CPM economics of the size of audience being reached. The Super Bowl is, quite simply, the biggest advertising "event" there is in the United States.[30]

A study by Gert Assmus provides an interesting approach toward identifying the components of the vehicle source effect and demonstrates the relevance of the prestige dimension.[31] In his study, 125 people associated with media planning in the medical field rated six medical journals as to the journal's vehicle source effect and as to the extent to which the journals were perceived to have each of sixteen attributes. He found substantial differences in the vehicle source effect ratings. Furthermore, the three attributes that were the strongest predictors of the overall vehicle source effect rating were useful editorial content, prestige, and reference value. A knowledge of these elements could be of value in attempting to assign vehicle source weights in the medical context.

Mood Created

The influence of a vehicle's prestige may be viewed as working through the *mood* it creates among its readers. The concept is that a vehicle-induced mood will affect the impact of a commercial communication. In our context, if we were advertising a Daiquiri mix, we would like to know what mood is associated with a positive attitude toward this product. Then an attempt would be made to determine which vehicles tend to provide such a mood. If any media or vehicles uniquely provided such a mood, they might well also provide more effective exposure than other vehicles. Such an argument could lead to the use of women's glamor magazines for lipsticks, powders, and perfumes, *Self* or *Prevention* for nutrition-oriented advertisements, and *Sports Illustrated* for advertisements that relate to sports and exercise.

It also seems reasonable that vehicles that evoke likable moods are liked more, and that some of this liking gets transferred on the ad and then the brand. Researchers have found that such a transfer of "overall program liking" does indeed occur (at a generally weak level) for TV programs. The specific moods evoked by the TV program do not appear to transfer to the ad or brand, however. The overall liking transfer effect is stronger if the viewer is highly involved in the ad itself, so that the viewer forms an attitude towards the brand right when the ad is being shown, giving an opportunity for program liking at that viewing occasion to bias the brand attitude formed. The effect is weaker for ads that are run at the end of a commercial break or *pod*.[32]

Audience Involvement

According to several researchers and common sense, an involving vehicle should generate a superior commercial exposure than a vehicle that is not very interesting to the audience. Ads that interrupt highly involving programs should benefit because that *involvement* should spillover to the processing of the ad itself. Some researchers have suggested that instead of choosing media vehicles on the basis of the lowest cost-per-thousand exposures, advertisers should instead compute and use cost-per-thousand involved viewers. Their study found that as the level of audience involvement of a program rose, so did an ad's scores on recall, purchase intent, and so on.[33]

In terms of which programs are more involving, some agency executives found that in daytime programming, commercials in serial programs generated more recall and attentiveness than other program types, and situation comedies fared least well. However, it has also been pointed out that involvement in a program doesn't simply mean the level of arousal, active or tension. Involvement can actually be either *cognitive* ("the program makes me think"), *affective* ("it makes me feel deeply"), both, or neither. How people watch programs and how effective ads in those programs will be depends on what kind of involvement is being evoked.[34]

A too-involving program may actually hurt ad effectiveness. One forced-exposure lab setting compared commercials in a low-involvement program (*Brady Bunch*, a situation comedy) with the same commercials in a high-involvement program (*Baretta*, an action program).[35] The low-involvement environment was actually superior with respect to buying intentions and brand and sales message recall. Their findings suggest that a program can be so suspenseful and involving that it detracts from the advertising impact. Another magazine study also found that while readers rated recipe editorial matter less enjoyable and absorbing than they rated fiction and feature articles, readers who read the recipes remembered accompanying ads best while readers of the fiction articles remembered its surrounding ads worst.[36] Ads placed near an emotionally disturbing television news report suffered in recall, in another study.[37] Some other researchers have also argued that an ad that interrupts a very involving program might be the target of feelings of intense dislike.

