

# History of advertising (false advertising) assignment

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These papers, however, were ore for Cromwell soldiers and merely reprints of the English papers. While some advertisements had started popping up in the earliest papers, it wasn't until advertising became an important function of selling goods that they became more prominent. Advertising didn't reach the United States until the 18th century when the first advertisement was published in the Boston News Letter. Modern advertising has changed over the decades. Advertising has become more prominent and reached more people with the invention of the radio and television.

Newspapers are also popular; companies try to advertise by lacing the ad where it was most likely to be seen by a segment group that would be most likely to be interested in the product. By the time advertising was able to paint the actual picture of the product for the consumer, its main goal was simply to create a need for it. For example, television ads began to target the subconscious and unconscious minds of individuals. Marketers also wanted to create an illusion where they were speaking just to the individual consumer. By doing this, they created more of an intimate relationship with their customers.

Advertisements are an emotional connection between the companies and heir consumers. Peter Trucker comments that, " the aim of marketing is to know and understand the customer so well that the product or set-vice fits him and sells itself' (Mantel). This has led companies to do extensive research and raises ethical issues in regard to both business practices and consumer relations. Companies' goals are to evoke emotions in consumers that lead to the purchase of the product or service advertised. Early

television commercials focused on creating the illusion that products were just for those of the elite class.

Pictures of movie stars and other famous people were often used. These images gave the product the air of being special and luxurious. If it was good enough for the stars, it was good enough for the ordinary consumer. As advertising developed with what was socially acceptable at the time, different advertising tactics were used. In a post-WI America, advertisers wanted to shake the feeling of the dull, dreary days of war. At this time, the last thing advertisers wanted to incorporate in their ads was to use the same dull grey colors that was used in previous ads.

With the development of the silver screen, advertisers were able to use color to entice nonusers to buy their products. Leo Burnett, a top advertising executive, developed the idea of product characters. He realized that it was difficult for the consumer to identify with the actual product. He decided that characters gave the consumer something to associate with a product or brand name. Marlboro is a famous example of this. When they first came out, Marlboro cigarettes were originally designed and marketed towards women, but sales soon feel flat and Philip Morris decided to completely redesign and reinvent the product.

This time they targeted men and used the Marlboro cowboy. The simple change of switching segmentation groups and using advertising that appealed to their target market sent the sales up 3, 000%. As a gender, women have been realized as a more important consumer as history has progresses. In the late sixties and into the seventies women began a social

revolution where they wanted to be taken seriously in the home, workforce, and society. Advertisers used this as an Opportunity to change their tactics and focus more on the modern woman.

While they wanted to show strong independent women, they found there was something that worked better. Sex sells. This social revolution opened the doors for the sexual advertisements. Soon sexual images and innuendo became one of the most used tactics in all advertising. It is still one of the most used tactics today. At the turn of the 20th century, four hundred fifty million dollars were spent a year on advertising alone. At the turn of the 21st century, that number skyrocketed to four hundred fifty billion dollars. Ads began preaching the gospel of consumption.

Companies who spent more money on advertising were generally more known to consumers. The number one most recognized word across the world is 'K'; however, the second is 'Coca-Cola'. Advertising budgets went not only to the making of the actual commercials and ads, but also to the market research that went along with them. Advertising plays into the fantasies of their target group whether that is what that particular group wants or what others expect of the group. Either way, it is a powerful technique that creates the need for the product. Advertising continued to evolve and changed in time with society.

As seen, advertising has been part of society for centuries. As companies have become more competitive in the market and begun looking outside of just their reduce, to their consumer, the importance of ethical discussions of business practices has become even more apparent. Businesses overall must

be concerned with the ethical or unethical nature of their practices from upper management down into each of its departments; it is essential to focus on marketing ethics. Marketing ethics are the study of moral standards and their application to marketing decisions, behaviors, and institutions.

As seen by the establishment of publications such as the Journal of Business Ethics, Business Ethics Quarterly, and Business Ethics: A European Review, ethics have come increasingly more important in the United States and internationally since the sass. As defined, " marketing ethics covers ' the societal and professional standards of right and fair practices that are expected of marketing managers in their oversight of strategy formations, implementations, and control'" (Schlemiels). The spectrum of topics discusses in marketing ethics has expanded due to the responsibilities and concerns of marketers.

As the job of marketers becomes more complex, the scope of the areas which they must consider their ethical impact also grows. Kennedy's 1962 Consumer Bill of Rights laid out the fact that consumer hooch was seen as a fundamental consumer right along with the right to safety, the right to be informed, and the right to be heard (Henry). As Marketers actions became more and more intertwined with consumer perceptions, two basic approaches could be seen: utilitarian and deontological. Today many marketers have justified the ends (higher selling points and increased profits) by the means (false advertising).

