focused primarily on billboards. A San Francisco-based investigation revealed that African-American and Latino neighborhoods had proportionately more billboards advertising alcohol than white or Asian neighborhoods (Altman, et al., 1991). Thirty-one percent of the billboards in Latino neighborhoods advertised alcohol, compared with 23 percent in African-American neighborhoods, 13 percent in white neighborhoods and 12 percent in Asian neighborhoods. Most of the alcohol billboards in Hispanic communities advertised beer and wine, whereas the majority of billboards in the African-American neighborhoods promoted malt liquor and distilled spirits. Scores of cities and towns, including New York, Chicago, and Los Angeles, have enacted restrictions on billboard advertising, and in 1997 Baltimore became the first city in the United States to remove all tobacco and alcohol billboards. The ban prompted lawsuits by advertisers and billboard companies, which said limits on billboards violate the advertisers' free speech rights. But in April 1997, the U.S. Supreme Court let the ban stand and the ads came down. However, despite the ruling in the Baltimore case, several other efforts to restrict billboards have been struck down by judges who have found they unfairly singled out tobacco and liquor companies. The Outdoor Advertising Association of America, the industry's trade group, established a voluntary code in 1990 that called for a prohibition on tobacco and alcohol billboards within 500 feet of schools, churches, and playgrounds.

Researchers have also revealed a direct relationship between alcohol advertising and alcohol-related problems. For example, a study on alcoholism and Hispanics released by CalPartners Coalition, a group of Hispanic organizations, found that 12 percent of Hispanic homicide victims are killed in bars; the incidence of rape and violence against women is higher in areas where alcohol advertising is most concentrated; and liver disease and cirrhosis of the liver are the sixth and seventh leading causes of death among Hispanics (Herdt, 1998). Heavy drinking is decreasing among whites, but increasing among Hispanics. "Regrettably, Latinos tend to be heavier drinkers than other populations," said project director Eduardo Hernandez. "They don't drink as frequently as others, but when they drink, they drink heavily" (Herdt, 1998). And, according to the National Institute on Alcohol Abuse and Alcoholism, alcohol abuse is the leading health and safety problem in the African-American community. Black consumers drink less alcohol per capita than whites, but poverty and poor health care contribute to disproportionately high rates of alcohol-related disease (Hacker, et al., 1987). To appeal to this audience, beverages with higher alcoholic content, such as malt liquors, have been developed. For example, Power Master, a beer marketed to blacks by the G. Heileman Brewing Company, contains 7.5 percent alcohol—about 60 percent higher than regular beer. Much like the Wine Institute, the brewing industry's code of ethics contains a guideline that reads "Advertising should neither state nor carry any implication of alcohol strength." But ads directed at black consumers frequently allude to the product's strength. An advertisement for St. Ides, another high-octane beer, featured black rapper Ice Cube chanting "I usually drink it when I'm out just clowning, me and the home boys, be like downin it; Cause it's stronger but the taste is smooth; I grab me a forty [ounce bottle] when I want to act a fool." The "references to 'power' in the ads aimed at minority communities carry a double meaning. These ads borrow the language of the civil rights movement and pretend to offer empowerment to the disenfranchised and alienated. It is a cruel bait and switch" (Jacobson & Mazur, 1995).

In addition to developing alcoholic beverages targeted to minorities, and creating hard-hitting and oftentimes exploitive campaigns to sell their products, alcohol companies (much like tobacco firms) insinuate themselves into minority communities by sponsoring ethnic events and organizations, and hiring ethnic employees to work for them. The Hiram Walker company, which designates 10 percent of its total media advertising to blacks, supports the 100 Black Men of America (an organization that is made up of professionals who are dedicated to helping inner-city youth), the National Caucus of Black Aged (an advocacy group that provides homes for the aged), the United Negro College Fund, and the National Association for the Advancement of Colored People. In addition, the company established the Hiram Walker Foundation, dedicated to the support of minority education, particularly in the food service and retail industries (Pomeroy, 1992). Coors is equally active in supporting events designed to appeal to black consumers. The company sponsors broadcasts of black collegiate football games, tennis tournaments, rock concerts, boxing matches, and more. And while Coors had a reputation for racist hiring policies in the mid-1980s, the company is now recognized for its diversity efforts. Fortune magazine ranked Coors 38th in its annual list of companies considered best for minority employees, and Coors was the only alcohol beverage company to be recognized by *LATINA Style* magazine (*PR Newswire*, 1999B). All too often, however, marketers expect something in return for their sponsorships and diversity efforts. The support of both tobacco and alcoholic beverage firms may buy the silence of minority leaders regarding the dangers of these products in their communities (Jacobson et al., 1993).

BANS AND COUNTER-ADVERTISING

Efforts to ban or restrict alcohol advertising have been made in Canada, Finland, Norway, and Great Britain, as well as many countries in Asia. However, given the global nature of the mass media, total ad bans are generally difficult to achieve. An additional difficulty is that advertising effects may persist long after a ban has been imposed and thus the effect on sales may be long delayed. An early investigation was conducted in British Columbia in 1971–1972. Local advertising of all alcoholic beverages was banned for a 14-month period; the ban, however, was found to have no effect on beer, wine, or spirits consumption (Smart and Cutler, 1976). Unfortunately, at the time there was no public education program to explain the ban, and it had neither the acceptance of the public nor the media. Norway prohibited all alcohol advertising in 1975 and Finland did so in 1977. At the time, neither country received much foreign television or other media influences. An examination of per-capita consumption figures revealed no obvious post-ban effect. A comparative approach was employed by Simpson et al. (1985), who examined alcohol consumption in two groups of countries: Hungary, Finland, and Norway, where alcohol advertising was totally banned; and in the Netherlands, Australia, and Japan, where advertising was unrestricted. They found no obvious differences in consumption between the two groups. These investigations, together with several other related studies undertaken over the years, suggest that advertising bans do not seem to affect overall consumption significantly. This appears consistent with research into tobacco-advertising bans. Seldom addressed are the effects that such bans might have on the media. The advertising industry, in an attempt to "preserve and enhance the right and freedom to advertise," has argued that if tobacco advertising were banned, nearly 8,000 newspaper jobs would be lost and 165 magazines would be destroyed. An end to beer and wine advertising on television, they claim, would result in a loss of 4,232 jobs, plus an enormous chunk of network sports programming (beer ads account for over 15 percent of all ad spending on network sports—without beer ads, the networks would have far less money to spend on sports programming). And without ads for hard liquor, another 84 magazines would fold, including many for blacks (Lipman, 1990). Ad-ban proponents argue that these statistics don't consider what new forms of advertising might replace lost beer, alcohol, and tobacco ads and point instead to the social good that such bans would accomplish.

"Experience with counter-advertising in the 'tobacco wars' indicates that a balance of commercials that inform consumers of the risks of excessive drinking, discourage over-consumption, and de-glamorize drinking by underage persons would provide effective relief from the one-sided promotion of drinking" (Hacker, 1998). Over the years, the Ad Council, Mothers Against Drunk Driving (MADD), and various other organizations have sponsored anti-drinking campaigns. Even the alcoholic beverage industry has developed advertising messages promoting responsible drinking, primarily because of concerns that policy makers and the public are being swayed by what it considered exaggerated warnings on the dangers of drinking. The alcoholic beverage industry is pouring millions into anti-alcohol abuse groups. For example, the National Organization for Fetal Alcohol Syndrome received financing from the Licensed Beverage Information Council. Bacchus, which runs programs on 400 college campuses promoting responsible habits and attitudes, in the past has received well over 90 percent of its cash contributions from the liquor industry. And the Alcoholic Beverages Medical Research Foundation in Baltimore receives over 95 percent of its funding from the beer industry. Studies financed by this foundation have found medical benefits in moderate drinking, as has some independent medical research (Abramson, 1991).

The industry has also sponsored a variety of "responsible drinking" messages. Seagram's, for example, notes that is has been running such campaigns since 1934, when it advised those who imbibed to "drink moderately." Miller Brewing has run a "Know Your Limits" campaign for a number of years. And Anheuser-Busch has made an effort to put out a positive drink-in-moderation message by running television ads featuring customers partying in a bar which looks strikingly similar to regular beer commercials—except at the end they admonish viewers to "know when to say when." Anheuser-Busch ran the "know when to say when" campaign from 1985 to 1999. The brewery will spend $40 million on a new campaign which salutes those who have made a difference in fighting alcohol abuse instead of preaching about the dangers. This will bring the total spent on such efforts since 1982 by the brewery and its distributors to $300 million (Stamborski, 1999). Nonetheless, many critics say industry efforts to combat drunk driving and the other health and social ills of drinking are merely cosmetic and self-serving. They note that the alcohol lobby fought against raising the drinking age to 21 in some states and against tougher blood alcohol standards for defining drunk driving in others. "Would you want the Mafia underwriting anti-crime programs?" asks Andrew McGuire, director of the Trauma Foundation in San Francisco and one of the original directors of MADD (Abramson, 1991).

Pharmaceutical Advertising

THE RULES CHANGE

Nonprescription drugs have been directly advertised to consumers via various media for decades. However, commercial messages promoting prescription drugs were typically directed at physicians and at one time appeared only in trade journals. The early 1990s saw a dramatic increase in prescription drug marketing as well as a major shift in the industry's marketing philosophy. In 1990, spending in the prescription drug category was about $46 million. Then in 1992, the American Medical Association, in collaboration with the U.S. Food and Drug Administration, lifted its ban on consumer pharmaceutical ads. It issued guidelines for direct-to-consumer advertising that called for accurate information balancing claims of product effectiveness with risk information. According to Leading National Advertisers, spending in the category skyrocketed to $162.5 million in 1993 (Miller, 1994). Experts attribute the bulk of that growth specifically to the explosion of ads aimed directly at consumers who have become more involved in their medical decisions—a trend which experts say will continue. Consumers have become part of the purchasing decision, notes Mike Myers, manager of consumer programs at Pharmaceutical Marketing Services, Inc. "In the early 1980s, before managed care really took hold, the prescriber had 100 percent control, but now the HMO is dictating some of that, and patients are coming in and demanding certain drugs" (Miller, 1994). Faced with a nation obsessed with slashing health-care costs, along with an onslaught of lower-priced generic drugs, pharmaceutical marketers have aggressively attempted to build brand awareness.

Prior to 1997, the Food and Drug Administration, which clears ads for prescription drugs, required ads in all media to thoroughly explain the side effects if the message mentions both the product name and the ailment it was meant to treat. Pharmaceutical manufacturers took one of two routes to deal with the guidelines. Upjohn, one of the pioneers in direct-to-consumer marketing, for example, ran a 30-minute infomercial to pitch its Rogaine baldness treatment and employed the same technique to promote its Depo-Provera contraceptive injection, scrolling the fine print from drug labels on the screen like final credits for a movie. The campaign, which included a toll-free number, generated 750,000 consumer responses. But most drug makers using TV simply skirted the rules by mentioning only the product name or an illness, but not both. As a result, millions of consumers were left baffled and struggling to understand why the woman on their screen was windsurfing across a wheat field over the word "Allegra," and why a mountain climber in a business suit was yelling "Zyrtec." The ads didn't mention that the Merck and Pfizer drugs were allergy treatments (Hendren, 1998).

In August of 1997 the Food and Drug Administration relaxed the rules of pharmaceutical product promotion. Under the new guidelines, companies need only mention significant side effects in television messages, referring viewers to magazine ads, toll-free phone numbers, Internet sites, or to medical professionals for specific details. The result? The American Medical Association reported that in 1998, $1.3 billion was spent on direct-to-consumer pharmaceutical advertising (Pirisi, 1999). In the first half of 1999 alone, companies spent $905 million, a 43 percent increase over the same time period the previous year according to the industry research company IMS Health (Neergaard, 1999). Television continues to be the medium of choice, accounting for 59 percent of all direct-to-consumer advertising spending. However, industry experts predict that pharmaceutical manufacturers may turn to the Web as well as digital and cable alternatives since these options offer better targeted and cost-effective advertising returns. IMS estimates such advertising will help drive annual sales in the United States up to $143 billion by the year 2002, and global sales to about $415 billion by the same date (Reid, 1999).

The United States is on the cutting edge of this trend. Until quite recently, in Britain, as in the rest of Europe, consumers were protected from or deprived of (depending on your point of view) such blandishments. Interestingly, the Internet may ultimately force the issue. The thousands of medical sites worldwide are all accessible from a European desktop, and many of them name branded products. Health chat rooms, virtual pharmacies, and self-diagnosis sites are mushrooming. This flood of information makes a ban on regulated advertising hard to justify. "Consumer pressure is going to become more and more important," says Jean-Pierre Garnier, chief operating officer at SmithKline Beecham. "You can mobilize a group of patients through the internet. That will start to create pressure on what governments can or cannot forbid" (Pilling, 1999). In 2001, the EU proposed to allow direct-to-consumer advertising for three specific conditions—AIDS, respiratory problems such as asthma, and diabetes—allowing pharmaceutical companies to communicate with patients via the Internet. It is not clear whether direct-to-consumer advertising will be extended to include television, print, and outdoor ads (*Marketing Week*, 2001). If legalized, direct-to-consumer advertising is predicted to have an even bigger impact on the nationalized health services of Europe than it has already had on the private ones of the United States. Some are concerned that the Nationalized Health Services won't be able to cope with the financial implication of patients' demand for expensive drugs. Soaring drug sales are less of a government concern in the United States, where the bulk of health care is paid by private insurance. In Europe, however, an advertising-led boom in sales would have to be met by public expenditure (Thornton, 2000).

In other markets the outlook for direct-to-consumer advertising is not so promising. The Vietnam Pharmaceutical Department has ordered two foreign-owned companies, N. V. Organon and Janssen-Celig, to immediately stop advertising Livial and Sibelium. The two firms had infringed the regulations on the advertising of medicines and cosmetics: N. V. Organon advertised Livial, used in hormone replacement therapy without the department's approval, while Janssen-Celig's advertising of the migraine medicine Sibelium was different from what it had registered at the department. Apparently "violations involving pharmaceutical advertisements are rampant," according to Tran Duc Chinh, head of medicine advertising and information at the department (*Saigon Times Daily*, 1999). Among the 8,000 or so generic brands now in circulation locally, the department has licensed the advertising of a mere 155 ingredients. The regulations in Vietnam specify that cosmetics and medical equipment cannot be advertised if they are not yet licensed. Pharmaceutical materials, medicines, cosmetic products, vaccines, and food can only be advertised after Health Ministry agencies issue quality certificates in line with the prevailing quality control regulations.

EFFECTS ON U.S. CONSUMERS

Consumers have been deluged with broadcast and print messages for a vast range of pharmaceutical products. Most of the marketing has focused on situations in which consumers have a problem they can readily identify themselves, such as birth control, hair growth, or allergy relief. And it appears that campaigns for these kinds of drugs or those with cosmetic aspects are highly successful. Sixty percent of consumers in a recent investigation knew that Claritin, the most advertised drug, treats allergies. Eighty percent recognized the anti-impotence pill Viagra. "A consumer is not going in and asking his doctor for a particular brand of antibiotic, but they might go in and ask about Rogaine (a baldness cure)," said Joseph Davis, executive vice president/managing director of Medicus Consumer/DMB&B, which specializes in healthcare advertising and communication. "Ninety-nine percent of prescription drugs are probably not candidates for direct-to-consumer," he said. "They're too esoteric. Cancer drugs, any life-or-death kind of thing, that's not an area where the consumer has a real role to play," (Miller, 1994). But apparently, the role of the consumer in determining medications is expanding dramatically. Increasingly, consumers are being exposed to campaigns for drugs that treat everything from high cholesterol to depression to prostate problems, and even HIV. The magazine advertisement for Advair in Figure 9.8 asks the reader "Want to see what Advair can do for your asthma?" The product is pitched as a medication that can help with respiratory difficulty. Note the accompanying page of product information.

And just how are consumers responding to these advertising messages? One poll of 1,200 consumers found that 74 percent believe these ads help them be more involved in their own health care, while 67 percent say the ads teach them about drugs' risks and benefits. People who saw the ads were more likely to believe a drug was safe than people who were not exposed to these messages. But another 61 percent noted that the ads caused confusion about the very same risks and benefits, while 38 percent indicated the ads caused tension between patients and doctors (Steyer, 1999).

On the upside, many patients are being treated with the most up-to-date medications for conditions they might not have recognized if an advertisement had not led them to a doctor's office. But the trend apparently has a price. Americans spent $100 billion on prescription drugs in 1998, an 84 percent increase over five years. While medical inflation has contributed to this increase, critics argue so has direct-to-consumer advertising. "The average price of a prescription climbed 40 percent, to $37.38, during the past five years, propelled in part by the cost of advertising. Overall consumer inflation during that period was only about 15 percent" (Rosenblatt, 1999). Americans are consuming more medication. New and better drugs are being brought to market at a record pace, thanks to accelerated development and a fast-track approval system by government regulators. About 395 new medicines have been introduced in the past decade, compared with 231 in the previous 10 years. Now in various stages of development are more than 450 medications just to fight off the big killers: heart disease, cancer, and stroke. And direct-to-consumer advertising will encourage consumers to buy them. The trend is likely to continue as the baby boom generation moves into middle age and beyond, and demand will inevitably mount for drugs dealing with arthritis, osteoporosis and a host of other chronic problems of the elderly.

Some marketers fear that consumers will ultimately tune out the multitude of pharmaceutical ads. Recent research shows that the average consumer currently watches nine television commercials every day for prescription drugs and they are not particularly happy about it. "People really dislike these ads," Beth Miller of the advertising agency Campbell Mithun Esty told a meeting of the American Association of Pharmaceutical Scientists. Consumers are using words like "trite," "boring," and "goofy" to describe some ads, telling Miller they were tired of healthy-looking patients wandering on the beach or windsurfing through wheat fields to sell medication. But Miller mostly blames all the negative side-effect information. "All of these warnings are confusing consumers," said Miller, who wants prescription ads to become a little "less like sitting in a classroom and getting lectured. We don't want consumers saying 'look at all that bad stuff—I'm going to go get some ginkgo and hope for the best,' instead of taking an effective prescription" (Neergaard, 1999).

