Media managers mustn't allow ads that mislead consumers

James Miller III, President, Ronald Reagan's first appointee as chair of the Federal Trade Commission, defended his crusade in FTC activity on "The Neils/Lehrer Report" in 1982 by stating, "The FTC is not the only body responsible for protecting consumers from false and deceptive advertising. The Better Business Bureau has an excellent program. The media, and especially the broadcast networks, have ongoing problems to screen commercials (for honesty)."

Miller could have said that advertising regulations are bad, as he had said about other regulations, but he did not. This leader of 1980s deregulation implicitly noted that advertising regulations are desirable, but that organizations other than the FTC can provide them.

Referring to the power and activity of the media to control advertising veracity, it might have been true then, but not today. No U.S. television station, cable or broadcast network, magazine, radio station or newspaper is required to accept any commercial advertising. All media outlets have the right to reject advertising and some impose strong standards on the types of advertising they will accept.

And every rejection has the power to influence or alter an advertising campaign. Sometimes the media manager's objections change in their own way. Changes can be made to the ad without harming the message strategy. Of course, the marketer can take the ad to another media outlet, but only if there are others who will accept it and who also will fit with the media strategy.

With occasional educational seminars, the FTC tries to encourage media managers to do more to screen ads for potential deceptions. Every deceptive claim caught by attentive media managers is one less thing to take up the time and attention of the commission.

However, the primary concern for most media decisions about advertising is how the taste or style of the ad fits with the editorial content or image of the vehicle, whether the claims are true or if the product works. Some media companies might be examples of a potentially strong advertising regulation force, but it would be a gross error to presume that their practices are typical.

Usually, although media managers probably would not knowingly carry ads that mislead the audience, their primary concern is keeping readers or viewers. In other words, media managers aren't so much concerned about whether an ad is misleading as whether the audience will find it acceptable.

The original owners of the major networks—wealthy patrons with a sense of social responsibility—started their businesses with consumer protection concerns. They carried strong and influential news divisions as a money-losing public service. These days, owners and corporate affiliations are in constant flux, and whether the FTC can provi

Five key players generate, there is little agreement at the time, on the true economic effects of that boycott. Using the "in search of the ethics of consumer behavior have no place in the market economy, where selling a good or service is not a moral laziness."

"It is a common misunderstanding that advertising is a force for consumer protection, but not when its use is limited or misplaced as another marketing tool."

Herb Rotfeld is a professor of marketing at Auburn University in Alabama.

These books are among the many received at the AMA's Marguerite Kent Library in Chicago. Many are available for loan to AMA members, others for reference only.


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Like marketers, consumers have responsibilities

The first is when the buyer takes advantage of a seller's policy, such as a return policy. Having spent 30 years in the retail apparel business, I am familiar with the customer who buys—or should we say, borrows—a dress on Friday and returns it on Monday for full credit or a refund, even though it obviously has been worn.

We hear stories from stores with liberal return policies, such as Nordstrom and J. L. Bean, about customers who return merchandise years after buying it, or returning merchandise that was purchased elsewhere.

Although those firms may benefit in the long run from the good public relations these policies generate, there is little question regarding the ethics of the customer's behavior. In most cases, the buyer implicitly lies to the seller, claiming the merchandise did not measure up in some way when, in fact, it did.

But there is another category of buyer behavior that is more complex, interesting and important. This is the boycott. Using the buyer's purchasing power not by buying but by not buying can be a non-economic—such as an ethical or social—reason.

In rejecting products or withholding of purchasing power is exercised as a matter of conscience, to influence the behavior of the manufacturer or seller.

Boycoths can be carried out by individuals or groups. Every day dozens of boycotts are waged against firms for a variety of causes, such as the rights of animals, against political activities, the exploitation of natural resources, layoffs and so on. Many consumers are unaware of the majority of these boycotts.

Few give much attention among consumers, much less being significant pressure on the organization to change some aspect of its practices or policies. More than 30 years ago, however, Cesar Chavez organized a reasonably effective boycott against lettuce and grape growers in California. But he was the beneficiary of Norto products in the United States, triggered by that company's practices of feeding an infant formula in developing countries, also became a cause celebre at the time, but there still is no agreement on the true economic effects of that boycott.

The labor movement sometimes mounts campaigns to "Buy American" and push firms that "outsource" production rather than manufacture in the United States. These efforts have little, if any, lasting effect.

Occasionally, an issue draws a lot of attention, such as the Kathy Lee Gifford apparel made in Central America with substantial wages and working conditions. But the effect on consumer buying practices is short-lived.

Why don't more of these ethically motivated protests and boycotts gain more attention and succeed?

Is it for lack of information? Perhaps not enough consumers know which products on store shelves come with an ethical problem. Which products are made with child labor? Or slave labor? Which are made by workers who cruelly use animals for testing?

Is it a lack of caring? Do consumers simply shrug off these issues as inconsequential? Or is the price of morality too high? Are buyers unwilling to pay an extra dollar or two for a shirt, or an extra $20 for a rug, made without child labor?

Some think that such matters of conscience, morality and ethical behavior have no place in the business world, that selling a good or service is not a moral laziness. This is the boycott: Using the buyer's purchasing power not by buying but by not buying can be...