

Ethics and social responsibility in advertising



Ethics and social responsibility can be seen as the moral obligation of advertisers not to violate our basic economic assumptions even when there is no legal obligation. (2570 words) Violating our basic economic assumptions happens in advertising everyday and consumers are well aware of it but it doesn't mean they are not influenced by it. This essay focuses on the reasons why some companies have chosen to improve ethics and social responsibility to further improve its image as a reputable company, and perhaps another way of building brand image to be taken seriously in society and for advertising efforts to be accepted in better regard in such a competitive market. First we will look at the different kinds of advertising (its intentions).

Then we'll move onto how advertising can be deceptive and manipulative and the effects of advertising on our value system. Which then brings us back to ethical advertising and social responsibility becoming an important factor especially to bigger companies who can invest and benefit from long term advertising/CSR campaigns. We'll also look at some examples and how CSR can benefit a company in the long run. Lastly, we'll look into the similarities between Advertising and CSR, and how both achieve results and can be seen as a tool to help achieve economic goals since both are created and built from society's (consumers) deep emotional values. Could CSR be yet another 'form' of advertising, but just a more ethical one? Advertising – the power of influence and persuasion Kyle Bagwell (Economics of Advertising, 2001), divides advertising into two roles, which he calls a constructive role and a combative role. Where the first role is obvious in

being constructive by providing information to consumers and the second role what he calls by 'playing a socially wasteful combative role'.

Bagwell carries on with the explanation that from the beginning of time, three views of advertising emerged. The persuasive view where, 'advertising primarily affects demand by changing tastes and creating brand loyalty. The second informative view, where advertising 'facilitates entry' since it is an important means through which 'entrants' give price and quality information to consumers. Lastly the complementary view where advertising affects demand by serving as an input that makes the consumer gain some kind of 'social prestige' when the products is attained.

Advertising in its different views is still considered persuasive nevertheless and it tries to attract the consumer by finding out the consumers desires – a 'mimesis of reality' owing to literary conventions that determines how it is able to resemble real life. Stern B, Journal of Advertising, June 1994) Stern goes into further explain that this 'real life' imitation, either gained from researching small target groups and getting feedback from key members in advertising (directors etc.

) to reflect that of the audience persona. This is activated in a variety of forms; drama, narration, autobiography and/or even through that catchy tune (musical). Stern continues that one of the most important decisions made in a message is the kind of persona to use for messages to articulate whatever persona type is deemed most effective to influence the audience. Advertisers have studied our personas and as Arens points out many of our wants are emotional, social or psychological rather than functional so therefore easy to build it's influencing capabilities on as advertising offers

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people the opportunity to satisfy those psychic or symbolic wants and needs (Arens, Advertising Perspectives , 2006) A lot of the time, this persona type articulated through the different variety of genres is often exaggerated. Aren further discussed the Ethical Issues in Advertising and points out that people associate advertising with the term ' puffery'.

Deception in advertising is illegal, however the meaning of ' puffery' skirts around the term ' to exaggerate' and although puffery is not illegal in advertising, there is the challenge in defining where puffing crosses over from exaggeration into falsehood and then to deception as Deception..... is interpreted as being injurious to consumers and is therefore illegal' (Arens, Truth in Advertising, Fluffing and Puffing – Advertising Perspectives, 2006). So although there is a blurry line between what is allowed and not allowed, puffery is still accepted in the advertising world and society as the ' norm'. Aren further explains that since puffery often takes the form of ' non product facts', the information not specifically about the product so not directly as seen to be truths, falsehoods or deception specific to the product. So these ' non-product facts' typically mirrors consumers personalities, lifestyles, fears and anxieties.

Which brings us back to the variety of forms Stern mentioned, (narration, autobiography, drama, music), where puffery can be used leaning towards a more ' artful display', enhancing the visual presentation of a product. And as Aren again suggests, visual exaggeration is present in ads to enhance moods, excite viewers and more and again this shady area in advertising is not very well defined by law. A good example of puffery (non-product facts) is the Adidas commercial that can also be seen on their website. <http://www.https://assignbuster.com/ethics-and-social-responsibility-in-advertising/>

adidas.com/campaigns/umbrella2008/index.asp?strCountry_adidascom=au The ad is presented as a historical autobiography of shoe maker Adi Dassler, from which is gathered, the original shoe designer where the 'Adidas' three striped design had originated from. The ad put together by computer graphics shows Adi Dassler at his desk, looking at a 3 striped original football boot similar to those worn by the German national team in the 1954 World Cup. Once upon a time, in a small town in Germany, There was a shoe maker, His name was Adi Dassler, In the 1954 World Cup final, the German football team used his revolutionary screw in studs to help defeat the mighty Hungarians, He made boxing boots for the greatest of all time, And signatures shoes for some of the most colourful tennis players to grace the sport, Adi helped them all.