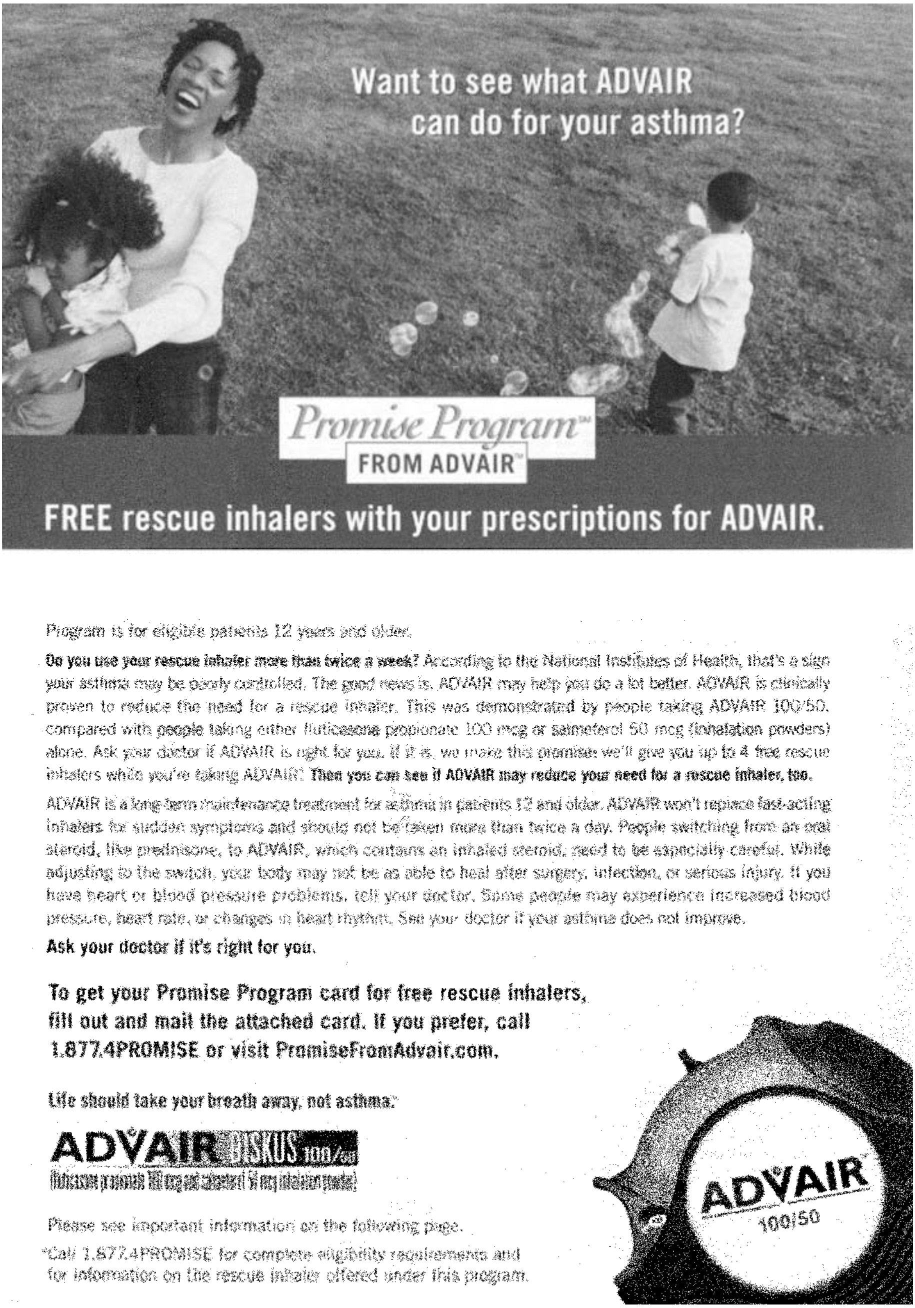


Figure 9.8 Advair—a pharmaceutical advertisement

ADVAIR DISKUS 100/50, 250/50, 500/50

(fluticasone propionate 100, 250, 500 mcg and salmeterol 50 mcg inhalation powder)

WHAT IS ADVAIR DISKUS?

[illegible]

What should I know before taking ADVAIR?

[illegible]

Important Safety Considerations with ADVAIR:

[illegible]

How should I use ADVAIR?

[illegible]

What should I know about the DISKUS device?

[illegible]

Can I take ADVAIR with other medications?

[illegible]

What are the possible side effects of ADVAIR?

[illegible]

What if I am a child or elderly?

[illegible]

What if I am pregnant or nursing?

[illegible]

What happens if I take too much ADVAIR?

[illegible]

What other important tests were conducted with ADVAIR?

[illegible]

If you have any further questions about ADVAIR, talk to your doctor, visit our Web site at ADVAIR.com, or call 1-877-4-ADVAIR.

GlaxoSmithKline

THE MEDICAL COMMUNITY RESPONDS

Drug manufacturers state that pharmaceutical ads put new patients in doctors' waiting rooms; however, physicians complain that the ill-informed are increasingly demanding drugs they discovered while watching their favorite soap opera or flipping through *People* magazine. What's more, patients are demanding the drugs, whether their doctor recommends them or not. Physicians not only have to defend what they are going to prescribe but also defend what they are not going to prescribe. A recent investigation showed that only 9 percent of physicians reported feeling no pressure to prescribe from patients informed by advertising; 38 percent felt very little pressure, 47 percent felt pressure, while 6 percent felt a lot of pressure (Spurgeon, 1999). The study revealed that in 30 to 36 percent of cases in which patients asked doctors about a drug they had seen advertised in the media, doctors gave in to the pressure, even when the drug in question was not their first choice. The doctors surveyed say that television advertisements were the most frequent source of their patients' information (77 percent); print advertisements were next (51 percent), followed by television news stories (49 percent) and print news stories (48 percent). More than half (52 percent) of the doctors thought that the information in prescription ads was only partially accurate, and 42 percent thought it was mostly accurate (Spurgeon, 1999). "It's out of control," says Dr. Sidney Wolfe, director of health research at the consumer group Public Citizen, who points out that doctors watch the ads too. "The combination of misinformed doctors and misinformed patients leads to a rise in prescriptions being written which shouldn't be written." Many doctors agree, according to a recent survey of nearly 5,000 physicians by industry researcher IMS America and the Internet service Physicians Online. More than 60 percent of doctors want drug makers to cut back or pull the plug, particularly on TV advertising (Hendren, 1998).

When the FDA changed its position on direct-to-consumer advertising, it asked companies to provide consumer research on the impact of such advertising on prescribing, patient visits, and consultations. The agency opened the door to the wider use of pharmaceutical advertising directed at consumers, but with the provision that such advertising would have to prove its value. The Pharmaceutical Research and Manufacturers Association of America and others are assembling data, and a number of research projects sponsored by both pro-direct-to-consumer and anti-direct-to-consumer parties are underway. The results of these investigations will determine whether the agency will turn back the clock on direct-to-consumer pharmaceutical advertising or will further loosen restrictions in the United States.

Conclusion

In this chapter, cigarette, alcoholic beverage, and pharmaceutical advertising have been discussed. Several distinctions need to be made between these product categories. In the case of alcohol and cigarettes, not only is the advertising contested but the products themselves have been recipients of heavy criticism. There is some evidence that when used in moderation, there may be some health benefits to the consumption of alcoholic beverages. In contrast, tobacco is the only legally sold product that when consumed as intended, ultimately results in illness or death. In the case of pharmaceuticals, on the other hand, it is not the product category which causes consternation but rather the aggressive marketing tactics employed to promote them. Regardless of whether it is the product itself or its promotion that results in controversy, it is the marketers' responsibility to ensure that the consuming public is aware of any and all related hazards. And despite the federal and state laws which regulate the marketing of these goods in most countries, it is up to activists and consumer interest groups to serve as watchdogs over these powerful industries.

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CHAPTER 10

ADVERTISING AND GENDER REPRESENTATION

Representation of Women in Advertising

The representation of women in advertising has been a concern since the rise of the feminist movement in the United States in the 1960s. A tremendous amount of research has been conducted over the years on images of women in ads, and a large number of national and international conferences on the topic have been held. Generally the criticisms of advertising fall into three areas: the stereotyping of women into passive and less powerful players in society, the portrayal of women as sexual objects in ads, and the cumulative effect of these portrayals on women's self-esteem. In this chapter we shall begin by reviewing the literature on women in advertising and examining how issues of representation are expressed across cultures. Then we will look at issues of representation for men in advertising.

Stereotyping Starts Young

The world of children's television is a gender-stratified world. Studies suggest that children's television is primarily a male world (Signorielli, 1991; Barcus, 1983). These studies confirm that there are more male characters depicted than female. Even animated product representatives like Tony the Tiger are predominately male (Pierce and McBride, 1994). Also, in children's commercials the male characters carry the action while female characters offer support. Marketers and advertisers support this gender bias by creating action-oriented products for boys (cars, guns, and action figures) and passive types of playthings for girls (dress-up dolls, kiddie cosmetics, and soft animals).

Advertisers further reinforce these stereotypes in the colors, settings, and behavior of each gender in the commercials. The male characters in boy-oriented commercials wear dark-colored clothing and are filmed against bright primary-colored backgrounds (dark green, blue, and gray). Commercials aimed at girls use pastel colors such as pink or white. Girls wear lighter-colored clothing. Boys are often filmed outside while commercials aimed at girls are filmed in bedroom-style sets or in playrooms (Seiter, 1995).

In TV commercials boys run, shout, ride bikes, compete with each other, and take risks. Commercials aimed at boys have frequent cuts and many close-ups (Seiter, 1995). In commercials aimed at girls the camera techniques create a soft, warm, fuzzy feeling. Girls play quietly in their pastel bedrooms or watch boys in more active play.

When boys are shown playing with their toys they are generally aggressive, even violent—crashing cars, or aggressively competing with action figures. Girls, on the other hand, are shown playing quietly and gently. For girls a toy is a playmate: for boys a toy is a plaything.

Cultivation theory suggests that repeated exposure to media messages leads a person to hold opinions or views of society that can be discordant with reality. When children internalize advertising and media stereotypes, gender myths can be perpetuated and children from a very early age may limit the roles they see themselves playing in society. Even very young girls (see Figure 10.1) are shown in advertisements for branded fashion goods, perhaps suggesting to children that fashion and beauty are what are most valued for women in society.

Teenage Girls and Advertising

As girls grow into their teens, the media continue to play a significant role in the development of identity. In fact, much research has been done on images in the media and self-image in adolescents. One concern of critics is that advertisements present young girls with unrealistic beauty norms. Most advertisements that appear in magazines have been extensively retouched to remove even the slightest flaw. Techniques such as retouching led Lakoff and Scherr (1984) to accuse advertisers of creating a "cult of unrealizable beauty" (p. 290). Critics contend that the uniformly thin, perfectly proportioned models contribute to unhappiness with their own bodies among young girls and thus undermine self-confidence and reinforce problems like eating disorders (Freedman, 1986). In addition, Walsh-Childers (1999) notes that advertising photographers often focus on women's breasts, regardless of the product category. She contends that the idea that sexy equals big breasts has created feelings of inferiority in young

Figure 10.1 Bus kiosk poster for Baby Guess in Singapore

girls, so that “plastic surgeons report that they now see girls as young as 14 seeking surgery to enlarge their breasts” (p. 82). Marsha Richins (1991) studied attitudes and behaviors of college students exposed to advertisements and found that after viewing beautiful models, subjects rated average women as less attractive. In other words, images of highly attractive individuals can cause viewers to rate the attractiveness of more ordinary others lower than they would otherwise. In addition, she found that exposure to highly attractive images negatively affected the subject’s feelings about their own self–appearance. As the author notes, “while one may argue that temporary dissatisfaction is beneficial if it stimulates consumers to buy products that improve their appearance . . . it is difficult to argue that such is the case here” (p. 83). She points out that the repeated exposure to idealized images may have a cumulative effect on self-feelings.

In fact, research on child development has shown that self-perceptions of physical attractiveness are markedly different for male and female adolescents (Martin and Gentry, 1997). Many researchers have noted that self-perceptions of physical attractiveness appear to decline systematically over time in girls but not boys (Hartner, 1993; Block and Robins 1993). Boys tend to view their bodies as “process” and have a stronger view of themselves as holistic, while adolescent girls pay attention to individual body parts (Brown, Cash, and Mikulka, 1990). Advertisers contribute to this “body-as-object” focus for female adolescents by using difficult-to-attain standards of physical attractiveness in ads. An analysis of *Seventeen*, a magazine aimed at adolescent females, found that over a 20-year period from 1970 to 1990, and models had become significantly thinner (Guillen and Barr, 1994). While the actual emotional effects of repeated exposure to ultrathin models in magazine ads has been somewhat inconsistent, Martin and Gentry (1997) found that female college students who were repeatedly exposed to very thin models in ads felt increased guilt, shame, insecurity, and body dissatisfaction.

Gender Stereotypes

Gender stereotypes are learned through constant reinforcement. Although the terms *gender* and *sex* are often used interchangeably, these two concepts have very different meanings. Sex is biologically determined (male and female) while gender is culturally determined (masculine and feminine). Each culture has a set of general beliefs about what constitutes masculinity and femininity: these are known as gender roles. Stereotypes in advertising conform, for the most part, to cultural expectations of gender. To be feminine in the United States is to be attractive, deferential, nonagressive, emotional, nurturing, and concerned with people and relationships (Wood, 1999). To be masculine is to be strong, ambitious, successful, rational, and emotionally controlled (Wood, 1999). This cultural script has been written into the culture long before a baby is born. It is transmitted to children through family, peers, teachers, and the media. Advertising mirrors society, and therefore ads that use stereotypes not only reflect but also tend to reinforce the stereotypical representations that are already present in a culture. In the case of women, "there is overwhelming evidence that advertisements present traditional, limited and often demeaning stereotypes of women . . ." (Lazier and Kendrick, 1993, p. 202). Since the majority of advertising research on gender stereotypes has been conducted in the United States, we will outline the general concerns about negative representation of women in North America. Later in the chapter we shall look at stereotypes of women across cultures.

Representations of Women in U.S. Advertising

WOMEN AS SEXUAL OBJECTS

One of the main criticisms of advertising that emerged in the late 1960s with the advent of the women's movement was feminists' concern that women's bodies were being used to sell everything from air conditioners to wrenches (see Figures 10.2 and 10.3). While women in bikinis have been draped over cars and washing machines for decades, it was only in the 1970s that women began to take issue with this representation. Feminists complained that this type of portrayal "objectified" women.

Advertisers were also criticized for using language that put women down. The Virginia Slims slogan, "You've Come a Long Way, Baby," was critiqued for infantalizing women. Other critics pointed out that certain types of language and certain depictions of women had subtly violent undertones. Carol Adams (1995) suggested that in patriarchal cultures like that of the U.S.A., a hierarchy exists in which men are at the highest level and women and animals are positioned as inferior. She suggested that this relationship between women and animals had been naturalized by the use of terms like "bunnies, bitches, nags, beavers, chicks, pussycats, foxy ladies, and old bats" for women. In fashion advertising, women are often shown lying on bearskin rugs, wearing furs and feathers, or dressed in tight-fitting leather clothes. These kinds of ads have been criticized for positioning women as "prey" (Frith, 1995).

In addition, women's bodies are often dismembered in ads and shown as "body parts," and this type of representation has also been criticized as objectifying women and contributing to the underlying culture of violence toward women (see Figure 10.4).

Using women's bodies 1999:
An ad for a leather attaché

Using women's bodies 1929:
An ad for chocolates

Figures 10.2 & 10.3 For 70 years U.S. ads have objectified women

Women as passive and submissive

Another feminist critique that emerged in the early 1970s centered primarily on the limited roles in which advertisers showed women, i.e., mothers and housewives (Courtney and Lockeretz, 1971). Over time the range of roles women play in ads has expanded, but even today women are seldom shown playing powerful roles in society. For example, women's voices are seldom used as announcers in TV commercials because advertisers believe that women's voices lack authority and women are still the ones shown in ads doing household jobs like laundry, child care, and so forth, and if men are shown engaging in these activities they are often positioned as "henpecked" or the objects of humor.

