

# Advertising ethics: alcohol and tobacco



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I. Introduction Commercial advertising is defined as, “ communication between a seller and potential buyers that is publicly addressed to a mass audience and is intended to induce members of this audience to buy the seller’s product. ” (Velasquez, 2012, p. 322) However, it is clear that advertising often delivers little information and is often accused of violating several ethical standards. The question begs to be asked, in the quest to sell a product, are advertisers in fact selling their souls? Advertising is essential to a company’s success and utilized to generate revenue and profits.

While it can be argued that all advertisements are manipulative, the public deserves to know what options they have when making purchases. If advertising were consistent in its standards of use, (delivering only useful information with only words and no other image appeal) then there would be no predicament to its ethical framework. The fact remains that advertising can often be manipulative create false desires and the power advertising agencies exert over the general public is not being used responsibly.

Essentially, advertising is trying to accomplish four objectives: first, advertisements are meant to create awareness, second they strive to establish a brand’s name and identity, third advertisements seek to provide information to the public in a way that is memorable and lastly, and controversially, advertisements are used to convince the consumer that he or she will be better off with their product. (Business Ethics: Truth in Advertising, film) Some advertisements have been accused of more egregious violations of ethical behavior, in particular advertisements for alcohol and tobacco.

While the use of most products will not directly kill you, if alcohol and tobacco are used as instructed they will lead to death; these products have no redeeming value. Alcohol related deaths reached 80, 000 in the year 2008 making it the third leading lifestyle cause of death in the United States. (www. cdc. gov) Cigarettes contain 70 known cancer-causing toxins such as arsenic, tar and formaldehyde; the same chemicals that are used to kill rats, pave roads and preserve the dead. In 2008 there were 443, 000 deaths in the United States due to tobacco use including 49, 000 from secondhand smoke exposure.

Based on current cigarette smoking patterns, an estimated 25 million Americans who are alive today will die prematurely from smoking-related illnesses, including 5 million people younger than 18 years of age. ” (www. cdc. gov) Often accused of directing their marketing efforts towards teens and young adults (the obvious next generation of consumers) even while there are governmental regulations against doing so, the two industries are sophisticated in their efforts and still successfully manipulate viewers by creating false images of sex appeal, youth, healthful and fun lifestyles that have enticed millions to drink and smoke.

Advertising for the products is seen through the use of celebrities, at sporting events, on billboards, in magazines and with the case of alcohol on daily television. If these products are known to kill people, then why are they being advertised and why do people use the products? This paper will focus on the larger social impact and more specific individual impact that advertising in the alcohol and tobacco industry has. The alcohol and tobacco

industries are multi-billion dollar enterprises that likely see their bottom line in an economic sense, making decisions based on numbers and utility.

However, key to understanding the ethical issues present in the advertising of alcohol and tobacco products is acknowledging that not just the shareholder's interests should be considered, but rather all the stakeholders. There are several primary stakeholders whose roles must be analyzed including: the corporations who manufacture products and promote the advertisements, the agencies who create the advertisements, the media who accept and run such advertisements, the government who tries to regulate them and ultimately the consumers who will decide if the advertisement is effective or not.

The key topics discussed in this paper include addressing moral and ethical responsibility, rights, justice, and duties. With the latest sales gimmicks promoting alcohol involving the use of “ Boy Bands”, appealing to patriotism and charitable causes, and continuing to develop sweet and fruity or candy-flavored alcoholic beverages, and tobacco companies promoting flavored loose tobacco and cigars with the banning of flavored cigarettes, is the use of such advertising tactics ethically, morally and socially responsible given the stakes involved?

Knowing that alcohol and tobacco are responsible for health problems and death, do the stakeholders have a responsibility to ensure that they do not engage in deceptive practices or promote advertisements for which create false consumer desires or beliefs? Should advertising of alcohol and tobacco be completely banned in any form if it contributes to the market powers of

monopolies and oligopolies? These questions will be explored in this paper relevant to specific stakeholders using the aforementioned ethical theories.