And then, a strange thing happened..... People across the world adopted Adi's 3 striped gear as part of their own style, Adi was a true original, one of a kind. And chances are that somewhere, sometime, he made something for you. Adidas adopts the theme 'Celebrate Originality'.

At the end of the ad it shows what looks like a football, with different pictures in its segments, of athletes, sport victories, ordinary people wearing Adidas gear which signifies it being a global name that stands by its reputation in being historical, global and lastly original. So the Adidas advertisement is saying, if you wear Adidas, you're 'Original'. Knowing that the brand stands out as one of the well known brands in sporting and 'street gear' fashion, a competitive market in its field alongside Nike, Puma, Asics, New Balance, Dunlop etc, it would need to 'puff' away in advertising it's brand name to differentiate itself from its competitors to give consumers the notion that

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when you wear Adidas, your psychological self image is in their sense, (and with the help of its creative theatrical forms) improved. Puffery in advertising is there no matter how big or small the exaggeration, this creative use of influencing the consumer is how it's been done for years and even though there are watchdogs to ensure that advertising keep to the legal practices and not step over the deception boundaries, (of literally lying about facts.... ut exaggerating on non-product fact is ok – Aren), there really is no such thing as ' Ethical Advertising' without some level of puffery, as there would be no influencing power in stating absolute facts if it is not in a way, manipulating ones ideas and perceptions through working on their fears, dreams, lifestyle, anxieties, and so forth. Corporate Social Responsibility (CSR) – a tool that achieves results However, consumers are aware of the influential world of advertising.

In the race of brand names against its competitors in the market, these sponsors have had to take it up a notch to improve its image by getting involved in community efforts from showing their labors in environmental campaigns to sponsoring community and charity programs. The World Business Council for Sustainable Development defines corporate responsibility as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families and the local community and society at large. [http://www.orporateresponsibility.com](http://www.corporateresponsibility.com).

http://www.corporateresponsibility.com/au/about/corporate_social_responsibility/what_iscsr.asp However as the world of advertising acts on consumer's fears, dreams, lifestyles, anxieties and such, Corporate Social Responsibility programs are similarly built from <https://assignbuster.com/ethics-and-social-responsibility-in-advertising/>

our set of ethical issues – society's attitudes, feelings and values about our world/lifestyle and the issues we face today. A written piece on Corporate Watch says that when corporations make charitable donations, they are giving away their shareholders' money, which they can only do if they see potential profit in it. <http://www.corporatewatch.org.uk/?lid=2688> The piece further explains that this is done with the intention of improving their image by associating themselves with a kind of cause (to exploit a cheap vehicle for advertising) or to counter claims from pressure groups but in the end there is always an underlying financial motive in the bigger scheme of things. So if the corporation makes it public knowledge that it supports a charity on an on going basis, this is yet another tool to help achieve its goals in attaining profit in the long run. There is always an underlying financial motive so in the end, the company benefits more than the charity.

For example, a few years ago, coffee companies came under fire for making billions off the backs of Ethiopian coffee farmers who were making 'pittens' for their highly sorted coffee beans. Starbucks, one of the largest globally known coffee franchises were the first in line under the negative spotlight, however it's managed to turn this negativity around by being one of the first in the coffee industry to commit to signing a licensing agreement with Ethiopia to help build value of their coffee and gain a larger share of the retail price for their farmers. Therefore starting a trend for the others in the coffee industry to follow. Nearly three years ago, Ethiopia's coffee sector launched a plan to take better advantage of its intellectual property. The

country applied for the trademark registrations of its specialty coffee brands in the United States, Canada, and other countries.

At the same time, Ethiopia began negotiating with coffee roasters to sign agreements acknowledging Ethiopia's right to control these brands.....

More than 96, 000 people across the globe called on Starbucks to sign such an agreement. Their emails, faxes, phone calls, postcards, and in- store visits helped bring global attention to the issue.

<http://www.oxfamamerica.org/whatwedo/campaigns/coffee/starbucks/>
Starbucks Social Responsibility Report is quite impressive as much is invested in working towards displaying a reputable company image.
[http://www.](http://www.oxfamamerica.org/whatwedo/campaigns/coffee/starbucks/)

[starbucks.com/aboutus/csrannualreport.asp](http://www.starbucks.com/aboutus/csrannualreport.asp) (Starbucks Fiscal 2007 CSR Annual Report Key Performance Indicators) Their CSR Annual Report goes into much detail in categories listed below: ? Coffee Farmers and Equity Practices, Fair Trade Coffee ? Charitable Contributions, Volunteerism ? Electricity, Water, Paper ? Partner satisfaction, Partner engagement ? Women, people of colour, Suppliers The chart supplies an indicator, of how much was invested in 2006 and 2007 and the TARGET for 2008. Starbucks have also ingeniously indicated their plans and it's achievements on what they said they would do in 2006 and what was achieved the following year. What we said in 2006, what we did in 2007 John Dalla Costa in Ethics and Marketing states that brands are representative (public face) for any company or organisation therefore Corporate Responsibility is a way of inviting a relationship with consumers (connecting to their ethical values).