Women are also posed in submissive ways. Vickie Shields (1990) notes that historically the predominant "gaze" has been the male gaze. The "old masters"

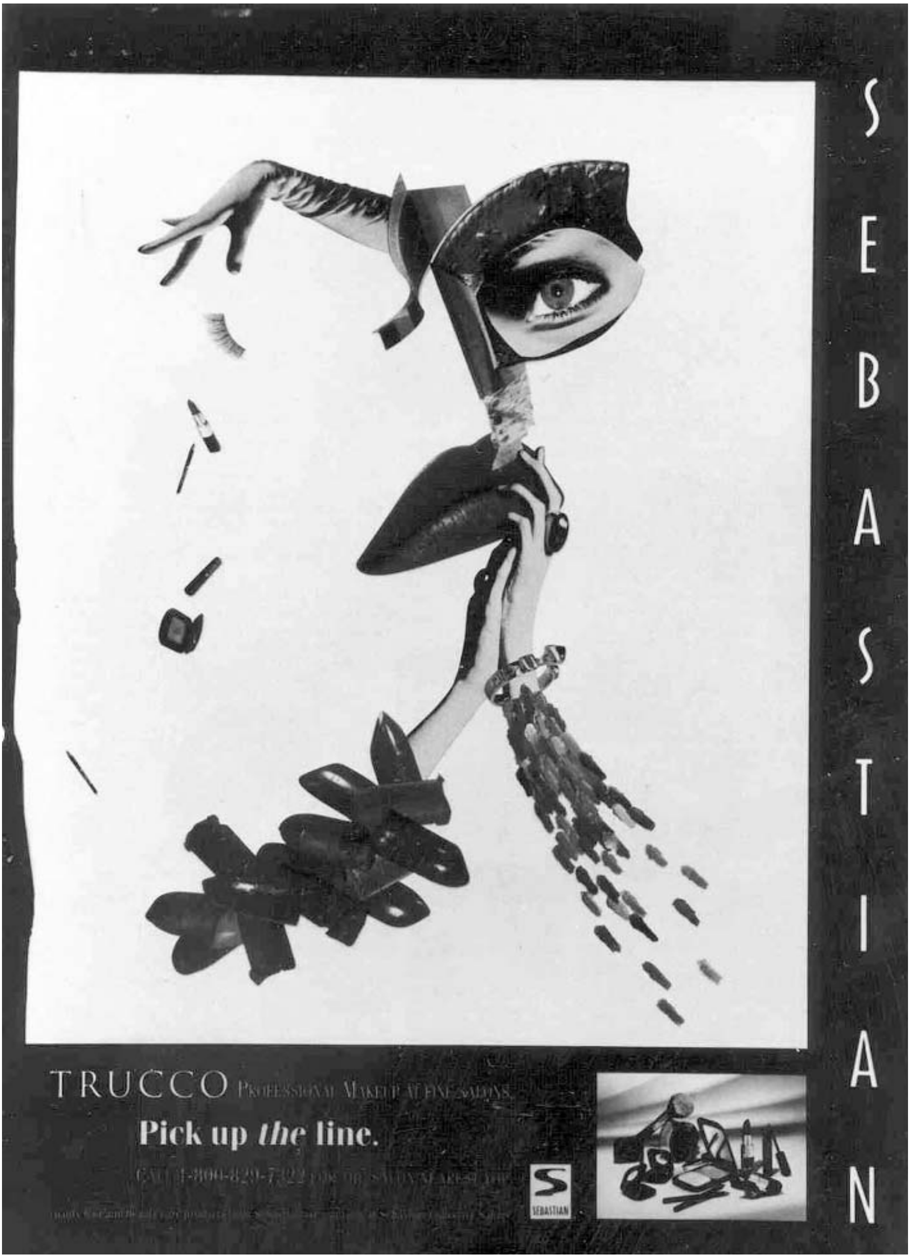


Figure 10.4 Ad showing dismemberment

were just that, male painters. The male painted (active) whereas the women posed (passive). The female models were the objects of the male gaze. Shields argues that "ways of seeing" are gendered and that the male gaze is aggressive while the female gaze is submissive. Today, the painter has been replaced with the photographer. When women pose for the camera they often assume or are asked to assume a submissive or passive stance. While some might say that this "lowered eyes, head down" type of positioning is feminine, Shields would argue that it is submissive. In ads, women often gaze downward or away from the camera while men tend to gaze directly into the camera.

Erving Goffman (1976) conducted the earliest research on the positioning of women in submissive or inferior poses in ads. He identified symbolic behaviors in advertising presentation that are still used today by advertising researchers. These include:

- *Body cant or bashful knee bend.* These are fashion poses in which the model bends, and curves her body, bends her knee and points her toes, cocks her head and generally assumes a contorted posture in which movement is arrested and she is presented as a "sight" to be gazed upon.
- *Recumbent figure.* A model is shown reclining or semi reclining on the floor or on the ground or lounging on a bed or sofa. While the passivity of such portrayals is apparent, the sexual innuendo also is obvious.
- *Psychological or licensed withdrawal.* This refers to poses for women where they appear to be drifting off (gazing away from the camera), daydreaming, or staring blankly out of the frame. Goffman suggested that this type of pose made women look as though they were mentally incompetent or vacant. The woman is shown to be "withdrawn" from reality and inactive (not acting on her surroundings).
- *The engaging gaze.* This is a passive pose where the model makes eye contact with the camera, engaging the viewer with seductive eye contact or a sexually seductive look.
- *Touching self.* In these poses the model touches her face or covers part of her face with her hands. Goffman suggested that this pose made women look girlish, shy, and submissive.

It is interesting to note that these poses are still commonly used 20 years after Goffman identified them (see Figure 10.5).

Women as Inferior

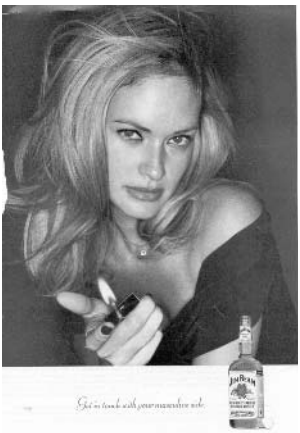
Yanni (1990) suggests advertising representations of women in patriarchal societies like the U.S.A. reflect their undervalued or inferior status in society (even today, women make 74 cents to every $1.00 made by men). She suggests

Touching Self

Touching Self

Recumbent Pose

Licensed Withdrawal



The Seductive Gaze

Body Cant

Figure 10.5 Recent ads that use Goffman's positioning types that within a capitalist structure all work is assigned "value" and that women's primary use-value is sexual, household, or hand-work (factory work). She notes that is why expensive or luxury goods such as credit cards, computers, and electronic equipment are often associated with men (more value) and why we see women featured in ads for lower-value goods such as shampoos, cleaning supplies, foods, and cosmetics.

In a study comparing ads in six magazines (*Newsweek*, *Time*, *Cosmo*, *Redbook*, *Playboy*, and *Esquire*) between 1964 and 1984, researchers found that 53 percent of the female models wore skimpy clothing as compared to only 6.5 percent of males; female characters were more likely than male characters to be the object of another character's gaze; males were more typically the target audience for the products; and more males than females handled or controlled the products in the commercials (Soley and Kurzbad, 1986).

In a study by Rudman and Verdi (1993), the authors examined the differences in sex role stereotyping, sexual display of body, and violent imagery between depictions of men and women in ads. They found that females are more likely to be placed in submissive positions; females are more often sexually displayed; and females are more often the subjects of violent imagery (see Figures 10.6 and 10.7). The different ways males and females are portrayed

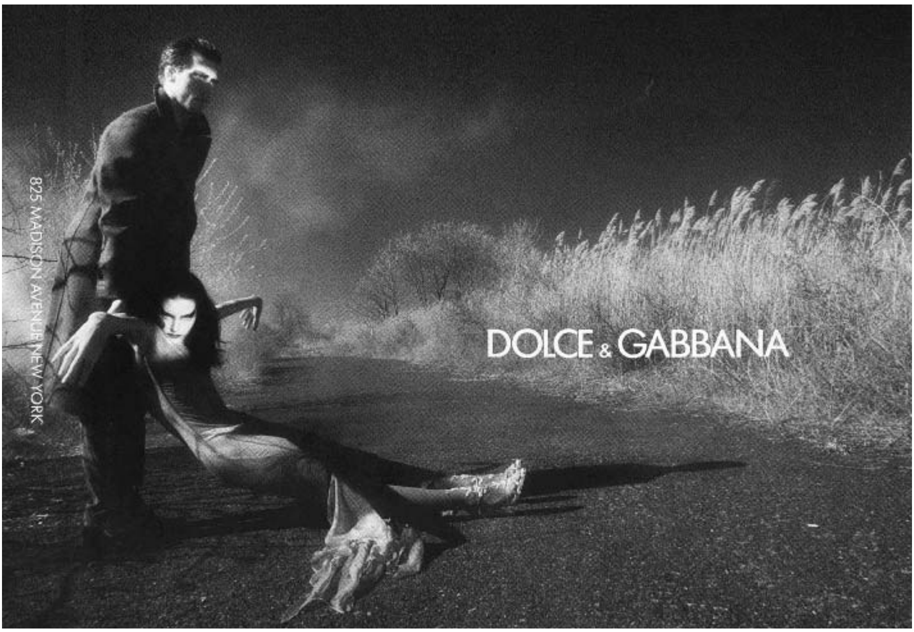


Figure 10.6 Violence against women

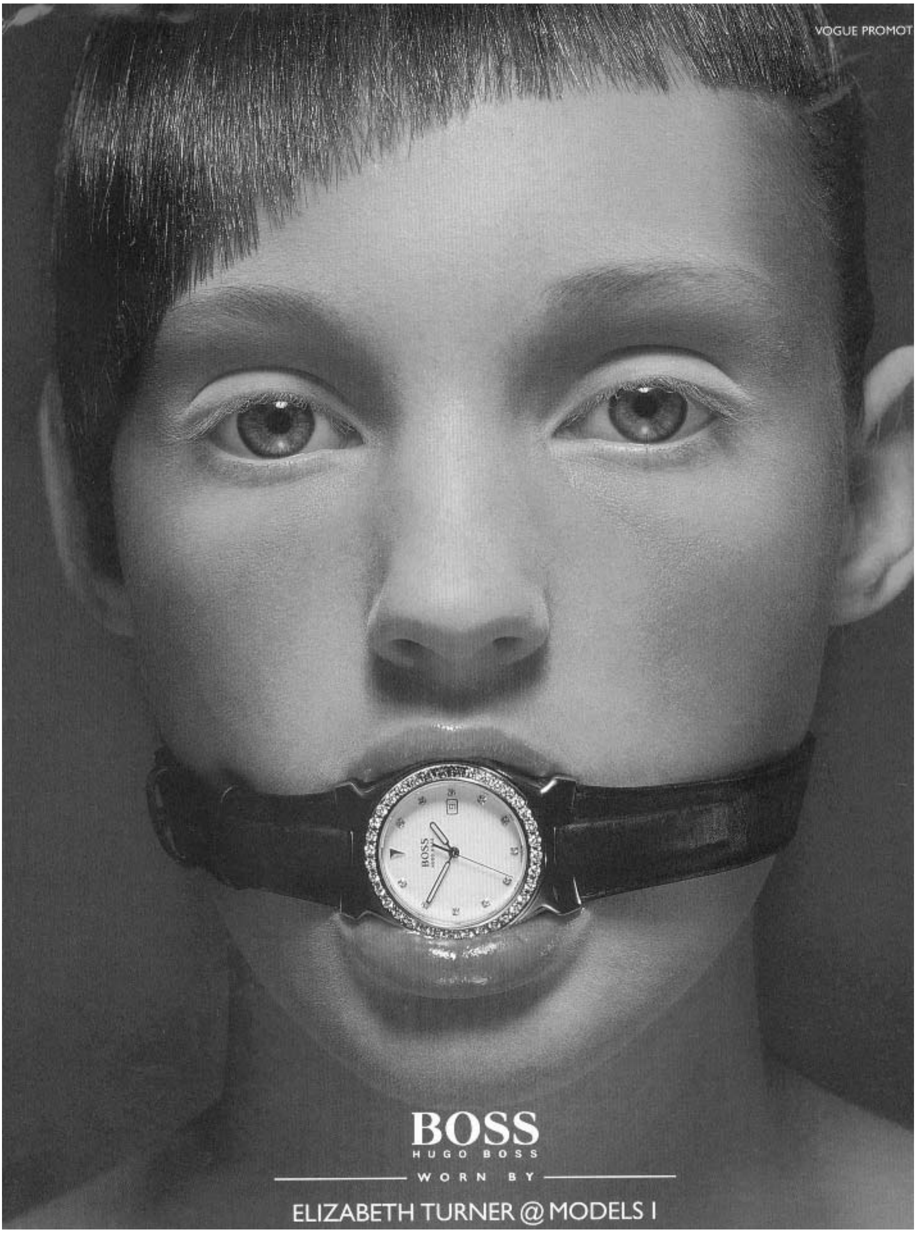


Figure 10.7 Bondage

give us insights into the social constructions of reality within a culture as well as what types of relationships are promoted between the sexes.

While not all depictions of women are sexist or inferior, a Consciousness Scale of Sexism was devised by researchers in the 1970s and is still used in academic studies. They identified a range of "levels" in which ads could be sexist—ranging from highly sexist to nonsexist:

1. Women as dumb and decorative
2. Women as traditional household worker
3. Women working part time outside the home
4. Women depicted as fully equal (multiple roles involving home and career)
5. Non-stereotypical portrayals (individuals, not judged by sex)

(Pingree et al., 1976)

Research studies of U.S. advertising, over time, have reported that there has been an increased propensity to depict women in ads as employed outside the home (Sullivan and O'Connor, 1988; Lin, 1998). In fact, in a study comparing ads between 1970 and 1983 the authors found that not only were more women shown in working roles in the 1980s but they also were depicted in a wider range of roles than in earlier ads, such as business executives, professionals, and salespersons. In general, over time, Sullivan and O'Connor noted that more women were portrayed as "equal" to men, and they concluded, "those responsible for the creation of magazine advertising have begun to recognize the increasing economic and social status of women in America" (p. 188).

Women in Advertising Across Cultures

Ideally, for advertising messages to be resonant to a target audience, they need to reflect the social norms practiced in a given society. In a perfect world, advertisements would be created by members of a particular society and consumed by the members of the same society. However, as was noted in earlier chapters, globalization has altered the process. Often, the advertisements in foreign countries are created by the branch offices of American and Western European advertising agencies. These branch offices tend to copy Western styles when creating ad campaigns. In addition, the creative people in these branch offices often have received their training in American and British universities or interned in Western ad agencies, so the forms of representation, particularly of women, often take on globalized or transnational patterns.

Some of the main criticisms of women's image in advertising in developing countries are similar to those of the developed world.

1. That women are depicted as less intelligent and competent than men
2. Women are shown as being servants to men
3. Women are shown as objects of sexual pleasure

   (Consumer Association of Penang, 1990, p. 80)

As one Korean author put this:

> For thirty years, media have been taken to task for reproducing and reinforcing stereotyped images of women. Yet unfair representations of women in media still prevail worldwide. Sex stereotyping has been so deeply ingrained, even glorified, that the women themselves have become desensitized to their own inferior portrayal. The prospects appear even gloomier as the globalization of media progresses. . . . (Kyung-Ja Lee, 2000, p. 86)

Other concerns from developing countries relate to the emphasis on "skin lightening products" (see Figure 10.8) promoted in many parts of the world by multinational cosmetic companies (*Changing Lenses: Women's Perspectives on Media*, 2000, p. 44), and the overuse of Caucasian models by multinational corporations, particularly in countries where this race makes up only a small percentage of the total population.

One study comparing images of women in weekly American news magazines *(Time* and *Life)* to weekly Indian magazines *(India Today* and *Illustrated Weekly of India)* found very similar portrayals of women in subordinate or accessory poses among these four magazines (Griffin, Viswanath, and Schwartz, 1994). The authors concluded that many of the Western advertising conventions and poses for women were being transferred cross-culturally in conjunction with the transfer of concepts like "professionalism" by Western multinational advertising agencies. In certain areas, such as the portrayals of women in predominately housewife or "domestic management settings," the Indian magazines far outstripped their American counterparts. But when comparing the use of "sexual pursuit" as a theme in ads (men pursuing women in an overtly sexual way) the American magazines used these portrayals three times more often than the Indian magazines.

In comparing European portrayals of women in advertising with those of women in the United States, Wiles and Tjernlund (1991) found that in the U.S.A., only a small proportion of the women were portrayed in working or professional roles. In Swedish ads however, women were more frequently

Figure 10.8 Ad for skin whitening product in an Asian women's magazine

portrayed as professionals. American ads used women in "decorative" poses more frequently than did the Swedish ads. Comparing print ads from the United States and France, Biswas et al. (1992) reported that sex appeal was used more often in French than in U.S. advertisements. The authors interpreted this as consistent with the perception that France is sexually more liberated than the United States (certainly nudity is more common in French ads than in U.S. ads).

Comparing the portrayals of women in Japanese and American advertising, Sengupta (1995) noted that when shown in the home, American women were more likely to be shown "relaxing" while Japanese women were more likely to be shown "cooking, cleaning and doing other household chores" (p. 329). Anne Cooper-Chen (1995) reported that in Japanese ads, when women were portrayed in professional or working roles it was most often as an entertainer or actress. In a study comparing images of young girls in a Japanese version of *Seventeen* magazine to an American version of the same magazine, the researchers reported that the Japanese models were posed as "cute" and "girlish" (smiling and giggling) while the Americans were posed with more serious expressions looking more defiant and independent (Maynard and Taylor, 1999).

In a study of women's portrayals in Chinese advertising, Cheng (1997) noted that women in Chinese television commercials wore more "demure" and less sexually suggestive clothing than did women in U.S. advertisements. He suggested that this was primarily due to the Advertising Law (1995), which prohibited advertisers from using sex as a marketing tool in China.

Sexism and Sexuality in Advertising

SEX AS A COMMODITY

Attractive bodies and sexual stimuli are often used to grab the viewer's attention and to lend interest to a product or service. According to Reichert et al. (1999):

> In *TV Guide*, more than 35 percent of network promotional ads contain some sort of sexual reference. An analysis of Clio award-winning TV spots revealed that 29 percent contained a seductively dressed model, and 27 percent contained at least a hint of sexual suggestion (p. 7).

But has research conclusively proven that all this sex really sells? Using content analysis, Soley and Kurzbad (1986) compared "sex appeals" in magazine ads in the United States between 1964 and 1984. They found that, over time, sexual elements in ads were becoming more visual and more overt. Female nudity and erotic content have become quite commonplace in contemporary advertising in both the United States and Europe, but the question of whether all these sexy bodies really sells products still remains controversial. Researchers contend that the effects of erotic appeals are poorly understood and "may often be counterproductive" (LaTour, Pitts, and Snook-Luther, 1990).

The earliest study on sex in advertising is still one of the most frequently cited. Steadman (1969) investigated the effect of sexy models on brand recall and found that nonsexual illustrations were more effective in producing recall of brand names than were sexual illustrations and that this became more pronounced with the passage of time (one week later). Steadman concluded that sexual content interferes with brand-name recall, and this finding was supported by a number of other researchers (Chestnut, LaChance, and Lubitz, 1977; Alexander and Judd, 1978; Richmond and Hartman, 1982). In other words, if an advertiser uses a sexy model in the ad, the model may get noticed but the product may not!