Thus there seem to be ideas and evidence supporting both the "more involving programs are better" and "less involving programs are better" viewpoints. It has been suggested that which is better may depend on how strong (hard to counterargue) the ad itself is. If the ad is weak (easy to counterargue), a more involving program environment means that the consumer will think more about the program, and thus have fewer negative thoughts about the ad than otherwise, making the ad more effective in more involving programs. But if the ad is strong (harder to counterargue), a less involving program is better for ad effectiveness, since it will distract the consumer less from thinking the positive thoughts the ad is capable of evoking.[38]

MEDIA OPTION DECISIONS

The media planner is really concerned with advertisement audience size rather than vehicle audience size. Thus, in addition to selecting particular media vehicles, decisions also have to be made about the particular "unit" of advertising that is to be employed—fifteen-second versus thirty-second TV commercial, half-page versus full-page ad, inside-page magazine ad versus back-cover magazine ad, black-and-white versus four-color ad, and so on. A smaller ad costs less, allowing an advertiser to achieve greater reach and/or frequency for the same budget. For instance, fifteen-second TV spots cost 60 to 70 percent of the cost of thirty-second TV spots. But these smaller ads are also presumably less effective than the full-size ads (we present some data below), so some kind of trade-off decision needs to be made to find the optimal size, and so on.

One measurement approach to making such decisions in magazines is to use average *Starch recognition scores* or *Starch ad norms*. In the Starch survey, respondents are taken through a magazine and, for each advertisement, are asked if they saw it in the issue. The *noted* score is the percentage who answer affirmatively. Two companion measures are *seen/associated* (note the name of the advertiser) and *read most* (read more than 50 percent of the copy). The Starch measure dates back to 1923 and has been applied consistently since that early start. One indication of advertisement exposure for a vehicle would be the average Starch noted scores for the full-page advertisements contained in it.

Studies using the Starch data indicate that advertisement exposure will depend on the product class, the involvement of the segment in the product class, and on such media-option variables as the size and color of the advertisement, position, and copy approach.[39]

Advertisement Size and Color

Verling Trohdahl and Robert Jones determined that the size determines 40 percent of the variation in newspaper advertisement readership.[40] Since doubling the advertisement size falls short of doubling the readership, the use of larger advertisements needs to be justified on impact rather than audience-size grounds.

Regarding color, Starch has concluded that readership scores of full-page magazine advertisements using four colors are about 85 percent higher than scores of half-page advertisements using four colors.[41] However, the use of four colors only generates about 50 percent more readership than black-and-white for one-page and two-page advertisements.

Research on recall of TV commercials of different lengths has found that, at least in the short-run, fifteen-second commercials provide 70 or 80 percent of the recall or persuasion effect of thirty-second spots.[42] The difference between fifteen- and thirty-second spots is even less if multiple exposures to each, rather than a single exposure, are considered, and if the ads are "informational" in nature. The total frequency of brand mentions in the ad, rather than the length of the ad itself, is what seems to matter for informational ads. Thirty-second ads seem to have their greatest differential effect for ads that are emotional in executional style, and are exposed just once, on measures of brand name learning and brand attitude.[43]

Advertisement Location

Starch has concluded that advertisements on the back of a magazine will attract about 65 percent more readers than will those toward the middle. Advertisements on the inside front and back covers will attract about 30 percent more readers. Starch "Noted" and "Seen" scores are also higher for ads on the right rather than left page. Similarly, research on TV clutter has shown that TV spots that are at the beginning or the end of a string or pod of commercials—rather than being in the middle of the pod—do better on recall, and are hurt less by increased amounts of advertising clutter.[44]

Copy Execution

Starch found that advertisements very similar to the editorial matter of a magazine suffer somewhat in the noted score but gain 50 percent in terms of the read-most measure. Similarly, the use of comic continuity advertising—the use of panels like a comic strip—receive slightly less noted scores but substantially better read-most scores. Incidentally, larger-sized ad illustrations also help Starch recognition scores.

SCHEDULING AND TIMING DECISIONS

Decisions on how best to "space out" ads over time are based essentially on assumptions about how the advertising objective being aimed at (e.g., recall, or attitudes) respond to the presence of advertising exposures and decay when such advertising is absent. Based on these assumptions, the advertiser typically chooses from among three patterns of distributing the planned ads over a given time period: (1) *flighting*, or a burst of advertising alternated with periods of total inactivity; (2) *continuous*, or even, advertising spread evenly through the campaign time period; and (3) *pulsing*, a continuous base augmented by intermittent bursts of heavy advertising.