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And CSR is based on creating trust as part of a creative strategy employed to make it reputable in the eyes of the consumer. He also mentions that research into companies that have robust ethical programs for a five-year period the Institute of Business ethics in London, England, found that these companies achieved higher profits (by 18%) and better growth in economic and market value added than average. An online post discussion brought up valid points on how a large amount of the British public agree that CSR is a big spin and very much, just a PR stunt closely resembling Costa's idea on CSR where business ethics are but a cosmetic commitment for most companies, part spin and forever an oxymoron. <http://carsonspost.wordpress.com/2007/09/27/corporate-social-responsibility-just-a-pr-stunt-you-bet/> Even though Carson on the online discussion agrees that CSR is a spin and a PR stunt, it's one with results, as a corporation with a dedicated CSR department will have monitoring strategies to record their efforts (similar to the Starbucks CSR example) and hold the corporate accountable from within which shows willingness, intention and once again, creating a better image to consumers. But what Carson pointed out to be quite interesting, that one could say mirrors the intention of CSR, is his comment on the seminar he attended run by a British American Tobacco company. Looking like you're doing good to counter obvious negativity of its products, CSR is yet another tool to build a better communicative relationship between the corporation and the public. I attended a seminar a few weeks ago where the Head of CSR for British American Tobacco spoke.

Of course it was a bunch of spin. He was a great speaker, and it was interesting to watch him play with the concept: "but your cigarettes kill". His <https://assignbuster.com/ethics-and-social-responsibility-in-advertising/>

reply? I'm speaking to you, I'm willing to listen. I'm willing to stand here and discuss the harm my product has with you all.

Someone will sell cigarettes; don't you prefer it to be me? There is no doubt advertising (with all its creative forces) violates our economic assumptions as Vince Norris from the Journal of Advertising says similar to institutions, advertising order relationships into roles (buyer, seller, retailer, broker, laborer, employer etc) and secondly regulates the distribution of wealth while political institutions oversee the distribution of power. He also says it is quite clear advertising orders human relationships in the American economy. It does this by giving power to the manufacturer where the role of price taker turns to price maker. Norris adds that since advertising significantly affects both the allocation of resources and distribution of wealth and as an example, with regards to the homogenous packaged goods sector of the economy, advertising has set its roots into the market as the institution performing those tasks (allocation of resources and distribution of wealth) – which clearly means, advertising is an institution controlling our economic assumptions.

Corporations who invest heavily in advertising especially making their brand known on an international and global basis, CSR and ethical advertising is an added tool to counter act the negative press that would more than likely come along with it's popularity. Corporations thus use CSR as a tool to influence the public (statistic from the Institute of Business Ethics in London) to gain its favour and to help improve the relationship between consumer and the corporation itself as the consumer will readily purchase goods from a sponsor that is 'ethically sound', than it's competitor that hasn't quite open

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the gates of communication on world issues and contributes back to society. Advertising and CSR – the ‘invisible hands’ It’s obvious that the larger the corporation, the more in depth the CSR policies within that company are. CSR is just another means of influence in a price-competitive economy, where men are free to do as they please and seek only their own selfish ends, the ‘Invisible Hand’ will see to it that these goals are achieved. Norris is suggesting that this ‘Invisible hand’ is advertising.

And as CSR is just as influential as advertising is in building relationships with the consumer by being built on consumer emotions (anxieties, fears, values, etc) then CSR should be seen as a ‘form’ of advertising that’s more ethical and in the long run, if more is invested into it’s presentation and how in-depth it is, then in a way contributes to controlling the market to ensure the goals of the corporation is achieved (by making its brand well known, highly sought after and satisfying the consumer’s wants, needs, worries and desires). Ethics and Social Responsibility can be seen as the moral obligation of advertisers not to violate our basic economic assumptions even when there is no legal obligation but the real reason why Ethics and Social responsibility is of such importance today, is because it has become yet another tool to achieve corporations economic targets. In such a competitive market, advertising in its many creative forms is just not enough to win over a consumer. Long term plans through CSR in building a reputable company and brand image is needed these days to reach consumers and ‘influence’ their economic assumptions instead of being seen as ‘violating’ them.

END

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Starbucks Fiscal 2007 CSR Annual Report Key Performance Indicators <http://www.starbucks.com/aboutus/csrannualreport.asp> Online discussion on CSR – Carsons Post