Challenging earlier studies on sex in advertising, Weller, Sibley, and Neuhaus (1982) reported that increasingly explicit sexual content actually improved brand recall for males, but not for females. Reid and Soley (1983) found that ads with sexual content got higher visual recall/recognition scores, but the same did not apply to the verbal content.

In addition to concerns about recall and brand awareness, ads containing nudity can also elicit negative responses from readers. Unless there is a linkage between the product and nudity (such as in lingerie, cologne, or sunscreen products) ads containing nude models are often perceived as less appealing and the product is perceived as of a lower quality. In other words, audiences are more apt to consider the advertiser "exploitive" when nudity is used merely to gain attention and is not in any way related to the product.

The acceptability of nudity varies across cultures. In Japan, nude photographs and drawings are readily accessible at thousands of newsstands and bookstores. Nudes can be found in publications of all types. Advertisers have capitalized on this acceptance of nudes in advertising, particularly nudity intended to elicit sentiment related to motherhood or family (Downs, 1990).

The British use nudity frequently in ads (see Figure 10.9), and ads showing "The Full Monty" (a naked male torso and bare bottom) are also increasingly popular. Attitude research has found that more than three-quarters of British adults think nudity in ads should be allowed if it is relevant to the product (*Marketing, 1995*, p. 6). Other European countries seem to have little problem with nudity. In Germany and Denmark nudity in advertising is quite common. Likewise, the Italians and the French find little wrong with

Figure 10.9 British ad

nudity (*Brandweek*, 1993, p. 60). According to French publisher Helone de Tayrac, "beauty is the way that women assert their power over men" (Thomas, 21).

Asia and the Middle East are far more conservative when it comes to using the female body in advertising. In the Muslim world, use of the female body for sales purposes is strictly forbidden. With the exception of Japan, most Asian countries are also conservative when it comes to nudity in ads. Nonetheless, while nudity is taboo in most Asian advertising, sexual innuendo is becoming more commonplace as advertisers push back the boundaries of sexual expression. The following two ads (see Figure 10.10 and 10.11) from the Singapore press are good examples.

Advertising and Masculinity

Like femininity, masculinity is historically and socially determined. However, in stark contrast to the research that has been done on the role of women in advertising, there have been few studies which focused solely on the images

Figure 10.10 Ad that uses sexual innuendo

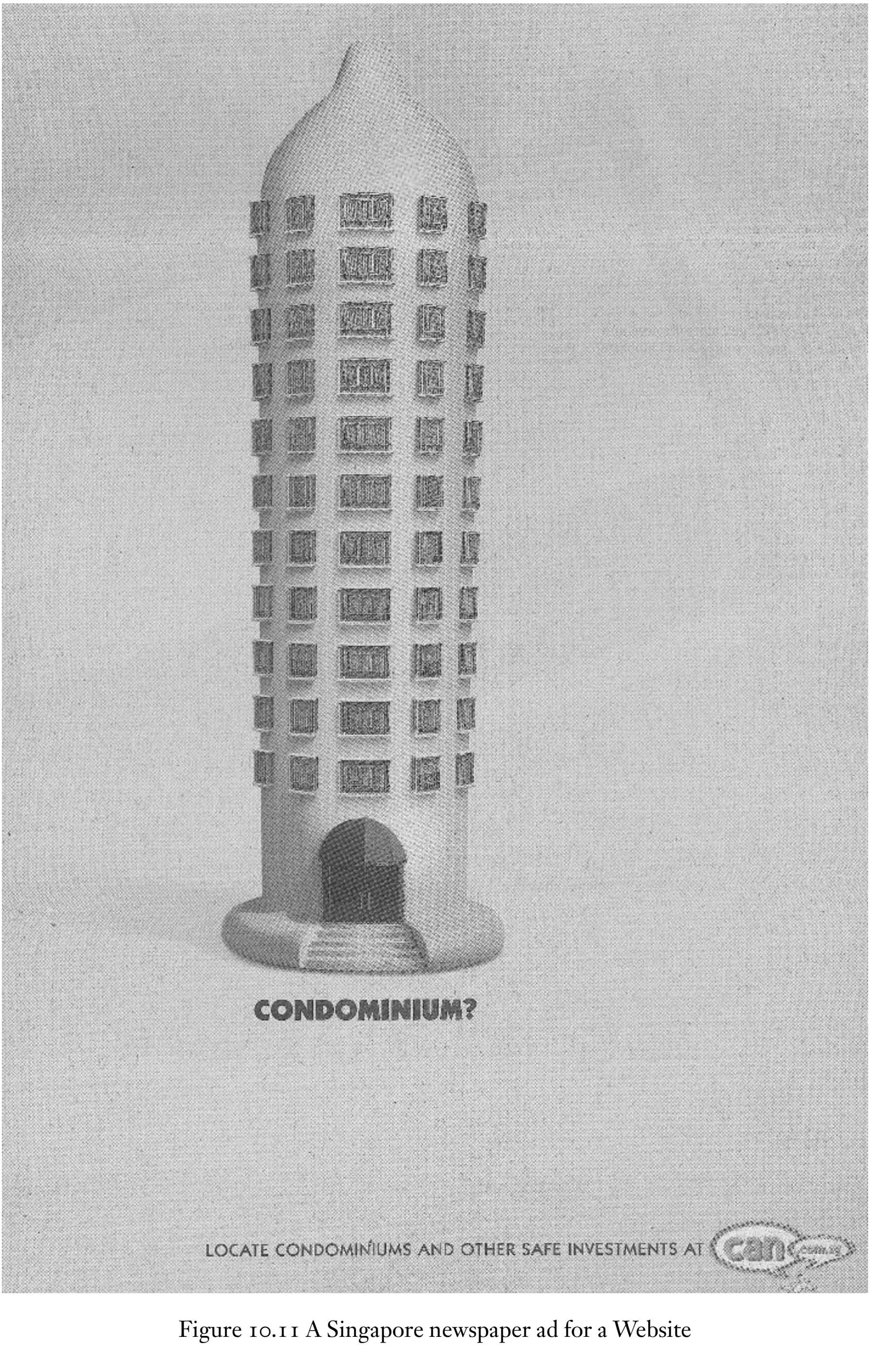


Figure 10.11 A Singapore newspaper ad for a Website

of men (Kolbe and Albanase, 1996; Skelly and Lundstron, 1981; Wolheter and Lammers, 1980; Kervin, 1990).

A content analysis of ads in *Esquire* magazine from the 1930s and the 1980s revealed few changes in masculine representations over time (Kervin, 1990). Two typical stereotypes that appeared in both the 1930s and the 1980s were:

- The Sturdy Oak—men who appear as hard-working, good providers
- The Big Wheel—men shown with signifiers of social and business success

One change that the researcher noted was that, in general male models in the 1980s were younger than at any time in the past (most appeared to be in their mid 20s). Another, more dramatic, change from the 1930s was the emergence of the male as erotic spectacle. It would seem that while women's bodies have been used for decades to sell products, there is a growing trend in advertising to give "equality" to men as sexual images.

STEREOTYPES OF U.S. MEN

In addition to the predominant representations of men as hard-working business types, Kolbe and Albanese (1997) found that there has also been a slant in U.S. advertising to portray "a sole-male image in magazine advertising. Historically, the image of a man, "functioning in isolation without the assistance of others, is a depiction of American manhood that is deeply rooted" (p. 815). One example of this stereotype is the icon of the cowboy, found in the Marlboro Man campaign—a solitary figure, "alone on the range," surviving in harsh environments, dependent only on his horse and his lasso (see Figure 10.12).

Other researchers, such as Patterson, 1999 suggest that American individualism has provided three types of stereotypes of men:

- *The cowboy*, who is tough, unemotional, and alone
- *The Superman*, who conquers the world and the women around him
- *The Mr. Universe*, the achieving athlete or the muscleman

In sampling ads from male-audience magazines in the United States including *Business Week*, *Esquire*, *GQ*, *Rolling Stone*, and *Sports Illustrated* from the 1990s, Kolbe and Albanese (1997) examined the occupational roles of sole male models as well as how advertisers used the male model's physical presence in the ad. They found that the predominant roles men were presented in were somewhat limited. The occupations tended to be upscale white-collar jobs. The most prominent casual roles were athletes, cowboys, and outdoorsmen.

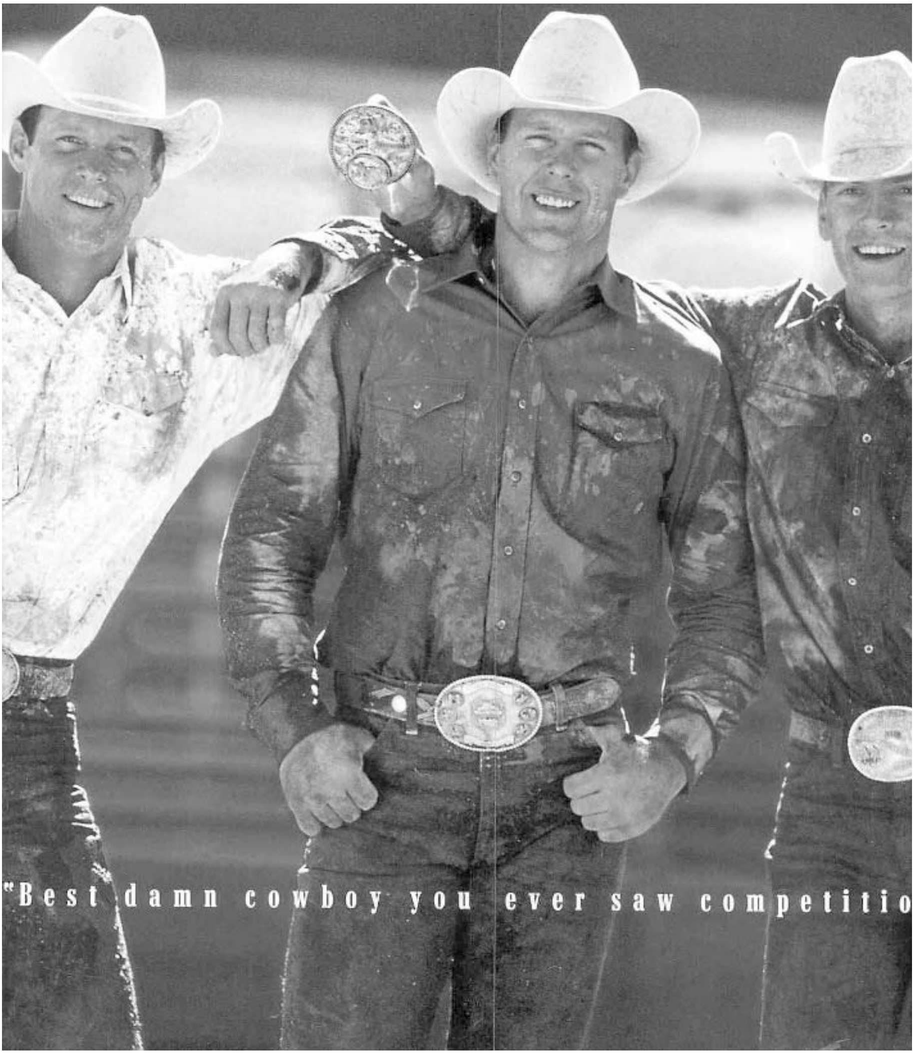


Figure 10.12 Marlboro cowboys

Interestingly, these researchers found that, generally, when men were featured in ads there was an absence of the men having any physical contact with the advertised product (see Figure 10.13). This suggests that men are used more as signifiers of cultural values like status, strength, and success rather than as *users* of the product.

In another study the same researchers examined the physical characteristics of men in U.S. ads. They found that when men are shown in ads, the majority of depictions are full-body shots or shots from the waist up. Seldom are men's

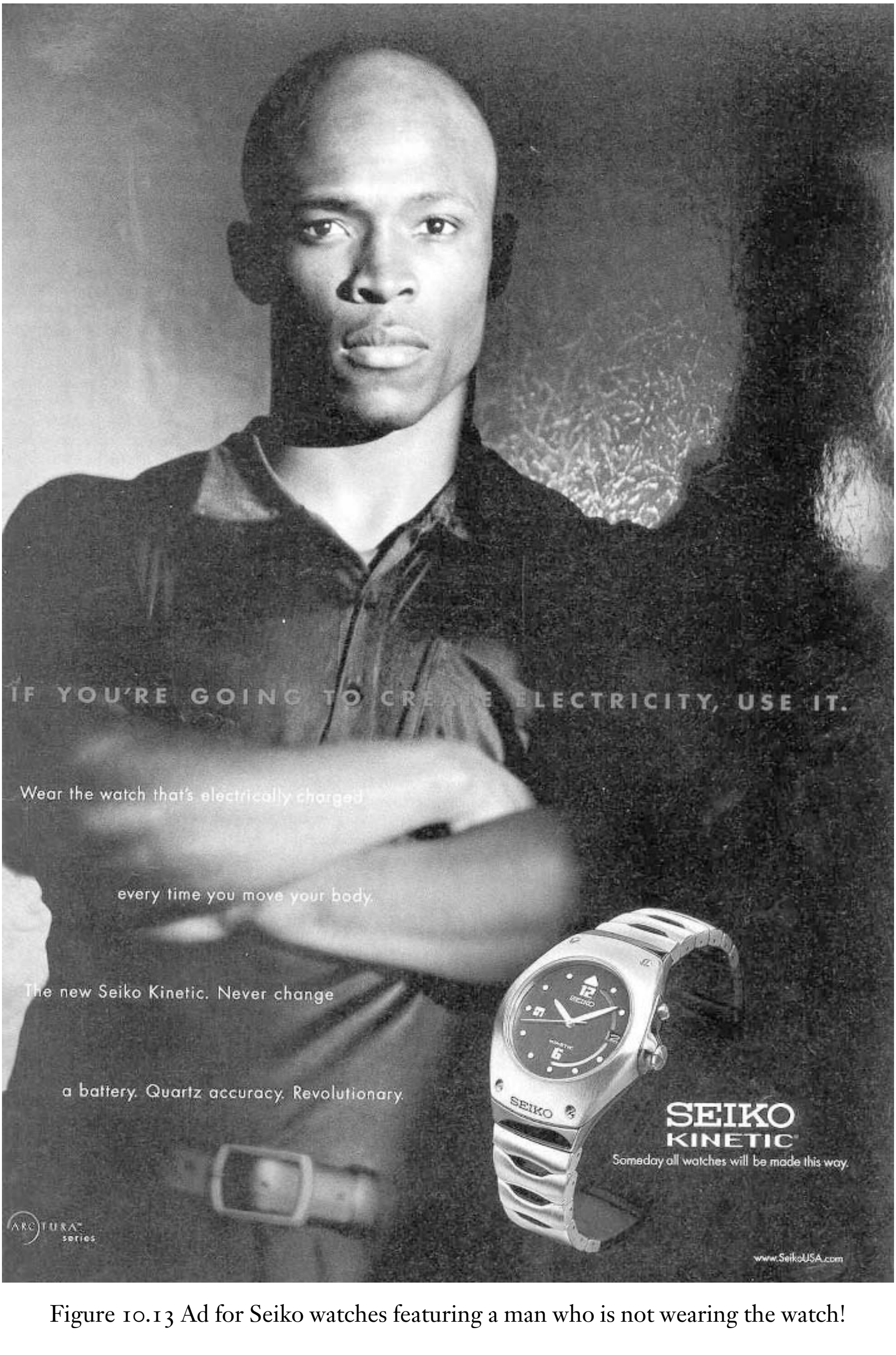


Figure 10.13 Ad for Seiko watches featuring a man who is not wearing the watch!

body's "objectified" in the same way as women's, i.e., ads showing only certain body "parts" like legs, lips, or eyes (Kolbe and Albanese, 1996). In addition, while researchers of women in ads (Goffman, 1976; Shields, 1990) have noted that women are often shown looking off into the distance or away from the camera, and also they are often shot with the camera "looking down" on them, Kolbe and Albanese found that 90 percent of all advertisements with sole males were shot with the camera angle level with the model. In addition, more than one-third of the models were looking directly at the camera (see Seiko ad in Figure 10.13). The researchers also pointed out that the typical style of clothing worn by most of the men in these magazines was "classic menswear or casual upscale."

Finally, Kolbe and Albanese concluded that "the men depicted are not ordinary average guys. On the body type dimension, the majority of men have the physique of the traditional male icon—strong and muscular" (p. 17). This finding correlates well with a *New York Times* feature (May 30, 1999, p. 28) showing how the male body of a popular children's toy figures, GI Joe, had changed over time in the U.S.A. (see Figure 10.14). In America, muscularity is associated with masculinity.