If, for example, it is believed that attitudes require heavy advertising to change (because of a possible S-shaped response function), but that such attitudes do not then decay rapidly once they are changed, such beliefs would suggest the need for flighting if changing attitudes was the advertising objective. Heavy bursts would be needed to change attitudes, and periods of no advertising could be risked because the changed attitudes would not decay rapidly. In contrast, if it was believed that recall both responded easily to advertising, and decayed rapidly if there was no advertising, then a recall-increasing ad campaign would probably need to be continuous. You need to be advertising all the time so as not to see recall drop off dangerously, but such advertising could be at a low frequency level since recall would respond even at these low levels.[45] Of course, such conceptual arguments would need to be modified for several pragmatic considerations: the needs of product seasonality, the need to avoid going head-to-head against a larger competitor, and the need to coordinate advertising pulses with scheduled sales promotion events, for example.

Several studies exist that have empirically examined the shape of the response and decay functions for recall (fewer studies have looked at attitudes). A host of studies, including the Ebbinghaus experiments, have confirmed the commonsense notion that recall declines over time and that this decline is greatest at the outset and diminishes over time. Agency researcher Hubert Zielske conducted a field experiment that is regarded as a classic study of repetition and forgetting.[46] Two groups of women, randomly selected from a telephone directory, were mailed thirteen different advertisements from the same newspaper advertising campaign for an ingredient food. One group received an advertisement weekly for thirteen weeks. The other group received the same thirteen mailings but at intervals of four weeks during the year. Throughout the year, aided only by mention of the product class, recall was measured by telephone interviews. No single person was interviewed in person more than once. A person can become sensitized to the advertisement after an interview; if a person has been interviewed twice, the second interview would usually be biased. The results of the study are shown in Figure 17-1 with the learning and forgetting process graphically displayed.

Zielske's data are usually interpreted to mean that a flight or pulse of ads leads to a higher (temporary) peak in recall, whereas a continuous (evenly spaced) timing strategy would be better for products that required the maximization of average weekly recall (not simply a one-time higher peak in recall). This would imply that if a quick or seasonal peak effect in recall was desired, pulsing policies are superior. Note also that the flighted schedule led to greater and more rapid subsequent fall-of in recall than the even schedule. While the flighting schedule led to a higher one-time peak, it is very important to note that the total number of *recall-weeks* (the number of weeks multiplied by the appropriate recall rate) was higher

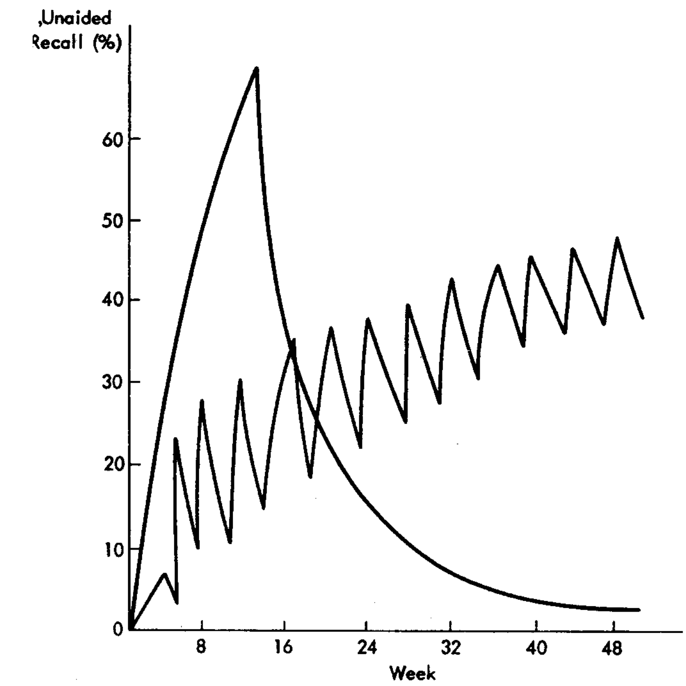


Figure 17-1. The 1958 repetition study.