This is in conjunction with the utilitarian approach, which relates ethics to consequences. As marketers have become more concerned with consumer

behavior, and “ since the satisfaction of the needs of one’s fellow man is in itself a practically indisputable ideal,” of marketing in our world, “ marketing people tend perhaps to concern themselves less with the way in which this ideal is obtained. ” When consumers discover that their right to be informed has been compromised, they utilize their right to be heard.

The second of the two approaches, the deontological, is concerned with the manner in which an act is performed rather than just the consequences. This way of thinking was influenced by the philosopher Emmanuel Kant who believed that, “ a course of action is not ethical unless the person who adopts it would see nothing reprehensible in its adoption by all others and unless this practice does not threaten the survival of society (Mantel).

Marketers who look at the ends justifying the means do not always take the rights of the consumers into account.

Because of this, they have been accused of false advertising to the consumers time and time again. This ethical dilemma may be in regard to the actual product, in which consumers claim safety, quality, design, packaging or labeling were not accurately or truthfully given to the consumer. Price and place are also ethical issues that face marketers; price manipulation and exclusive distribution rights may inflate the profit line of the company, but if the consumer feels their rights are being infringed on a larger problem arises.

Ethical issues related to sales and promotion are where false advertising is most closely tied; salespeople and marketers can be implicated in falsely representing their products in print, visual, or audio advertisements or vocal

misrepresentation on the sales floor. Types of False Advertising Customer's purchase behavior can be directly linked with the perceptions they have of a firm's behavior. Firms use a descriptive model of the risky choice process called prospect theory to form notions in regard to consumer espousure to both ethical and unethical behaviors on the part of the company (Greyer 1997).

Companies have a concern for the welfare of society, known as corporate social responsibility. The most important things for a moral company to partake in are being economically responsible, making a profit, and remaining legally responsible, obeying the laws. However, a large concern of the company is also to be ethically responsible; they aim to do what is right, just, fair, and avoid harm. Companies false advertise to sell more of a product and gain a higher profit, the foundational responsibility of company. Only secondary to fulfilling this responsibility do they look at the legal and ethical implications.

Customers who recognize or are affected by false advertising make their voice heard and hold the company responsible for their ethical actions (Lamb 2012). There are many different types of false advertising that are used to trick consumers into buying company products. Among the extensive amounts of tricks, companies will commonly use three main techniques. These are bait and switching, use of humor, and comparison advertising. Bait and Switching is a practice that is used to convince consumers to spend more money than he or she originally planned to spend.

Companies will, “ offer the ‘ bait. ‘ Bait would be a product that is designed to lure in a customer. Once the customer is attracted, the manufacturer will pull the ‘ switch”” (lacity). Next the manufacturer would raise the price of the product or change it altogether. This would anger the consumer, but since the buyer is already so drawn into the product, the consumer will still buy the good that is being offered. However, being strongly against consumer laws, a buyer could potentially sue the company that is partaking in the bait and switch technique.

A strong example of bait and switch involves airlines all over the world.

Advertised in a newspaper, London Airlines offered a flight for a bargain of \$224. Although this is what is advertised, once a flight customer got to the ticket desk, he or she would find out that the actual price was more around \$826! Another example is the fuel surcharges that airlines have used since 2004. Charges can be as high as \$224 for a trip across the Atlantic Ocean. Round trip, that’s \$448, which costs more than the ticket itself. (Macarthur 2012).

Most airfare corporations will state these hidden fees in “ fine print” as to avoid legal confrontation. But with the large headlines establishing the price without these hidden fees, what the companies are really doing is a form of bait and switching. Another type of false advertising is the use of humor to hide false advertising. According to an article in the Journal of Marketing, The Use of Humor to Mask Deceptive Advertising by Hashes Shabbier and Des Theists. “ Deceptive claims were found in 73. 5% of humorous ads, and 74. 5% of these were masked by humor (Shabbier and Theists 2007).



It's apparent that using humor to cover up "deceptive claims," is becoming increasingly popular in today's society. According to Shabbier and Theists, there are three types of humor: arousal safety, incongruity, and disparagement. Arousal safety occurs when a commercial involves heightened emotional content of any kind. An example is a man applying deodorant and women "flocking" toward him. Incongruity is an ad that involves the telling of a joke or pun that can be easily solved by the viewer. An example is a bride leaving his groom for another man who is wearing a better smelling type of deodorant.

Finally, disparagement occurs when any display or effort to derive humor from disparagement contexts (Shabbier and Theists, 2007). Using this technique encourages consumers to assume a product is better than another because it's "humorous." These three types of humor are commonly followed with falsities involving the product. Although not in itself illegal, humor with the falsities used beside it results in false advertising. Lastly, comparison advertising is a common way companies falsely promote their products.

This occurs when a company, "compares two or more specifically named or recognizably presented brands of the same generic product or service class, and makes such a comparison in terms of one or more specific product or service attributes" (Wilkes and Fairs, 1975). In broader terms, this occurs when a company compares their product with one or more products from another company or companies. For example, Claritin and Cortez are in constant competition with each other. Claritin states that it works faster than Cortez, but Cortez states that it lasts longer than Claritin.