Another researcher, Jackson Katz (1995), suggests that the presentation of the muscular white male in U.S. advertising suggests male violence. Katz contends that there are all kinds of "masculinities," but in some patriarchal societies like the United States, violent behavior is typically gendered male. He says that among males, body power (strength) symbolizes dominance and that historically, a man's physical power (the ability to work hard) has been linked with his ability to acquire capital (wealth). Thus, there is a fine line between strength (violence) and power. He notes that violence is a recurring theme in U.S. ads and is depicted as a historically "correct" form of male behavior. He notes that ads often use signifiers such as:

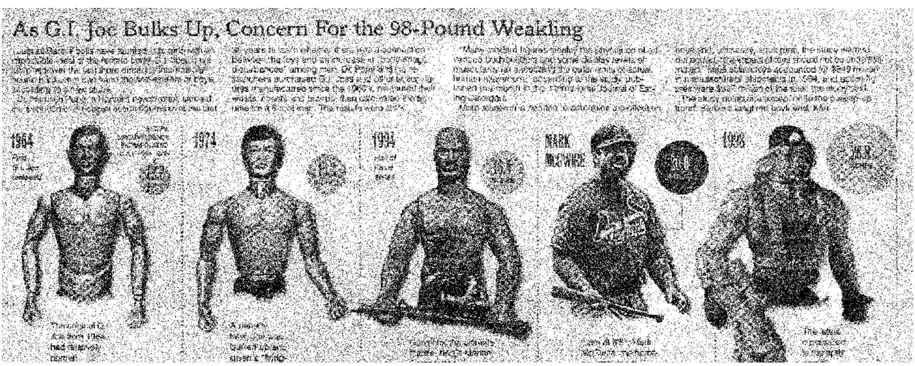
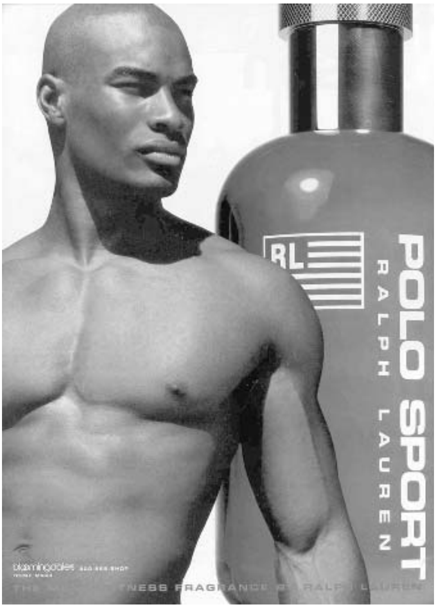
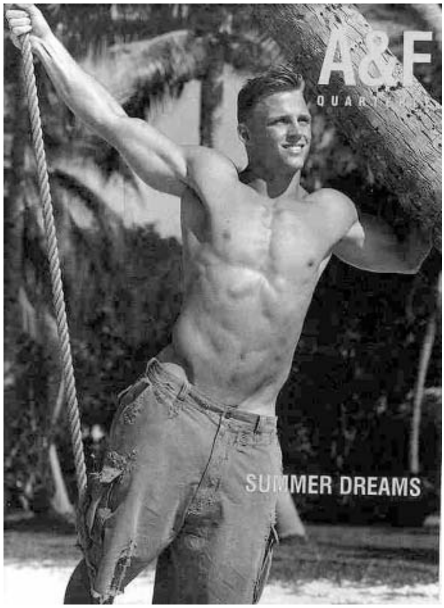


Figure 10.14 *New York Times* article on GI Joe and body types





Figures 10.15 and 10.16 Ads for colognes and clothing now feature muscular men

- *Historical heroes* who were often violent—cowboys, conquerors, crusaders, and military heroes
- *Sports heroes* who are often violent (for example, wrestling and martial arts where muscles become associated with power and violence)

While previous studies on women in advertising, suggest that advertising subtly encourages women to be thin, Katz notes that, "In the past decade, there have been hundreds of ads for products designed to help men develop muscular physiques, such as weight training machines and nutritional supplements" (1995, p.135). He contends that "muscularity as masculinity" is a common theme in ads aimed at men in lower- as well as upper-income brackets and across product lines (see Figures 10.15 and 10.16).

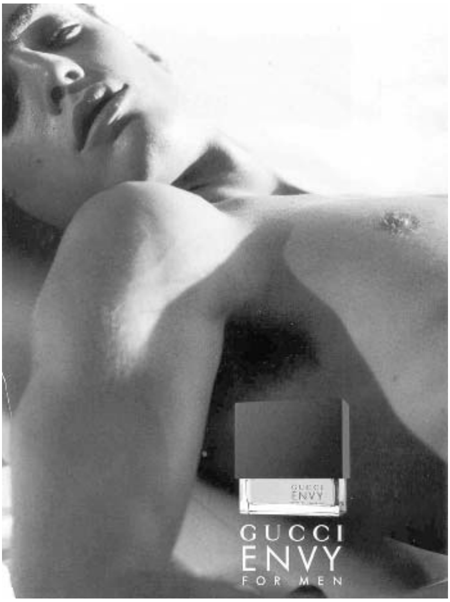
Sex-Role Stereotypes Across Cultures

Perhaps the most comprehensive study of sex-role stereotyping across cultures was a 1999 review and comparison of TV commercials from five continents (Furnham and Mak, 1999). These researchers compared and contrasted 14 previous studies on stereotyping from American, Australia, Denmark, France, Great Britain, Hong Kong, Indonesia, Italy, Kenya, Mexico, and Portugal. The researchers noted that previous studies were consistent across different countries in terms of presenters. Males were more often presented as voice-overs, while women were more likely to be presented visually. Even when women were shown using the product, a male voice-over was used as the narrator. In addition, when "credibility" of presenter was important to the message, men were used as "authority" figures more often than women.

When contrasting the different settings in which men and women appear across cultures, the researchers found that females were more often portrayed at home while males were portrayed in more diverse settings. In terms of products being advertised, "All nine studies show that females are associated more often with social approval and/or self-enhancement" (p. 432) such as home and body products, while men, on the other hand, were more frequently shown selling cars and sports products. In other words, "females are more likely to advertise products that are used at home whereas males are often shown with products away from home" (1999, p. 433). These researchers note that studies done in more traditional societies show that sex-role stereotyping is stronger in less developed countries than in the developed countries, and they attribute this to the number of women working outside the home in the developed countries.

The Male as Erotic Spectacle

Advertisers have been using sexual images of men and women since the mid-nineteenth century (Goodrun and Darymple, 1990). An analysis of CLIO Award-winning commercials revealed that nearly 30 percent contained seductively clad models and more than a quarter contained at least a hint of sexual suggestion (Reid, Salmon, and Soley, 1984). To determine whether the prevalence of sexual content was increasing or decreasing over time, a research study was conducted in the 1990s that analyzed and compared images of women and men in ads from 1983 to 1993 (Reichert, Lambiase, Morgan, Carstarphen, and Zavoina, 1999). Not only did the study measure sexual explicitness (dress) for male and female models but they also looked at physical contact between models. They found that overall, "advertising was significantly more explicit in 1993 compared to 1983" (p. 15). They found that only 11 percent of males were dressed provocatively in 1983 compared to 18 percent in 1993. While women were more likely to be portrayed explicitly than males, nonetheless, there was a notable increase in the use of the male body as a sexual object (see Figures 10.17 and 10.18). The researchers concluded that male images showing more skin are "being added to advertisers' longtime reliance on women's bodies" (p. 15).



Figures 10.17 and 10.18 Ads using the male body as a sexual object

Conclusions

While concepts of femininity and masculinity are culturally constructed and differ from region to region, much advertising focuses on physical appearances. With the exception of Muslim countries, beautiful women and muscular men combined with sexy appeals are used to sell products across the globe.

Additionally, rightly or wrongly, the mass media consistently reinforce assumed linkages between physical appearances and people's feelings of self-worth (Englis, Solomon, and Ashmore, 1994). This emphasis on beauty and body image starts young, and standards of masculinity and femininity are taught via mass media vehicles like advertising.

Do these images of perfect people increase a sense of inferiority in the target audience or do they set standards that people strive to achieve? Or is this all just a part of the fickle fads of the fashion world? There are no simple answers to these questions.

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CHAPTER 11

THE COMMERCIALIZATION OF SOCIETIES

Introduction

In 2001, advertising expenditures worldwide were $456 billion—down 1.7 percent from the record $463 billion in 2000. This represented the first global decline in advertising since World War II. Advertising agencies, however, did not despair. The projected worldwide expenditures for 2002 were $466 billion—an increase of 2.2 percent over the previous year (Coen, 2001). However, even these figures fail to provide a complete picture since they only reflect spending in television, radio, newspapers, magazines, and billboards. Beyond this are the sums being spent on "non-measured" media, such as Internet advertising and new media, plus marketing services like direct mail, telemarketing, sponsorships, promotion, public relations, corporate identity, and design.

In most developed nations, advertising can easily be seen as the most intrusive and pervasive form of communication. In the United States, advertising accounts for approximately 1.48 percent of the country's gross domestic product. In relation to the total U.S. economy, this figure may appear small, but it translates into $534 being spent each year on advertising to every man, woman, and child in the country (Zenith Media, 2001). The level of advertising expenditures in the rest of the world is not nearly as high. Table 11.1 ranks the top 10 global ad markets by ad expenditures. Note that the U.S. expenditures are higher than the next nine markets combined.

TABLE 11.1 Top 10 Countries by Ad Expenditure (U.S.$ millions at constant 2002 prices)

2000			2003		
Rank		Expenditure	Rank		Projected expenditure
1.	U.S.A.	147,110	1.	U.S.A.	145,609
2.	Japan	42,003	2.	Japan	45,048
3.	Germany	17,913	3.	Germany	19,149
4.	U.K.	15,896	4.	U.K.	15,949
5.	France	9,323	5.	France	9,835
6.	Italy	7,259	6.	Italy	8,206
7.	South Korea	6,721	7.	South Korea	7,879
8.	Canada	5,183	8.	China	6,998
9.	Spain	5,162	9.	Spain	5,770
10.	China	4,753	10.	Canada	5,671

Source: Zenith Media, 2001.

Advertising Is Intrusive

For most consumers, most of the time, advertising is an unwelcome intrusion—unlike any other form of popular communication. For example, we choose which magazines, newspapers, and books to read; we determine which television programs to watch or which radio stations to tune to; and we decide whether we want to spend an evening at a theater, or rather to rent a video and watch it at home. Alternatively, perhaps we could just surf the net.

When we consume any of the popular media, we are in control of which messages we absorb, where we absorb them, and for how long. The same cannot be said for advertising. Advertising for the most part seeks us out, intruding upon our private space. From the moment we open our eyes each morning, advertising is there. The clock-radio alarm rings to awaken us, and we are exposed to the first advertising messages of the day. We head off to the kitchen for a cup of coffee, read the morning paper, and absorb more advertisements. Going to work or school, we may listen to the radio to check the traffic. The report is interrupted by commercial messages. As we drive down the highway, the roads are littered with billboards vying for our attention.

Advertising pursues us all day long. In the trade journal at work, or in the campus newspaper at the university, corporations are telling us what to buy. Additional messages pop up on our computer. And the shirts, caps, pants, and shoes of nearly everybody we meet carry brand names on them. At home in the evening, we might anticipate our favorite television program, only to find it interrupted with messages from fast-food companies and automobile dealerships. On the weekend, we may head to the gym to get some much-needed exercise. As we climb aboard the exercise bicycle, we are confronted by commercials for health-related products on a television monitor turned to Health Club TV (HCTV). On the way home, we might stop off at KMART to pick up some shampoo. As we wander the aisles, we listen to KMRT, a point-of-purchase radio signal with 12 minutes of advertising every hour. Later that night, we might head out to a restaurant for an enjoyable meal. The menu pages may well be interspersed with full-page ads for cosmetic surgery, clothing, and real estate. Even in the privacy of the toilet stall, we could be confronted by advertisements for nightclubs vying to round out our evening. In the United States, no mater what time of day, or day of the week, wherever we go, consumers are confronted by a constant stream of inescapable commercial communications.

The proliferation of advertising over the past few decades has been astonishing. In the United States, the average person may be exposed to 500 to 1,000 commercial messages a day (Arens, 1999). Jim Twitchell, the author of *AdCult USA: The Triumph of Advertising in America* (1996), and *Twenty Ads That Shook the World* (2000), suggests that the figure is more like 5000 ads every day. And Kalle Lasn, founder and editor of *Adbusters*, claims that Americans are exposed to nearly 16,000 marketing messages every 24 hours. Advertisers and their agencies, too, find the clutter frustrating. “It is the ultimate challenge,” says Jeff Hicks, president and partner of Crispin Porter and Bogusky in Miami. “The greater the number of ads, the less people pay attention to them. One ad is the same as another now. People simply don’t believe them anymore” (Pappas, 2000). Commercial messages have proliferated in the traditional media (radio, television, magazines, and newspapers), as well as the nontraditional, new media.

Advertising Is Pervasive

TRADITIONAL MEDIA

In the United States, advertising expenditures in the traditional media continue to grow (see Table 11.2). Note especially the amazing growth of Internet advertising—53 percent between 1999 and 2000. By contrast, the growth in yellow pages was quite weak at just 4.5 percent. Overall, however, 2000 media expenditures increased a healthy 9.6 percent over the previous year.

Growth in advertising expenditure is inevitably correlated with the growth of advertising clutter. Network prime time includes 24 percent promotional material, many newspapers are 64 percent advertising, and consumer magazines are 50 percent advertising (Elliott and Speck, 1998). Indeed, in some instances these figures are conservative. While fall fashion issues of women’s

TABLE 11.2 U.S. Ad Volume by Medium—2000

	U.S.$ millions	% of total	% change
Newspapers	49,050	20.2	+5.1
Magazines	12,370	5.1	+8.2
Broadcast TV	44,802	18.4	+12.8
Cable TV	14,429	5.9	+14.8
Radio	19,295	7.9	+12.1
Yellow Pages	13,228	5.4	+4.5
Direct mail	44,591	18.3	+7.7
Business papers	4,915	2.0	+15.0
Out of home	5,176	2.1	+8.3
Internet	4,333	1.8	+53.0

Source: www.adage.com.

magazines are notoriously fat, a recent September U.S. edition of *Vogue* magazine was a whopper—weighing in at 3 lbs, 11 oz (1.7 kg) and contained 521 pages of ads—77 percent of the publication. Readers looking for editorial content had to turn past 128 pages of ads to get to the first article (Advertising Clutter, 1998). Advertisers try hard to break through the clutter. For example, Nine West ran a 12-page ad featuring shoes, purses, sunglasses, leg wear, and jewelry (at a cost of about $725,000). Stewart Weitzman offered a 14 × 21 inch (36 × 53 mm) tear-out poster of his Gray Flannel shoes. Revlon offered tear-off strips that allowed readers to try its new fall nail polish colors. Despite such efforts, advertising clutter increasingly reduces the effectiveness of individual ads. Louisa Ha (1996) found when consumers perceive that there is too much advertising, they develop negative attitudes toward the ads. These results are consistent with learning theory. In a U.S. survey of nearly 1,000 consumers, television and direct mail were rated highest in perceived clutter (Elliott and Speck, 1998).

NONTRADITIONAL MEDIA

In the past, advertisers relied on the traditional media to convey their advertising messages. Media planners asked the question "broadcast or print?" Or they may have used direct mail or outdoor billboards to complete the media plan. However, the costs of advertising in the traditional media have been climbing steadily. For example, prime-time commercials can cost upwards of $500,000 for 30 seconds—even though cable networks, videos, and the Internet have been drawing viewers away from the broadcast networks. At the same time, both the print and broadcast media have to contend with the increasing clutter. As a result, companies are steering their advertising spending to "new media." Today, virtually every square inch of the landscape is perceived as fair game in terms of getting the marketers message across (see the building draped with an ad in Figure 11.1). More often than not, these unconventional ads are inescapable, which often makes them more annoying.

Place-Based Advertising: A place-based medium is defined as "one where the demographics of the reader, viewer, or listener are controlled by the location in which the message is delivered" (McAllister, 1996, p. 64). And the places where advertising can pop up appear to be endless: places of entertainment, travel, health, work, retail, education and just about anywhere.

Places of Entertainment: Theater advertising is a nontraditional form of advertising that allows American marketers to get their message to nearly 90 million movie-going patrons annually. While on-screen advertisements preceding movie trailers have been common in Britain, the Commonwealth and many other countries around the world for decades, the United States has

Figure 11.1 Building draped with an advertisement

taken theater advertising to a new level. In addition to pre-feature slide programs and 30- and 60-second commercials, marketers can now employ "in-theater radio," complete with piped-in ads that follow patrons into the restroom and out into the parking lot. They can also as put the messages on movie tickets, popcorn bags, soda cups, box office coupons, interactive lobby kiosks (offering touch screens, e-commerce, register-to-win, and other sweepstakes promotions), counter cards, banners, product displays, and even ads on theater chain websites to promote their goods. Of the nations' 37,000 movie screens, some form of advertising is shown on about 24,000 of them, according to industry estimates. And exit polls have found that as many as 80 percent of theatergoers can recall the subject of an ad they have seen in a cinema—four to six times the number who can typically recall television commercials (Bannan, 2001). Today, theater advertising in the United States is a $200 million a year industry, growing at an annual rate of 20 percent (Paul, 2001).

Water Closet Media, based in Portland, Oregon, has put ads in the bathrooms of restaurants, bars, nightclubs, concert arenas, and sports facilities for more than six years. Ads are placed in women's stalls and above men's urinals. The company has offices in Spokane, Washington, and Phoenix, Arizona, and has affiliates in most major U.S. markets. President John Koenig reports that revenues have been jumping through the roof. In fact, business is so good that

Figure 11.2 Ads on restroom doors

Figure 11.3 Ads in men's restrooms

the more than 30 companies involved nationwide have formed, as Koenig says, an "indoor-billboard association," which is the polite name for the restroom-advertising industry (see Figures 11.2 and 11.3).

Advertising in the sand at beaches is now a marketing reality. Adman Patrick Dori designed a rubber mat attached to a roller to leave multiple impressions in the sand behind the tractor that rakes the beach in the morning. On an average New Jersey beach, about 5,000 mini-billboards measuring 12 × 4 feet can be sculpted into the sand before the first beachgoers arrive. Dori calls them environmentally safe billboards because they disappear without a trace as the day wears on. His company, Beach'n Billboards of East Rutherford, New Jersey, charges $25,000 a month per beach for the ads. It also pays a fee to the various towns, allowing them to rake the beaches more regularly. Skippy Peanut Butter and Snapple Soft Drinks are two brands that have employed this new medium (Wollenberg, 1999).