Source: Adapted from Hubert A. Zielske, "The Remembering and Forgetting of Advertising," Journal of Marketing, *American Marketing Association, 23, January 1959, pp. 239–243.*

under the even schedule, especially if the data are not *smoothed* (as they have in the graph presented here).[47] Similar results were later found by Edward Strong, who used a computer simulation model (built on data from a two field experiments, including Zielske's original experiment); a flighting schedule led to higher peak recall than a more even schedule.[48]

Leonard Lodish, one of the developers of the MEDIAC media planning model, estimated the forgetting function using data from a study of advertising retention in five magazines by W. R. Simmons.[49] The retention measured was the ability of readers of a specific issue to distinguish among advertisements that appeared in that issue and ones that did not. Lodish found that the retention measure fell by 25 percent each week. Strong, in his simulation, found that recall fell by over 45 percent per week and that the decay over several weeks was proportional to the square root of the number of weeks since last exposure.[50]

Hubert Zielske and Walter Henry later examined seventeen tracking studies involving six established products.[51] A tracking study is a repeated survey over time to track a measure such as awareness. Unaided recall of television advertising copy was the measure in this case. The recall level varied from 10 to 16 percent and the weekly GRP ranged from 40 to 200. A regression analysis yielded the following model:

$$\Delta A_t = 0.30W_t - 0.10A_{t-1}$$

where ΔA_t = percentage-point change in unaided recall in week t
W_t = gross rating points received in week t
A_{t-1} = unaided recall level in week $t - 1$

The first term indicates, for example, that 100 GRP per week will, on the average, produce three percentage points of unaided recall. The second term in the formula represents the average forgetting rate. For example, if recall in the prior week had been at the 15-percent level, then in the absence of further advertising, recall would be expected to drop to 13.5 percent. Thus, from one week to the next, just 10 percent would be forgotten. That, of course, is less than the 25 or 45 percent found by Lodish and Strong in their studies, demonstrating that these decay functions will be unique to the situation involved.

The point of these efforts to estimate parameters is not so much to indicate specific "universal" parameter values but rather to illustrate approaches that can be taken to estimate functions in given contexts. Further, it is vital to note that the response and decay function parameters are very likely a function also of the measure being modeled—recognition, recall, and attitudes are each likely to behave differently. We know much more about recall than about recognition or attitudes, although it would be reasonable to speculate that the last two would decline more slowly over time than would recall.[52]

It should be noted, in conclusion, that the superiority of flighting or pulsing in maximizing peak levels of recall has been examined not only in the field experiments described earlier, but also in many of the mathematical models built by management scientists, in which an optimal (recall- or profit-maximizing) scheduling strategy is sought. Not surprisingly, the answers obtained depend on the assumptions made about the shape of the decay function, though most of these analyses argue for the superiority of pulsing strategies.[53]

CREATIVITY IN MEDIA PLANNING

There is a misperception among many students and practitioners of advertising that the entire function of planning, scheduling and buying media is a boring, numbers-oriented task that is not very creative and exciting, certainly compared to the copy and creative function. Reflecting this, the media departments in many agencies are staffed by more junior and less well-paid people; it is certainly more common to find "creative stars" in an agency than "media stars."

Yet this perception is very dangerous, even if it is not entirely untrue. There are many celebrated anecdotes about agencies saving their clients an enormous amount of media money or greatly leveraging the payoff from a small media budget as a result of a creative choice of media vehicles or timing of exposures, and so on. For instance, one magazine aiming its ads at media planners in New York City—convincing them that it was a good media buy—saved money and gathered attention not by placing forgettable ads in the advertising trade journals, but instead by identifying all the bus shelter panels close to the entrances of major New York agencies, and placing its ads on those panels. Another creative use of media timing is that of a certain exercise videotape, which cleverly times its radio ads right on New Years' Day, when consumers make yet another New Years' resolution to shed excess weight. Never forget that media, too, is an area in which tremendous creativity can be used!