II. Social, Economic, Political and Legal Context Advertising efforts by alcohol and tobacco companies have created a society of individuals who are victim to false desires; desires that are sold through manipulation. The social contexts in which alcohol and tobacco advertisements exist have lead people to believe that their health is unimportant as compared to the amount of fun they will have if they consume these products. The advertisements show a carefree, beautiful life. If you consume these products you too will be like these people.

Advertising has skewed people's perception of reality and thus created social standards and criteria that are unattainable. In addition to the false perceptions of livelihood, they also perpetuate a sickly and addictive society. The health ramifications the sale of these products have on society are endless; lung cancer, emphysema, diabetes, bronchitis, infertility, low sperm count, liver disease, depression, nerve damage and death – to name a few. The number one cause of death in the United States is heart disease.

The second leading cause of death is cancer. (www. dc. gov, National Vital Statistics Report) Alcohol and tobacco contribute to these increasing rates of instance. The economic impact that alcohol and tobacco advertising have on society is momentous. In 2008, the tobacco industry spent \$9. 94 billion on advertising and the alcohol industry spent \$2 billion. These costs are paid for in the products society is consuming, not to mention the deaths as well. In addition to these economic expenditures on advertisements, and more

importantly, are the expenditures that the previously mentioned health risks are costing society.

The Center for Disease Control and Prevention (CDC) reported that, “ during 2000–2004, cigarette smoking was estimated to be responsible for \$193 billion in annual health-related economic losses in the United States (nearly \$96 billion in direct medical costs and an additional \$97 billion in lost productivity). ” In addition, when consumers spend their money on alcohol and tobacco (both highly addictive) they are choosing not to spend their money on things that could be beneficial for society in the long run, like public works projects or their children’s educations and future.

Prior to the knowledge that tobacco was bad for you there was little regulation in the advertising industry. Finally in 1964, the US Surgeon General released a report that linked tobacco use to several health related issues. With this information began the legal regulations in advertising. An article in Time Magazine states that: “ the report led a surge in restrictive legislation, including mandatory warning labels on packages and a ban on advertising on radio or television. ” However, tobacco companies just changed their strategy, advertising to younger markets with candy cigarettes and mascots like Joe Camel.

In 1996, the Food and Drug Administration (FDA) sought to gain control over the tobacco industry to regulate advertising schemes, but the US Supreme Court denied this effort. In 2010, with support of President Obama, Congress granted the FDA power over the tobacco industry to regulate its advertising techniques. The Bureau of Consumer Protection (BCP), under the Federal

Trade Commission (FTC) has several policies in place that encourage self-regulation in the alcohol advertising industry.

In a report released by the FTC they state the positive impacts that self-regulation has had: “ for decades, the FTC has recognized the important role that effective self-regulation can play and has worked with many industry groups to develop sound self-regulatory initiatives. These programs complement the Commission’s law enforcement efforts to stop unfair or deceptive acts or practices. The net effect is greater consumer protection in the marketplace. ” However, it is clear that alcohol and tobacco companies continue to use deceptive techniques that pervade the FTC’s watchful eye.

Not to mention almost all regulatory government entities are underfunded, under staffed and as a result are inefficient. The Association of National Advertisers (ANA) offers consumers a place to bring their concerns regarding specific advertisements that they find offensive or improperly directed at teens. This course of action, as one can imagine, is very slow and often produces little change. (Smoking Out the Truth, film) Alcohol and tobacco companies were once heavy political lobbyists.

However, due to their known health risks and deceptive advertising practices, the industries political engagements have decreased. In 2011, Altria Group, the parent company of Philip Morris, donated almost \$2 million to political initiatives and representatives in their favor. Reynolds American donated almost half a million dollars to political causes that would support the industry. (Center for Responsive Politics) It is clear that the alcohol and tobacco industries, specifically their deceitful advertising practices, pervade

American society within all contexts including: social, economic, legal and political.

It is now appropriate to turn to an analysis of unethical effects these advertisements have on society as a whole and individuals as well. III. Ethical and Social Issues and relevant theories As discussed above, the general theory behind advertising is that advertising promotes a demand for products and thus leads to economies of scale and in turn results in lower pricing. On its face, this appears to be a beneficial action to society as it serves to promote economic growth, create jobs and opportunities and grow wealth and prosperity.