Six Flags Entertainment, owned by Time Warner, has 150 television monitors placed along waiting lines for rides in each of its amusement parks—all plugging Time Warner merchandise. This is the ultimate zap-proof TV; Guests cannot change the volume or channel, and they cannot go to the bathroom because they would lose their place in line. Channel M (for Minotaur Promotions) is a successful television advertising medium placed in video arcades, positioning music videos and video game tips around ads. Resort Network Sport has established SKI TV nationwide, featuring ads from such marketers as Chrysler and Anheuser Busch. Advertisers such as Lubriderm lotion can also buy outdoor billboards along the chair lifts at these resorts.

Places of Travel: Ads now appear on buses, taxis, and subways, and there are even TV monitors with commercials blaring in city buses in some parts of the world (see Figure 11.4). Television monitors showing Turner Broadcasting's Airport Channel are played at the gates and luggage-claim areas of many airports. These programs feature material from Turner's own CNN as well as advertising messages. Of course, once the traveler is in the air, besides the in-flight magazines that carry ads, SKY Radio, run by Gannett, and other in-flight programs carry news, sports, weather, and ads. Sky Radio plays eight

Figure 11.4 TV monitors on buses in Singapore

commercials per hour, with the ninth reserved for the host airline. On longer flights, passengers may see commercials or other promotional videos on cabin or personal screens.

Health Places: Media entrepreneur Christopher Whittle was a pioneer of place-based advertising. Beginning in 1988, his *Special Reports* magazine was placed in U.S. doctors' waiting rooms. Filled with health-related news, these magazines were jammed with advertising messages. Later, posters, pamphlets, and eventually TV monitors were added. By 1992, over 32,000 doctors' offices carried at least one of the Special Reports media. Whittle's Newborn Channel, placed in hospital maternity wards, is aimed at new mothers, and, the Good Health Channel is targeted at pediatric offices. Plans exist for a similar system in veterinarian's waiting rooms. Noted previously, Health Club Television is placed in Bally's Health Clubs around the country. The program, which includes 12 minutes of advertising per hour for diet and exercise products, reaches 11 million health club members—members whose household income is over $47,000—making them particularly appealing to advertisers.

Workplaces: One of the newest and fastest-growing media is known as digital-out-of-home. Promoters of the new medium report that the video screens, playing a two- to three-minute loop of news and commercials, are going up in workplaces in the United States at a rate of nearly 100 a day (see Figure 11.5). "We're looking for all those moments when people have nothing better to do than stare at the tops of their shoes," notes Tom Pugliese, CEO of Minneapolis-based Next Generation Network, which has installed about 6,000 "e-billboards" across the country (Wilmsen, 2000). Elevators in office towers, for example, are prime spots for restaurant ads aimed at corporate lunchers. And Internet sites have found almost instant response in elevators.

When people get to their desks, they log on to their computer and check out the site they just saw advertised on the elevator. Focus groups conducted by Next Generation Network, which is reaching some 40 million consumers weekly, found viewer attention riveted on the screens for two and a half minutes of the average elevator ride. At 150 Federal Street in Boston, where screens—flashing news, trivia, weather reports, traffic conditions, and, of course, commercials—are installed in elevators, office workers say they home in on the 12-inch panel. "Sometimes I forget to get off at my stop," one worker said, nearly missing her floor. "The fact is, there's nothing else to do but watch," Pugliese noted (Wilmsen, 2000).

Retail Places: Selling to consumers at the point-of-purchase is really nothing new. Retailers have been enticing customers with free samples within their stores for generations. And point-of-purchase displays have graced store aisles for decades. But ads today are popping up in unexpected places—the shopping cart, for example. Videocart is a small electronic screen attached

Figure 11.5 Electronic billboards in office buildings

directly to the grocery cart that provides the customer with recipe ideas, information on where products are located within the store, and most importantly, 15-second advertisements that literally reach the consumer at the moment of decision-making.

FloorGraphics of Princeton, New Jersey, creates "billboards for the floor," positioned directly in front of the product in over 15,000 supermarkets, drugstores, and mass-merchandise retailers nationwide. Advertisers get 6 square feet (0.6 square meters) of laminated material that can be divided any way they wish. Campbell's Soup had a trail of "O's" that led customers to the shelf for its Spaghetti-O's. Then there was the "Got Milk" floor ad that looked like a puddle of spilt milk, flanked by an actual milk carton lying by its side. Some shoppers went to find supermarket personnel to point out the hazard. It costs about $250,000 per month to advertise in 8,000 grocery stores with FloorGraphics. The next generation of floor ads will likely allow for animated messages, thanks to built-in floor lights (Van Bakel, 1999).

Another such place is the checkout line. NBC has funded a TV system at the checkout. The project, featuring silent TV monitors placed strategically in retail outlets is currently being tested in eight states. There appears to be no end in sight, with commercial messages on grocery store checkout conveyer belts, as well as on the backs of the cash-register receipts. Advertising messages have begun appearing on the automated teller machines (ATMs) at 7-Eleven stores. The program is currently being tested in San Diego, Los Angeles, Chicago, and New York City. EDS, the company that developed the ATM video advertising system, sells the ads and rents the space for the machines at 7-Eleven stores. Notes Don Jarecki, an executive with the company: "They've done well for us. We just finished a big campaign with Compaq and we've had a great response with the dot-coms. Our exit-interview polling showed us that three-quarters of the consumers liked the ads. I don't think it will be too long before this type of ATM advertising is commonplace" (Clark, 2000).

Many gas stations now allow consumers to watch television on a small gas-pump screen while they fill their tanks. Gas station managers have access to nearly 100 channels—everything from CNN to cartoons. And small ads are commonly found on gas pump handles.

Education Places: Although place-based advertising can be found in a variety of settings, one of the most controversial and prevalent has been the emerging trend to use schools to deliver promotional messages aimed at children. The efforts of corporate America to distribute their advertising messages to youngsters through the school system have been discussed in detail in Chapter 8.

Everyplace: Ads are sprouting up in lots of unexpected places. *Ask Jeeves*, an Internet search engine, recently bought space on 100 million bananas and apples in the form of those little stickers that normally say "Chiquita" or "Dole." A new U.S. company, Fruit Label Co., works with clients to put ad stickers on produce sold in grocery stores nationwide. Another new and unexpected venue for advertising is the personal automobile. Dozens of companies are popping up nationwide offering to turn consumer's cars into moving billboards. For example, Myfreecar.com offers motorists $350 a month to transform their vehicles into rolling 3-D commercials. Cars are draped with removable vinyl sheets that do not harm the car's exterior. In addition, global positioning trackers are installed in the cars so advertisers can monitor the exposure they are getting. Drivers are required to travel at least 800 miles per month. "For companies seeking to stand out from the crowd, billboard cars offer one of the forms of advertising that cannot be switched off, tuned out or lost in a quicksand of other advertisements," declares Autowraps.com, a competitor. Advertisers seem pleased. Oakland, California-based Dryer's Ice Cream hired nine Beetles through Autowraps.com and received so many calls from consumers that they decided to add another 11 cars to their "Sweet Fleet" (Rivenburg, 2000). See Figure 11.6 for an example of an Autowraps campaign. In another take on the auto-as-ad, a Florida-based graphics firm has devised a way to put ads on automobile wheels (Ave, 2000). They call their wheel covers "ad caps," and the names and logos of products, companies, and organizations are placed on the hubcaps. The firm prints the ads on adhesive vinyl and places them on the wheel covers, which remain motionless as the car moves because of a weighted centerpiece that remains stationary at speeds up to 70 mph. As the car moves, the centerpiece stays horizontal so passers-by can read it. Automobile dealership service vehicles, as well as Yellow Cab Co. of Tampa have already taken to the roads sporting the portable billboards.

The United States is not the only country experiencing a deluge of pervasive advertising. In France, bistro tables have become hot spaces for companies to promote themselves while cafe clients sip espresso and Perrier (Ellison, 2000). While it has long been common for beer distributors and other vendors to provide logo-bearing furniture to cafe owners in Paris and other European cities, this is the first time an independent company has put tables in bistros as advertising space to sell to third parties. United Airlines, Virgin Cola, and Swatch were among the companies to take advantage of this new medium.

The Commonwealth of Independent States has taken marketing to a new level, literally. A Russian rocket recently blasted off from Kazakhstan carrying a module for the new International Space Station. Emblazoned on its fuselage was a giant Pizza Hut logo, taking the fast food company's message where no advertiser had gone before (Tomkins, 2000). "Pizza Hut is a pioneer in space commercialization," says Rick Hieb, U.S. astronaut and key member of an industry team working with NASA to explore space commercialization. "This is the beginning of a whole new era and we hope that other corporations will follow. Congress has mandated that NASA work aggressively to support efforts to commercialize space and the international space station" (Pizza Hut Pioneers, 2000).

It appears that every blank space, no matter how small, now ranks as a prime target for marketers. This trend has been dubbed "ad creep," which refers to the way advertisements relentlessly cover more and more formerly

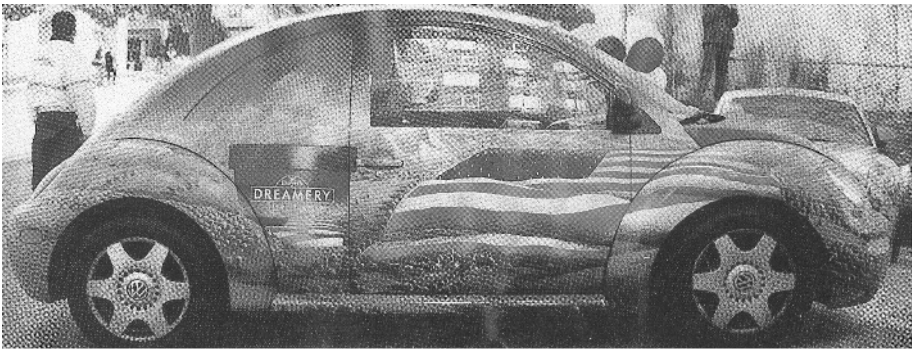

Figure 11.6 Autowraps on a car

empty spaces, like a fungus or Kudzu vines (Pappas, 2000). New technologies are assisting advertisers to creep ads into virgin spaces. High-tech innovations in media-space exploitation include commercials that rotate on PC screensavers and personal digital assistants featuring color interstitials or audio messages (Pappas, 2000). Wearable video is under development. Experimental clothing, such as leather jackets, includes a 6-inch ultra-thin screen with wireless Web access (see Figure 11.7). Microsoft Corp.'s MSN Network displayed the clothing at an @dtech conference and plans to use it at trade shows. "It's a combination of art and commerce," says Stephan Fitch, president of Hardwear International, developer of the video. "Within two years," he predicted, his "computer couture will be mass-produced" (Pappas, 2000). London-based WWP, one of the world's largest advertising and marketing groups by revenue, estimates that nontraditional media and marketing efforts such as those described have already overtaken traditional advertising in terms of global spending and are showing higher growth rates as advertisers look for alternatives to the saturated conventional media (Tomkins, 2000).

The Internet and Mobile Telephony

While the Internet and mobile telephony marketing are a relatively recent phenomenon, in the last few decades these two new media have made their debut and have quickly generated a profound impact on communications and, of course, advertising. It is impossible to surf the net without being bombarded with banner ads, pop-up windows, sponsored pages, paid links, ads in navigational sidebars, and a plethora of other technological intrusions. Now mobile phones also allow for advertising placement. Small-screen cell phone ads based around text taglines, sponsored information, callback buttons, and discount vouchers are becoming quite common. In the next chapter, we will look more closely at how the development of these two new digital technologies has transformed traditional marketing and introduced the concept of "interactive" marketing via the World Wide Web, e-mail, mobile phones, and other wireless devices.

The Effects of Commercial Overexposure

THE TWENTY-FOUR HOUR ECONOMY

Dr. Jelly Helm, an associate professor at the VCU AdCenter, an advertising school in Richmond, Virginia, notes, "Hiding cleverly disguised ads in unexpected nooks and crannies might make people even more irritated. Not just

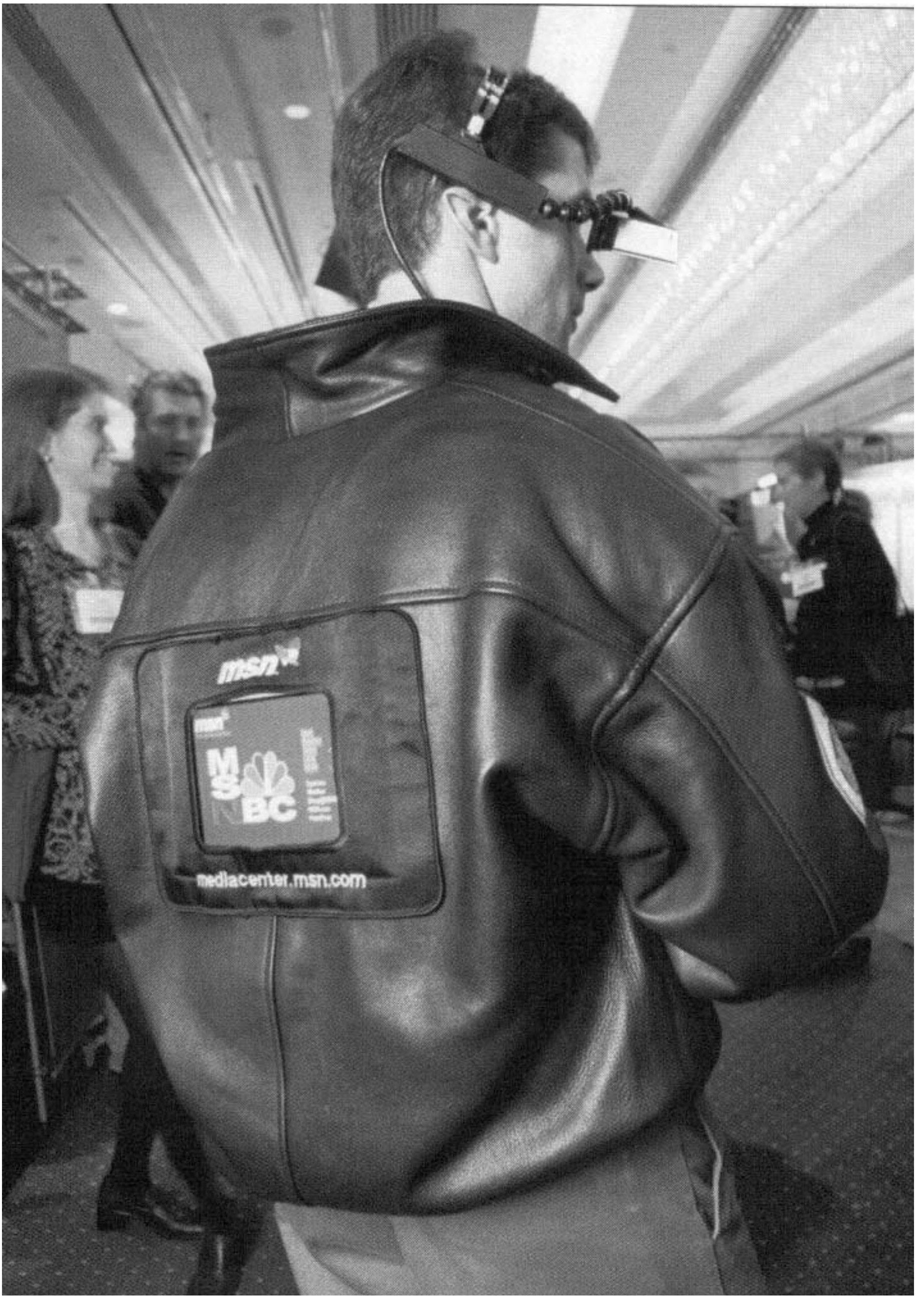

Figure 11.7 Video ads on fashions

because the messages are intrusive, but because the relentless, almost militaristic assault dehumanizes you—your worth is no longer as a person, but as a consumer" (van Bakel, 1999). Bob Garfield, a columnist for *Advertising Age*, a leading trade publication, concurs. Garfield alleges that advertisers are "fouling the receptors of the increasingly skeptical, increasingly annoyed, increasingly disaffected consumer," (van Bakel, 1999).

Indeed, a recent *Advertising Age* survey found that across the board most respondents (91 percent) expect to see an increase in the tendency for everything to be advertised and commercialized, and the majority felt that this was a negative trend. Eighty-five percent of respondents expected to be "overexposed" to advertising. Such data suggest that an unwelcome consumer backlash is on the horizon. The "biggest worry for agencies is that individuals are so dazed and cynical about ads that they automatically ignore them or turn off, and in the new century, consumer disinterest may turn into frustration, distrust and hostility" (Voight, 2000).

Clearly, this problem results not just from the amount of advertising, but the messages it carries. Commercial communication's insistent message is really quite simple: buy, buy, and buy some more. Indeed, consumers are encouraged to shop around the clock. Although American consumers have long been served by some 24-hour supermarkets and gas stations, what is happening now is of a different magnitude. Can't wait for a new set of dishes? Not a problem with a 24-hour Wal-Mart Supercenter nearby. Need an airline ticket? Just call up a website. Want to buy a stock? The National Association of Securities Dealers can accommodate that urge during an extended day (Uhlman, 1999).

We are seeing the emergence of a 24-hour economy. Many suggest that this urging by marketers for consumers to shop nonstop encourages materialism. Marketers might argue that materialism increases a society's economic health, and that the accumulation of material possessions leads to a higher standard of living. But an increasing number of studies have suggested that growing materialism has negative effects on individuals, families, society, and the environment. Belk (1984) defines materialism thus: "The consumer orientation commonly known as materialism reflects the importance a consumer attaches to worldly possessions. At the highest levels of materialism, such possessions assume a central place in a person's life and are believed to provide the greatest source of satisfaction and dissatisfaction in life."