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While both companies try to prove that their product is superior, the products really have their own unique qualities. Each possesses attributes that the other simply does not have. It should be up to the consumer to choose which he or she would prefer based on the facts. All imprisonment advertising does is eliminate any positives of the competing product, and focus only on the negatives. The FTC (Federal Trade Commission) sanctions the use of comparison advertising, and only allows it under very strict conditions (Wilkes and Fairs 1975).

While comparison advertising is seen as an economic opportunity to businesses, to consumers it's nothing more than false advertising. The Law Some citizens of the United States wonder, how is it possible for companies to get away with false advertising? Why doesn't the FTC catch every company that attempts to enact false advertising techniques? The answer is simple. Too many companies false advertise, and the FTC is restricted on what it can enforce. The FTC doesn't have an unlimited reach, and can only handle a few cases at once.

In *An Advertiser's Guide to False Advertising and How to Avoid It*, by Jim Astrakhan and Carrie Williams, it is stated that the FTC cannot make a case, nor can a citizen sue, if certain requirements aren't met. Under the Lanham Act, " a communication must be made in commercial advertising or in the promotion of goods and services, the communication must contain a false or misleading statement, description, or representation of fact which misrepresents... N advertisers or its competitors goods, services, or commercial activities, and the false statement must be material to a consumer's purchasing decision" (Astrakhan and Williams 2006).

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Another setback for a lawsuit is companies have the right to free speech under the first amendment of the constitution, allowing them to false advertise. The only exception to this is if the companies use a “ buy me” message in the communication. Without all of these factors the FTC or a citizen cannot bring a lawsuit of false advertising against a company. No “ gatekeepers” are available to personally enforce advertising, and under the resistances, it is highly unlikely this will ever happen. Fortunately, the FTC is still able to successfully bust the companies who are tricking consumers into buying their goods.

Case Examples As previously discussed, one of a corporations responsibilities is to obey the law. Today, companies can be brought up on charges for falsely advertising. One example is the case of Skydive Arizona Inc. V Catastrophic. Skydive Arizona Inc. Is one of the largest skydiving centers in the world, and JOYRIDE, Cutthroat’s internet and telephone-based advertising service, was accused of false advertising. It was the job of JOYRIDE to make arrangements for customers and issue certificates that were to be redeemed at any Skydive Arizona Inc. Location or other skydiving drop zone in the country.

JOYRIDE owned and operated numerous websites that referenced Arizona in its domain name. This seems like it would be the ideal thing for Skydive Arizona to do in order to help advertise its business. However, “ Skydive Arizona neither advertised with, nor accepted certificates from JOYRIDE” (Skydive Arizona v Catastrophic). Skydive Arizona said that JOYRIDE had misled customers with its false advertising by saying they had ownership of drop ones, facilities and certificates for use in Arizona; When the truth of the <https://assignbuster.com/history-of-advertising-false-advertising-assignment/>

matter is that JOYRIDE had lied about having possession of all of the previously mentioned assets.

They believed that in saying they did have these assets, and using a respected name like Skydive Arizona in their advertising, they would gain a significant boost in their sales. One company taking the name of another is unethical and the case was taken to court. The court ruled in favor of Skydive Arizona by originally awarding them one million dollars in damages from willful false advertising and 2.5 million dollars in trademark infringement. The willful acting of JOYRIDE to falsely advertise under Joyride's name ended up hurting the companies instead of helping them.

Another such example of this false advertising occurs when one company misrepresents its own product. Thus is the case of Kraft General Foods cheese. Consumers wondered why Kraft's products cost much more than other cheese products. Kraft put out a series of advertisements claiming that their single packages are made from five ounces of milk and that this provides much more calcium than other brands because they were made with more milk. On the surface, this was a true claim. However, The Federal Trade Commission (FTC) charged Kraft with false advertising.

The claim that a single slice had as much calcium as five ounces of milk was false according to the FTC. Not all milk that is used in the checkmating process makes it into the final product. The process loses about thirty percent of the milk, thus not having the alleged amount of calcium. Kraft countered these claims that the ads said that the cheese "had" five ounces of milk and that the amount of calcium was assumed by consumers. But the

picture on the package has a glass of milk being poured and becoming cheese, thus inferring that the milk ND its nutrients are in the cheese.

This conclusion was supported by FTC reports and surveys that helped strengthen their case. Some marketers have are under the impression that false advertising can be profitable for their companies. The growing importance of consumers in today's market decision making should be cause for marketers to think twice before false advertising because it creates a bad relationship with their consumers. To avoid ethical issues, companies should rely on the pyramid of corporate social responsibility. False advertising occurs when companies focus more on the profit category rather than the ethical category.