However, there are many issues with morality and ethics in the advertising sector that must be considered by the stakeholders, and the evaluation of the morality and ethics of advertising would be incomplete without considering the utilitarian, deontological and libertarian views on ethical and moral actions. This section will address the obligations and rights of each of the parties, address the issue of justice, care and virtue, and finally, discuss who is gaining and who is being harmed.

So what is the driver behind using “ pop culture” to promote beer, or appealing to patriotism through the use of packaging with the American flag prominently featured? Even better, a group of nine craft breweries are appealing to the public’s sense of social responsibility by promoting a charity to benefit families of American service members. The Hops for Heroes project involves the sales of a beer to help provide emergency aid to soldiers and families via a nonprofit agency.



One almost can't feel patriotic and responsible if you don't buy this beer and support our troops. And yet, the sales of the beer also benefits the manufacturers, the production of the promotional literature and advertisements fuels the bottom line of the ad agencies, the media feels good because it is promoting a worth-while cause, and the consumer feels a sense of accomplishment and solidarity with the men and women serving our country because the consumer's alcoholic consumption of this special beer directly supports a fellow American in need.

Likewise, Tobacco and alcohol companies have become quite capable of targeting the young consumer base with products rather than blatant advertising. Over the last decade there has been an exponential increase of fruit and candy flavored alcohol and tobacco products available. " They come in brightly colored, shiny packages in fun flavors like chocolate, blueberry, gummy bear, wine and pink berry. But the American Cancer Society says the little cigars and packages of loose tobacco are aimed at kids and are just as deadly as cigarettes. " (www. sj. com, NY Cancer Society says sweet smokes aimed at kids)

These products are targeting children, teens and young adults and are available at convenience stores in plain view at the check out counter. It is apparent and logical that these flavors would be quite inviting to a young customer base; hence, that is what they are intended to do. Imagine a 14-year-old buying a bag of fruit gummies from 7-11 and while paying at the counter, staring at an assortment of fruit flavored tobacco products, holding a pack of fruit flavored candies.

These dangerous circumstances for our youth to be in considering the lack of care these companies commit to their consumers and the susceptibility of our youth. These products should be banned and this oversight shows how ineffective the FDA is at monitoring and protecting our society from harmful products and advertising. The utilitarian perspective on morals and ethics involves evaluating actions and policies on the basis of the costs and benefits of such actions and policies to society.

It rationalizes the ethical dilemma as the decision that has the most utility for all, or maximum benefit for society as a whole. Under this view, there is only one morally correct action for any particular situation; the action, which provides the greatest utility, based on subtracting the costs from the benefits. When looking at the utility of advertising, utilitarian arguments would suggest that economic success might outweigh individual health risks by weighing the costs and benefits of using the product.

Using pop culture to promote an item sells, as does appealing to patriotism, or masking the taste of a substance with something sweet or fruity, even if the item is known to have adverse health benefits. Alcohol and tobacco sales boost the economic bottom line of all stakeholders but the consumers – the desired outcome. This argument would lend support to the idea that tobacco and alcohol advertisements are usefully and necessary in order to promote demand for the products and continually renew or build a consumer base.

However, in looking deeper at the issue, the utilitarian perspective also advocates that the production of advertisements is a waste of resources since the advertisements add no additional utility to the product or service

advertised. Studies support such utilitarian views by demonstrating that advertisements fail to stimulate consumption and lead to the conclusion that advertising is indeed wasteful. Furthermore, increasing consumption adds to the pollution of the environment and depletion of natural resources, further supporting the idea that advertising, successful in promoting consumption or otherwise, isn't favorable.

With the known risks of alcohol and tobacco consumption, and evidence showing that advertisements add no utility to the product, why do stakeholders in these two industries continue to advertise so heavily?

Because despite the evidence showing this negative side of advertising, the fact is “ studies have established that alcohol advertising exposure influences a young person's beliefs about alcohol and his/her intention to drink... These findings are bolstered by similar studies of tobacco advertising, which has been shown to influence the likelihood of young teenagers experimenting with tobacco.