Most empirical data reveals that dissatisfaction with life is the result of a materialistic orientation. Belk (1985) found that that those who score higher on the materialism scale reported to be less happy in life. Richins and Dawson (1992) found that those who score higher on the materialism scale were less willing to share their money and possessions. This unwillingness went beyond contributions to charitable and ecological organizations and extended to less willingness to help to family and friends. In 1995, the Merck Family Fund commissioned a public opinion survey by the Harwood Group as part of an examination of the patterns of consumption in the United States and the consequences of those patterns. "The resulting report, *Yearning for Balance*, provided a statistical portrait of how Americans think about issues connected to consumption, the environment, and the values and priorities of their society. Many survey participants felt that excessive materialism was at the root of many of our social problems, such as crime and drugs. Eighty-two percent agreed that most of us buy and consume far more than we need. Ninety-one percent agreed that the "buy-now, pay-later" attitude contributes to over-consumption. When asked what was driving so many of our society's troubles, their responses revealed a shared belief that "our values are out of whack—that we value things too much and people too little." The report said, "Americans intuitively believe that our current ethic of 'more, more, more' is unsustainable in human and environmental terms" (Blakley, 1999).

And for many consumers, this ethic has become unsustainable in very real terms. In 1998, 1.3 million Americans declared bankruptcy—more than graduated from college. In the United States, household debt rings in at $5.5 trillion. Credit card debt doubled in the 1990s, and the average American household saved only 3.5 percent of disposable income—only half of what it saved 15 years ago. One-third of Americans now describe themselves as heavily or moderately in debt (Goodman, 1998).

The typical middle-class American is, in the words of economist Juliet Schor, "the overspent American." Schor says that one of the major reasons middle-class Americans are living in debt, or barely making it from paycheck to paycheck, is that what we want grows into what we need—at a sometimes dizzying rate. More than a quarter of the households earning $100,000 a year said that they could no longer afford to buy everything they need. According to Schor, the main engine of a troubling cycle of "see-want-borrow-buy" is competitive consuming. We are still trying to keep up with the Joneses, but today the Joneses aren't our neighbors or even friends. They're the "Friends" we see on television—the lifestyles of the rich and famous—upscale and advertised. These Joneses are way up compared to our old neighbors (Goodman, 1998). The average employed American now works more than 47 hours a week in the struggle to keep up with mounting bills. This causes tremendous levels of stress on individuals and their families.

Regarding materialism's impact on the environment, a few startling facts offer some perspective:

- Twenty percent of the earth's population uses 80 percent of its natural resources.
- The average North American consumes 5 times more than a Mexican, 10 times more than a Chinese, and 30 times more than a person in India.
- Americans consume 40 percent of the world's gasoline and more paper, steel, aluminum, energy, water, and meat per capita than any other society on the planet.
- The average American produces twice as much garbage as the average European.
- Recent scientific estimates are that at least four additional planets would be needed if each of earth's 6 billion inhabitants consumed at the level of the average American.

Table 11.3 further highlights the imbalance in the distribution of consumer goods. We suffer the impact of excessive consumer behavior in many ways. The quest for ever-increasing consumer goods has resulted in the dramatic loss of forests for paper and packaging as well as the conversion of farmlands and wetlands to large suburban developments. We have generated huge quantities of atmospheric and solid waste while degrading the water, soil, and air necessary for healthy living—all in the name of consumption.

"Affluenza" has developed into a worldwide phenomenon (Droge and

TABLE 11.3 How Families Compare

United States *(family of 4)*	Japan *(family of 4)*	Cuba *(family of 9)*
5 telephones	1 telephone	
4 bicycles	3 bicycles	4 bicycles
3 motor vehicles	1 motor vehicle	
3 televisions	3 televisions	1 television
3 stereos	2 stereos	
3 radios	3 radios	3 radios
1 computer	1 computer	
1 vcr	1 vcr	1 vcr
1 microwave oven	1 microwave oven	
Albania *(family of 6)*	**Mongolia** *(family of 6)*	**Mali** *(family of 11)*
1 bicycle		1 bicycle
1 television	1 television	
1 radio		1 radio
6 goats	1 sheep	
1 donkey	1 Buddha statue	5 ceramic pots
2 butter churns	2 water kettles	2 sieves for grain

Source: Carlozo, 1999.

MacKoy, 1995). According to a study conducted in Britain, despite being wealthier than ever, more than 70 percent of respondents rejected the suggestion that most people were content with their lives, and almost 90 percent believed Britons increasingly expected to "have it all and have it now" (Millar, 2000). The same survey reported that while more than 80 percent of respondents agreed that people were under too much pressure to spend unnecessarily, a similar number admitted that however much they earned, it was never enough.

Evidence of the desire to become a member of the consumption culture can be found in developed and developing societies alike. For example, Malaysia's Consumer Association of Penang describes the situation as follows: "A worrying trend is the growing influence of negative aspects of Western fashion and culture on the people of the Third World countries, including Malaysia. The advertising industry has created the consumer culture that has in fact become our national culture. Within this cultural system people measure their worth by the size of their house, the make of their car and the possession of the latest household equipment, clothes and gadgets" (Consumer Association of Penang, 1988).

Although significant economic differences still exist between Mexico and the United States, middle-class Mexican consumers have much in common with American consumers. Both attempt to signal their comparative degree of social power through consumption. One negative outcome of the consumer culture is compulsive buying, which has been described as "chronic, repetitive purchasing that becomes a primary response to negative events or feelings" (O'Guinn and Faber, 1989). Researchers in the United States have found that as much as 10 percent of the population can be classified as compulsive buyers (Trachtenberg, 1998). Surprisingly, nearly 7 percent of Mexican young adults can also be classified as compulsive buyers (Roberts and Martinez, 1997).

Another negative effect associated with growing materialism is that it may well lead to a decline in morals. Researchers have associated certain types of unethical behavior with greater amounts of materialism. Muncy and Eastman (1998) found that higher levels of materialism were directly associated with lower ethical standards. Indeed, many of the problems with crime experienced in the former Eastern Bloc countries have been attributed to materialistic influences of the West (Barrett, 1992).

Striking Back at Consumer Culture

Segments of the North American population are striking back at their increasingly consumer-oriented culture. Adbusters, a Canadian-based organization, has the lofty goal of "transforming our commercial media culture and directing it toward ecological and social awareness" (Littlewood, 1999). Its online (www.adbusters.org) and off-line publications feature informational articles as well as spoofs on well-known ad campaigns. "Joe Chemo," the popular Joe Camel, sits sad, sick, and bald in a hospital bed. A sports utility vehicle surges through the wilderness under the slogan: Nature—It'll Grow Back. A slumped-over vodka bottle proclaims ABSOLUTE IMPOTENCE. The intent of these "Un-ads," of course, is to undo billions of dollars worth of careful product positioning. Despite a sustained bid to get its "non-commercials" aired on mainstream TV in North America, and more recently in Europe, in nearly every case they have been refused. One exception is a message that appeared in *Harpers* magazine in 2000. The anti-ad asked consumers, "Why are you buying products from a tobacco company?" and visually portrayed a variety of common consumer products produced by the Philip Morris Company.

In *Culture Jam: The Uncooling of America* (1999), Kalle Lasn argues that America is no longer a country but rather a multi-trillion dollar brand. America "TM" is no different than McDonald's, Marlboro, or General Motors. It is an image "sold" not only to the citizens of the U.S.A., but also to consumers worldwide. These views are also shared in the organization's bimonthly newsletter *Adbusters* (see Figure 11.8). The group also organizes social marketing campaigns, such as "Buy Nothing Day," which has taken hold in 45 countries around the world. During the 24-hour consumer fast, shoppers are urged to cut up their credit cards.

Adbusters is by no means the only sign of a backlash against increasing commercialism. The Center for a New American Dream is a not-for-profit organization dedicated to helping individuals and institutions reduce and shift consumption to enhance quality of life and protect the environment. Their primary goal is to encourage more Americans to adopt their motto of "more fun, less stuff." Toward this end, in 1999 they conducted a highly successful "Kids and Commercialism" campaign that educated parents about the damaging effects of advertising on kids and offered guidance on raising healthy kids in a consumerist world. The campaign reached over 30 million Americans with media coverage in *Time*, *USA Today*, *the Wall Street Journal*, and on *CBS This Morning*. In addition, they reached over 20 million people and distributed over 30,000 "Simplify the Holidays" brochures during the holiday season. The organization developed a network of nearly 600 local and national groups dedicated to promoting sustainable consumer practices and policies. Their views appear to be catching on, as their website (www.newdream.org) received 2.5 million hits in 1998 alone.

A third group, Commercial Alert (www.commercialalert.org) was

Figure 11.8 Cover of *Adbusters* magazine

founded in 1998 by consumer advocate Ralph Nader to protect children and communities from the excesses of commercialism, advertising, and marketing. In particular, the organization focuses on issues of media violence, commercial corruption of the media, and the increasing commercialization of schools. For example, Commercial Alert was responsible for requesting an investigation of Philip Morris's attempt to distribute schoolbook covers. Commercial Alert argued that Philip Morris was marketing a tobacco product to children in direct violation of the 1998 master settlement agreement between certain tobacco companies and state officials by distributing free Philip Morris textbook covers to millions of schoolchildren. Ostensibly part of an antismoking campaign, *Advertising Age* noted that the cover's design looked alarmingly like a "colorful pack of cigarettes" (Blown Cover, 2000). In addition, the textbook covers promoted to kids the Philip Morris name, which is clearly synonymous with tobacco and smoking.

These organizations, as well as many others around the world, are taking advertisers to task, questioning whether, given the resulting societal burdens, it is socially responsible for marketers to encourage materialism via their commercial messages. They criticize advertisers for stimulating artificial wants and needs—even encouraging consumers to demand goods that are often inappropriate to their level of development. Such charges are difficult to answer empirically. Distinguishing between a real need and an artificial want is no easy task. Even in markets where there are not active selling and promotional efforts, demand for nonessential products appears to be widespread. For example, despite the 19-year trade embargo imposed on Vietnam (which was finally lifted in 1994), Coca-Cola is extremely popular in Vietnam, one of the poorest countries in the world. According to Bill Saporito (1993), brand-conscious and America-loving Vietnamese consumers have been purchasing Coca-Cola on the black market for years. Conceivably, a variety of underlying social-environmental factors (such as church and school) also play a significant role in stimulating wants and needs.

Conclusion

In this chapter, we have addressed the commercialization of societies. For many, curbing their addiction to consumption—even for just a day—would be nearly as difficult as smokers giving up cigarettes for 24 hours. But, much as it is up to smokers to "kick the habit," it is up to all individuals to examine their lives, their priorities, and their purchases and find some room for moderation. Assessing that difference between what we need and what is at the heart of this examination, Melissa Blakley (1999) suggests we subject every purchase to five simple questions: Do I need it? How much will I use it? How long will it last? Can I do without it? And how will I dispose of it when I am through using it? The result of just a few decisions not to buy, not to pursue "more, more, more," could have a significant and positive impact on our lives.

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CHAPTER 12

THE END OF REALITY

Introduction

Seamless ads or "hybrid messages" have been defined by Balusubramanian (1994) as "all paid attempts to influence audiences for commercial benefits using communication that projects a noncommercial character; under these circumstances, audiences are likely to be unaware of the commercial influence attempt" (p. 29). While in a strict sense this definition originally applied to product placement in movies, we see in this chapter how seamless advertising has been extended to most media—and beyond.

The Internet

On the Internet, the line between advertising and editorial content has become blurred. Anybody and everybody can now provide "information" to Internet users. This has raised a whole new set of ethical questions as to exactly what an "Internet ad" is. Some of these issues arise out of the fuzziness of the definition of a legitimate content provider. While concepts like editorial integrity, balance, accuracy, respect for others, and fairness are the mainstays of traditional journalism, they are fading fast with the growth of the Internet. The absence of gatekeepers on the Web raises questions about whether the information we are receiving in cyberspace is real news, real chat, or real advertising.

The inherent nature of the Internet, with its high degree of interactivity, provides a fertile ground for advertisers. On the Web, advertisements appear in many different forms: advertorials, paid links, ads or promotions that appear in navigational sidebars, pop-up windows, sponsored pages, advertising sections, and banner ads. The reader constantly interacts with these new advertising modes—knowingly or unknowingly. For example, many search engines sell keywords and phrases to advertisers. A user might key in "Hotels in New Hampshire" on a search engine like Google. Seconds later a banner ad might pop up on the screen from Amazon.com offering "books on New Hampshire." Or, reading an article online, a user might click on an underlined word or phrase in search of further information only to find themselves instantly transported to an advertiser's website.

The questions proving to be critical in the cyber world are related to the lack of an ethical firewall between the editorial and the advertisement, and the intrinsic nature of the Web does not lend itself to any single organization conscientiously creating one. The ease of using hypertext links can also set up ethical dilemmas. Take for example the weekly e-zine, *Salon*, which has become one of the few successful online magazines. This San Francisco-based e-zine draws a huge following. To attain its success, top management was very clear about its goals of mixing editorial content with business (Goth, 1997). *Salon's* management has no qualms over the primacy of the profit motive: E-commerce links between Salon.com's book review section and Borders.com, for example, are essential for its survival. Ultimately, when Salon.com gets a commission for steering readers of its book reviews to the Borders site, it breaks a cardinal rule in the ethics of old media journalism. The ease of interactivity sets the stage for "transaction journalism," as it is being referred to by some traditional writers (Lasica, 1997).

A few attempts have been made to develop guidelines for adoption by online publishers. For example, rules formulated by the Internet Content Coalition (ICC) include some of the basic ethical concepts of the old media, such as the need to label advertorials, to disclose paid links, and to draw a definite line between promotional and editorial material. But so far, neither these rules nor any others that could be binding to all Web publishers are in place. Meanwhile, the ethical dilemmas are getting murkier by the day.

In addition to paid links embedded in editorial text, other questionable advertising practices on the Internet concern "bots" and "cookies." For example, imagine someone chatting with another user in an online chat room, and one of them mentions that they had a "bad hair day." Some advertisers employ Internet robots, known as "bots," to monitor chat rooms. When the word "hair" is used, a bot could break into the chat (appearing just like any other Internet user) and suggest that the person having a bad hair day should try using the advertiser's shampoo.

"Cookies" are text files inserted on users' hard drives when they access many Web pages. Most of the time users are completely unaware that they are receiving cookies from websites. Once placed in the home computer, cookies gather information that allows the website operator to build profiles of users without their knowledge. Let us say, for example, that a user visits the auto section of a certain site three times requesting information on the features of a specific car. The automobile company can track these requests and, using the information gathered by the cookie, create a profile of the consumer and the consumer's interests. The next time the user logs onto the site, the company can present ads or messages created on the fly and targeted to that particular user's individual interests.

Websites can also create databases of users of their sites and track which individual users see which advertisements. This information can ensure that the same ad will not be delivered more than once to the same person. For advertisers, the possibilities presented by the Internet are endless because the medium allows for very specific targeting of individual consumers. Some authors, Rust and Oliver (1994) for example, predict that traditional advertising—mass media ads targeting mass audiences—is on its deathbed and that, in the future, interactive media that allow for greater individualization of messages and higher levels of interactivity (as well as stealth), will predominate.

Product Placement

Hidden advertising is not limited to the Internet. Today's advertisers are increasingly shying away from identifying their messages in many media. Using product placement in movies and TV programs is an inexpensive tool for reaching audiences, advertisers can disguise their ads as part of the entertainment.

Product placement is defined as a "paid product message aimed at influencing movie audiences via the unobtrusive entry of a branded product into a movie" (Balusubramanian, 1994, p. 31). This type of hidden advertisement can enhance the recollection of the brand and create positive associations with program characters (Karrh, 1995; Pardun and McKee, 1997). Whether these placements are regulated, paid, or neither, brands are increasingly a seamless part of movies and TV programs. Advertisers use cash payments, barter arrangements, and promotional tie-ins to secure their brands' roles in movies, television shows, video games, and other programs (Friedman, 1991). Bond and Kirshenbaum (1998) note that these types of subtle ads work by hiding the commercial message inside a movie or computer game, allowing sponsors to get past the radar and penetrate beyond the audience's barrier of cynicism. Product placement works precisely because it does not seem like advertising.

Product placement is most commonly associated with U.S. feature films—a largely unregulated industry. Through film placement deals, advertisers tap into movies' global reach and connect to audiences' strong identification with movie characters. As one example, BMW reportedly invested $20 million in a movie tie-in campaign for the worldwide launch of its Z3 roadster. The campaign included the Z3's prominent placement in the James Bond film *GoldenEye*, as well as in most of the film's trailers and television ads (Eisenstein, 1997). BMW management was apparently pleased with the results, since a similar arrangement was made for the 1999 release of the Bond film *The World Is Not Enough* (Guilford and Chura, 1999).

Placement activity in U.S. television production is far more restricted than in movie production. Federal Communications Commission (FCC) rules require the specific identification of paid placements, and the broadcast networks themselves often attempt to limit brand appearances in shows. However, placements made through a hired agency can bypass broadcasters' policies as well as the FCC regulations; a placement agency's fee for exposure on a hit television show typically exceeds $20,000 and can climb much higher (Karrh, 1995; Warner, 1995).

The placement of product endorsements in television talk shows has raised some ethical concerns in the U.S.A. *The New York Times* questioned the compensation of celebrities by pharmaceutical drug companies on TV talk shows (Petersen, 2002). Lauren Bacall appeared on NBC's *Today* show and told the interviewer about a good friend who had gone blind from an eye disease. She urged the audience to see their doctors to be tested. She also mentioned a new drug treatment from the pharmaceutical company, Novartis, that could help patients. But she never revealed she was being paid to tell the story and neither did NBC. When later questioned, the drug company said they chose Ms. Bacall for their marketing campaign because she appealed to many people over 50, the primary market for their drug. While the placement of products like Coca-Cola or BMW has been going on for decades in the movie industry, *The New York Times* noted that there were ethical issues when health and medicines were involved.

Brand placement in television production is much more common and overt in some countries than others. In Brazil, popular soap operas are so full of brands "that some multinationals, like Coca-Cola, sign annual contracts with TV Globo to keep their wares incessantly written into the show's ongoing stories" (Miller, 1990, p. 196). Evidence that program audiences pay better attention to and more often remember brands placed within media programs is mounting (Babin and Carder, 1996; Brennan et al., 1999; Gupta and Lord, 1998; Karrh, 1994).

These seamless commercial messages are woven into the movie's plot and can occur in the following forms:

- *A passing or background visual:* The brand is displayed in the background. For example, a scene might be shot on a city street and a Federal Express truck bearing the bright orange and purple logo might be seen passing behind the actors.

- *Verbal mention:* The product is explicitly mentioned in the script.
- *Handling the product:* The actor handles or uses the product.
- *Combination of uses:* A combination of verbal and visual placements.

Virtual Reality

As the technology improves, it provides an increasing number of ways for movie and TV producers to modify their films according to the wishes of a placement sponsor. In the film *Demolition Man*, for example, scenes depicting a fast-food outlet of the future were set in either a Taco Bell or Pizza Hut, according to the markets where the film would be distributed (Karrh, 1995). In a more recent deal, Turner Broadcasting System has agreed to allow advertisers to place virtual product images in reruns of "Law & Order" when the hit show moves to TNT in syndication. According to *Ad Age* (Goetzl, 2001) "that means an advertiser can put its product on a desk, in a character's hands, or even brand the precinct's soda machine" (p. 8).

Princeton Video Image (PVI) is the technology company most often credited with developing virtual product placement technology. PVI is being widely used by advertisers to insert ad messages as part of sports broadcasts. The ethics of this type of reality adjustment were raised during the New Year's Eve celebration at Times Square in 2000. CBS, using virtual technology supplied by PVI, blotted out some Times Square billboards for companies like Budweiser and Panasonic to virtually substitute its own corporate CBS logo in their place. The owner of the Times Square billboard company sued CBS for unfair competition, deceptive trade practices, and trespassing, contending that the network took away the value of the advertising for which its clients had paid and misappropriated the value of the ads for which the network *did not* pay. The issue was that the price of the billboards during that time of year was raised to reflect the additional exposure given to Times Square in television broadcasts. Diminishing the value of a billboard by digitally replacing the signs was considered a form of unfair competition (Rigoboff, 2000). The network eventually settled for an undisclosed sum.

More recently, Sherwood 48 Associates, another billboard company that owns several signs in Times Square, sued Sony/Columbia for digitally replacing the ads seen in a Times Square scene in the *Spider Man* movie.

Ironically, critics have long contended that advertising distorts reality by presenting us with a distorted mirror (Pollay, 1986), but the latest technology of virtual reality certainly makes the advertiser's ability to distort reality much, much easier.

Digital Interactive TV Advertising

U.S. Television began as a medium solely supported by advertising. Cable and satellite shifted this by bringing in pay TV, but the fact remains that, around the world today, most television content is subsidized by advertising. While television advertising can reach masses of people, its flaw is that many of those exposed to any particular commercial are not potential customers. Now, looming in the near future is interactive television (iTV). This medium will allow advertisers to pinpoint specific targets with one-to-one messaging and a high degree of interaction. Soon advertisers will have the ability to target the emotional appeal of television with the precision of direct marketing.

According to a recent study (Power in your Hand, 2002), 90 million Europeans (39 percent of all TV owners) and 70 million Americans (two-thirds of all TV owners) will have digital TV by 2005. Interactive television services are expected to generate $11 billion in advertising, $7 billion in commerce, and $2 billion in subscription revenues by 2004 (Bernoff et al., 1999).

With iTV, a cable television subscriber will receive an enabled set-top box bearing a unique digital identifier, analogous to the unique Internet Protocol (IP) address of every Internet-connected computer. This identifier uniquely tags each iTV household. The latest set-top boxes now have capabilities beyond personal computers. As TV viewers navigate through the programming on iTV systems, clicking to make decisions about products and services, the click stream data is collected to build a unique profile of each iTV user. One of the cable TV industry's goals is to allow marketers to target neighbors with different ads. This can be done because the data collected from iTV gives the cable company a more complete profile of users than has hitherto been possible.

In the future, advertisers can pinpoint ads to specific consumers based on their viewing preferences. For example, an automobile advertiser may want to advertise certain models during the airing of a particular program, depending on each viewer's preferences. If the viewer's preferences suggest that he or she is an outdoor enthusiast, the commercial shown during a program might feature a sport utility vehicle. If the viewing history suggests children in the family, the commercial might be for a minivan.

Companies pushing interactive TV are relying on advertising to turn a profit. The idea is for the central computers in the cable control room to gather demographic and viewing information about subscribers and provide aggregated lists to marketers. The marketers then design ads for each specific type of viewer. These ads would include virtual shopping carts on TV screens to facilitate browsing and buying. If all goes as planned, viewers will use their remotes to call up additional information on new products and services and make purchases directly from their TV. The applications being developed include e-commerce, pay-per-view, and interactive advertising.

In the United Kingdom, Nissan launched a new 4 × 4 model using interactive TV. Consumers were able to ask for additional specifications, request a video of the vehicle, and book a test drive—all at the touch of a button. Virgin Mobile used iTV to open a dialogue with potential customers on what annoyed them about their current mobile provider. This interaction delivered a database of disaffected customers along with their brochure requests. Virgin considered it the best ever cost-per-brochure request, yielding the highest quality leads of any marketing effort they had done (Knight, 2002).

Of course, the success of iTV advertising depends on viewers' willingness to sell off their privacy in return for cheaper programming, by participating in what are essentially direct-marketing campaigns. A key privacy concern is that each set-top box has a unique identifier allowing the service provider to identify the household or the location of that box. While the iTV industry eagerly awaits the billions of dollars in ad revenues expected to be reaped from using this technology, one fact remains: large amounts of information about customers will be collected and used, either with or without their knowledge and without their having the ability to prevent it. At present, there is no government or independent oversight agency to ensure that the rights of citizens and consumers are represented in the development of Interactive TV.

AIM (the Association for Interactive Media) has created an effective "privacy toolkit" for iTV companies, so that these companies can completely understand the ethical, legal, and operational implications of data collection in this growing area. AIM's Addressable Media Coalition is setting up measures to ensure that businesses move forward carefully and responsibly (Association for Interactive Marketing, n.d.).

You Are Never Alone with Your Mobile Phone

In addition to new forms of television technology, mobile phone networks are emerging as yet another new way for advertisers to "reach out and touch someone." This new medium, which adds a textual dimension to what was originally a voice communications technology, not only provides a medium for the exchange of messages between users but also provides for a high degree of interactivity.

Text transmission first became a practicality in 1844 in the United States when Samuel Morse established telegraphy between Baltimore and Washington. In 1901, Marconi used Morse's code to send radio messages across the Atlantic. Soon, digital text messaging by wireless spread rapidly beyond the reach of the global network of telegraph wires. However, the development of digital communication as we know it today was to some extent sidetracked by Alexander Graham Bell's 1876 invention of the telephone and later the radio and television media.

Yet Morse-based digital communication did not die out, but neither did it evolve directly into the binary form that now underpins the Internet, digital broadcasting, and mobile wireless telephony. Almost a century elapsed between the invention of the telephone and the advent of computer-to-computer communications. Digital text transmission is what drives the Internet. The new medium uses the binary code of high-speed data processing and has replaced Morse's dits and dahs with longer strings of zeros and ones.

In the past two decades, mobile phone technology has moved from voice-only (first generation) to incorporating limited text-handling capabilities. Mobile phone service providers first introduced SMS (short message service) in the 1990s. Using the phone pad, mobile subscribers can compose messages and send them to each other. This has become wildly popular in places where a critical mass of mobile subscribers is connected by a common text-messaging technology. In Europe, Asia, and many other parts of the world, SMS messaging has become a truly mass medium.

SMS is cheaper, faster, and less intrusive than conversational calls. But the most important difference is that SMS brings asynchronous communication to the mobile subscriber. Like e-mail, SMS messages can be read and replied to at the convenience of receivers, while they are on the go.

Despite SMS messaging being cheaper than voice telephony—typically 5- to 10-cents each—mobile service providers are finding it highly profitable. This is because SMS uses airtime far more efficiently than voice. However, though potentially highly profitable, SMS adoption rates in the United States remain low because there is no national SMS standard. The result is a profusion of incompatible technologies and a multiplicity of service providers—most of them serving limited geographical areas. Unlike much of the rest of the world, Simson Garfinkel points out that:

> The United States has let phone companies compete not just for customers, but also in technology and standards. Alas, that competition has created a cacophony of mostly incompatible and underused systems . . . each of the many different two-way wireless text systems has a very different interface. This has made marketing the service much harder, because it has prevented the accumulation of a critical mass of users who provide free advertising, testimonials and demonstration (Garfinkel, 2000).

Garfinkel explains that the only practical way to send messages between mobile phones in the United States is via the e-mail gateways that most service providers have set up. However, this is not necessarily easy. "To e-mail your phone in the United States, I need your phone number, the name of your cell phone company, and information about how the gateway works," he says.

To send SMS messages in other parts of the world, only the recipient's mobile phone number is needed. This is because these areas have adopted the GSM (global system for mobile communications) standard, and this system has two-way text messaging built in. Advertising on mobile telephone networks is being developed in Europe and Asia, where the emergence of 3G (third generation) mobile communication systems, mostly under the GSM standard, incorporates text messaging, an additional radio interface, and a broadband channel. 3G mobile systems can now provide services such as video-on-demand, high-speed multimedia, and Internet access on a mobile phone. This service is known as wireless application protocol or WAP (GSM Association, 2001).

Japan's version of 3G messaging, i-mode, is being developed by DoCoMo (a subsidiary of Japan's giant telephone operator, NTT). This system is functionally similar to WAP, but it is based on a different standard. WAP and i-mode differ only in the programming languages used to code the content of compatible websites. Some mobile telephony service providers in Germany and the Netherlands are attempting to adopt i-mode. In 2001, about 18 million subscribers worldwide were using WAP (Goldman, 2001), while there were over 27 million i-mode subscribers (The unofficial i-mode FAQ, 2001). According to the GSM Association, GSM mobile phone users were sending some 750 million text messages every day by the end of September 2001 (NUA Internet survey, 2001). These usage statistics clearly reflected a huge and growing consumer base ripe for direct advertising.

M-Commerce

Coca-Cola has expanded the use of mobile phones beyond personal communication into the realm of m-commerce (mobile commerce). They introduced the first "Dial-a-Coke" vending machines in Australia and Singapore in 2001. To purchase a beverage through Dial-a-Coke, customers simply use their mobile phone to dial a phone number indicated on the vending machine. The drink pops out automatically and the purchase is confirmed through an SMS to the customer's mobile phone. The cost of the drink is charged to the customer's next mobile phone bill. The Dial-a-Coke concept works with all brands of mobile phones in these two markets (see Figure 12.1).

Figure 12.1 Dial-a-Coke vending machine in Singapore

The cost of the drink is the same as if the customer were to put coins in the vending machine, and customers are not charged for the cost of the call—only for the drink.

This latest application of wireless payment technology is a way to introduce mobile-phone users to the concept of wireless transactions and is a precursor to people being able to use their mobile handsets for functions such as micro payments for parking, ticketing, and even movie and theatre bookings.

Several other possible areas for mobile payments include:

- *Automated point-of-sale*—(Vending machines, parking meters, and ticket kiosks. These concepts are being tested in Japan and Scandinavia.)
- *Attended point-of-sale*—(Using phones for purchases at shops or in taxis.)
- *Mobile-assisted Internet sales*—Payments by phone replace credit cards.
- *Peer-to-peer*—McDonald's is experimenting with this concept for picking up a friend's dinner tab or putting the cost of movie tickets on your mobile-phone bill.

McDonald's in Japan has a joint venture that will allow its consumers to make purchases electronically through mobile phones with Internet access. Under the plan, EveryDMc (which reads like an SMS message for "everyday Mac") consumers will attach small bar-code readers to their cell phones. These readers will be able to scan bar codes that correspond to products in special catalogues distributed at McDonald's restaurants. Not only will consumers be able to buy McDonald's products but they will also be able to access websites that will allow them to book hotel rooms, reserve restaurant seats, and make other purchases. EveryDMc started experimenting with the system in 2002.

Viral Marketing

As soon as e-mail and SMS phone messaging came into use, innovative marketers recognized its potential for viral marketing. Viral marketing is any strategy that encourages subscribers to pass marketing messages on, thus creating the potential for exponential growth in the message's exposure and influence. It is a form of "word-of-mouth" or "refer-to-friend" marketing strategy that often uses the new electronic media such as the Internet, e-mail, and mobile telephony as the means for "viral infection." The effect of this form of marketing is like a virus—one person does it, then another until the word has spread across entire communities. Ultimately, the aim of viral marketing is to encourage customers to talk about a product, pass on recommendations or samples, or use the product overtly, so that other people notice it. Viral marketing often combines visually attractive logos, brands, interesting text messages, and music—all downloadable onto e-mail or to WAP or i-mode enabled phones.

One of the criteria for a successful viral marketing campaign is to make the product and the message creative or attractive enough for users to bother spreading it around. Incentives such as free products, free information, interesting games, attractive prizes and discounts, and other innovative freebies may get the campaign snowballing.

An important economic factor that makes viral marketing a popular strategy in today's marketing arena is that it is cheap, yet it can yield high returns. It is almost costless to type out a message and send it through an e-mail or SMS to a large population of people. It also costs nothing for a company when their message is redistributed to an ever-larger population, many times over.

One of the earliest adopters of viral marketing on the Internet was Netscape (Fiore, 1999). Netscape created a small "Designed for Netscape" icon that was employed by many webmasters to show Web surfers that their sites had the latest Web page design elements. The animated icon was often hyperlinked to the Netscape corporate site, and this conveniently drew traffic back to Netscape. Microsoft was quick to understand the purpose and power of such a marketing strategy, and it followed suit by creating "Designed for MS Internet Explorer" icons for its users. The case of Hotmail is probably one of the most frequently quoted and classic examples of viral marketing (Wilson, 2000). Hotmail was set up in 1997 to offer a free Web-based e-mail service that could be easily accessible from any Internet-ready computer anywhere in the world. Spending only about U.S.$100,000 on marketing and U.S.$500,000 on advertising, Hotmail was able to recruit over 12 million users for its services within 18 months (*Viral marketing*, 2001). Much of its growth was generated by involuntary customer referrals; every e-mail sent through Hotmail included the message "get your private, free e-mail at hotmail.com." Free things are popular motivators for most people, and Hotmail's strategy was very successful. Within a year of its inception, Hotmail was sold to Microsoft for millions of dollars.

In March 2001, Coca-Cola brought viral marketing on mobile phones to new heights by using an interactive game played on i-mode phones to promote one of its juice drink brands in Japan (*A first for Coca-Cola*, 2001). Mobile phone subscribers using i-mode could now play an interactive game with Qoo—a cute cartoon character that was also the brand image for a new fruit drink (see Figure 12.2)

Players could interact with Qoo on their handset displays by entering messages on the phone keypad (*A first for Coca-Cola*, 2001). After scoring successfully in the game, users were rewarded with an appealing Qoo picture that

Figure 12.2 Cartoon character for Qoo

could be downloaded to their phone. This image could then be retransmitted to friends. This process helped to spread brand awareness of the new drink. According to Coca-Cola, they adopted this strategy to win over young opinion leaders who would then convince their friends to buy the product. This marketing exercise was relatively low profile, and yet Qoo has now become a very popular soft drink not only in Japan but also in many other Asian countries (Francis, 2001).

Conclusion

We began this book with a discussion of advertising and the history of globalization, and we have ended on the cutting edge. The speed with which ideas, products, and services now move around the globe is increasing exponentially as each day goes by. While in the past, companies like Ford Motors and General Electric had to rely on the postal services to inform their overseas growth, today's companies like Starbucks and The Body Shop have the fax, the Internet, and mobile phones to help them expand worldwide. With the introduction of new media technologies and the growing number of people exposed to these new media a company can establish itself as a global brand in *virtually* no time.

Amazon.com established a global sales network on the Web without the expense of building a single "outlet." While auctioneers Spink and Christie's took decades to establish their brand names globally, eBay took only months to set up regional auction sites in 20 countries worldwide and to host regional auctions at the global level. According to Thomas Friedman, there is no longer any escape from globalization. He contends that "What is new today is the degree and intensity with which the world is being tied together into a single globalized marketplace. What is also new is the sheer number of people and countries able to partake of this process and be affected by it" (Friedman, 1999, p. xv).

As companies move into the global marketplace with ever-increasing speed, and more and more of our life is taken up with commercialism, the lines become blurred as to what is an ad, what is news, what is entertainment, and even what is real. Our children learn to add and subtract with worksheets provided by the makers of M&M candies and they play with toy cash registers brought to us by McDonald's. Robots call us on the phone and try to sell us credit cards, and cookies and bots hide in our computers and pop up with cheery messages about weight-loss plans when we go online.

The phone rings and we find out that our friend has sent us a viral coupon for a free McDonald's burger. Or worse: we discover that someone we thought of as our friend was really a paid shill. *The New York Times* (Rutenberg, 2001) reports that companies are hiring good-looking young people to go to bars and talk to as many people as possible about certain drinks and cigarettes. These "aspirational marketers" can reach up to 25 people in one night with word-of-mouth advertising. Companies hire young people who have the qualities of "key influencers" to buy people drinks, smoke certain brands of cigarettes, and wear certain brands of clothes; and all this is done without any of these "influencers" disclosing that they have received financial remuneration for promoting the products.

The ability of marketers and advertisers to constantly devise new and improved ways of reaching people appears to be endless and ever-expanding. As quickly as new media emerge to help connect members of the human race, marketers and advertisers are ready to step in and quickly commercialize our relationships and interactions. Thus, our concept of what is real, what is commercial, and what is really of value promises to be profoundly challenged in the 21st century.

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