The bottom line is the primary stakeholders continue to engage in advertising because alcohol and tobacco companies have a need to continually recruit new consumers and advertising is the most effective and coercive form to engage the target audience. Deontological ethics is based on the idea that morality of an action is determined by a person's interior motive rather than the external consequence of the action.

Immanuel Kant's “ categorical imperative”, that “ everyone should be treated as a free person equal to everyone else” (Velasquez, 2012, p. 98) Kant derives from two approaches to determining the morality of an action.

The first approach supporting the categorical imperative comes from the perspective that regardless of an individual's desire, the only morally correct action is the one that is both universal and reversible; the individual would also want everyone else to take that same action in a similar situation, even against that individual. (Velasquez, 2012, p. 9-100)

The second approach to Kant's categorical imperative comes from the idea that because people are to be treated as free and rational individuals, they are not to be used as a means to one's end, rather they should always be able to freely and knowingly choose rather than have a choice forced upon them. (Velasquez, 2012, p. 100) The implication is that people " have a dignity that sets them apart from things such as tools or machines and that is incompatible with being manipulated, deceived, or otherwise unwillingly exploited to satisfy the self-interests of another. (Velasquez, 2012, p. 101)

This idea presents one of the key ethical and moral issues with the advertising of alcohol and tobacco – because advertisements are coercive by nature and particularly tobacco and alcohol ads are targeted younger and naive consumers in order to continually build and renew the dying customer base, the ads arguably are exploiting the self-interests of the manufacturers, advertising agencies and publishers at the expense of the health and well-being of the consumer.

Advertising, therefore, also potentially violates Kantian rights because it deprives individuals of the freedom of choice as a result of the coercive nature of advertising and further takes away the freedom to pursue life as a free and rational being void of undue influences to engage in activities such

as drinking or smoking. In fact, the Libertarian view of morals and ethics also supports such rights. Libertarians claim, “ that the only basic right that every individual possesses is the negative right to be free from the coercion of other human beings. ” (Velasquez, 2012, p. 04)

Further, under the theory of Kantian rights, individuals possess the negative right to be free from injury or fraud and to be able to think. (Velasquez, 2012, p. 102) Yet, the deontological and libertarian theories also provide support for the First Amendment right to freedom speech, which highlights the moral and ethical dilemmas in advertising alcohol and tobacco particularly, as issues arise regarding whether and the extent to which advertising should be protected due to the known high-risks associated with smoking tobacco and excessive drinking.

In addition, advertisement increases barriers of entry and promotes monopolistic competition rather than a perfectly competitive free market. Large conglomerates with enormous advertising expenditures can essentially advertise the competition out of the market. They can reach a much larger consumer base and spend more money on ad campaigns relative to new market entrants. Consumers benefit from perfect competition, because it drives companies to be more efficient and cater more to consumer demands.

Monopolies allow corporations to influence our product preferences by reducing viable alternatives as a result of oppressing competitors via raising the costs to compete. This does not benefit society from a utilitarian lens, for society benefits from efficient markets that produce products at the smallest resource cost and lowest price-point. Therefore advertising with costly

gimmicks and catchy creative attention grabs become a burden that consumers pay through product cost, reduced product choice and an inefficient market.

While a seller has a moral duty not to misrepresent or coerce or “ take advantage of gullibility, immaturity, ignorance, or any other factors that reduce or eliminate the buyer’s ability to make free rational choices”, controversy exists over whether advertising can truly create or manipulate desires. While there is debate as to the level of manipulation that advertisements can create, advertisements that contain subliminal messages or are aimed directly at children have been shown to influence consumer habits.

According to John K. Gailbraith, advertising creates psychic desires that can be manipulated; the goal is to ensure that consumers buy what is produced, leading to an expansion of the industrial system. For that reason, an argument can be made that because of its manipulative and coercive nature, advertising violates an individual’s right to free choice. By their very nature that advertisements are “ intended to arouse in consumers a psychological desire for the production without consumers’ knowledge and without consumers being able to rationally weigh whether the product is in their own best interests. ”