MEDIA BUYING AND ORGANIZATION

Once a final media schedule is determined, using the criteria just discussed, the actual negotiation and buying of the media units (television and radio time, magazine and newspaper space, etc.) have to occur. While the buying of media was traditionally done by the advertising agency that did the creative work on the account, this pattern has recently begun to change. Some clients (such as Chrysler and Nestlé) have begun to consolidate all the media buying for all their accounts (brands) at one agency, rather than spread it over several agencies. In turn, agencies have begun to market their media planning and buying services as stand-alone businesses serving clients that are not that agency's creative clients. Other clients have separated the media-buying task from the creative one and have the media buying done either in-house or through a media-buying service (after modifying the fee structure appropriately for the agency that does the creative work). The media-buying service consolidates buys from multiple clients when it negotiates with the media and can often save clients between 15 and 25 percent on the rates they pay for television and radio ad time.[54]

Such media buying services now place over 30 percent of all U.S. spot television time. The largest U.S. media-buying company, Western International Media, claimed billings of $1 billion in 1994, while its major competitor, SFM Media Corp., was at about $700 million. Western International has offices in thirty U.S. cities and employs nearly 1,100 people. In October 1994, it was acquired by the Interpublic agency group, which can therefore offer cheaper media buys to the clients of its network agencies. Such media buying services are even bigger outside the U.S.: the Paris-based Carat International buys about 15 percent of all European media buys, and in France about 50 to 60 percent of all media buys are done through firms like it.[55]

The underlying reason for these changes has been the negotiating benefit, to the client, of buying a bigger dollar amount of media time or space from each media supplier. The rates for media are rarely fixed in stone, though they may appear to be so when described on a rate card. Broadcast media, and increasingly magazines as well, undertake a negotiation process with agencies and clients taking into account the total size of the media buy as well as the supply-and-demand situation at the time of negotiation. These negotiations determine not just the dollar amounts to be paid but also the particulars of favored page (or time) placement, and so on. As a result of the mergers among media companies (such as Time Warner), large advertisers now negotiate for major cross-media deals with these conglomerates that include magazine ads, direct mail promotions, sales promotions, even product placements in movies.

Since negotiations are involved, the expertise of the agency media buyers obviously matters a lot. For this reason, advertising agencies and media buying services have media buying units in which media buyers specialize according to the medium and the geographical areas involved. Thus, network TV buys are typically made by a different media buyer than one who specializes in local TV stations in, say, Los Angeles. Radio buyers and print buyers are also different people, as are those who perform media research and media planning functions. In dealing with local (nonnational) media, a media buyer typically deals with a "media rep" firm that represents that local station or newspaper nationally rather than with that local media vehicle directly.

These negotiations are complex, and media buys are made at different rates depending on the conditions involved. Network television time, for instance, can either be bought several months ahead by a high-volume buyer wanting a deal covering an entire season (called an *upfront* buy) or bought in the quarter of the year when the ad will air (a *scatter* buy). Of the $9 billion or so that the four major U.S. TV networks earn every year in advertising revenue, about $4.0 billion is sold through upfront deals.[56]

If bought in the upfront market, the advertiser often receives an exposure-size guarantee—the number of people guaranteed to watch the show—but is limited in terms of cancellation flexibility. If the network fails to deliver the promised audience, or if the airing of an ad is somehow botched, the network is typically obliged to "make good" by offering extra time free of charge to make up for the shortfall. If the buy is made in the scatter market, the price paid depends on the supply-and-demand situation at that time: television time, like airline seats and hotel rooms, is a perishable commodity, and prices can move up and down very rapidly, depending on how eager the two sides are to consummate the transaction.

The price paid also varies with the specificity of the schedule: the rates are higher if the advertiser wants his spot to run at a fixed time of day, or fixed-page location, rather than anywhere (the latter is called *run of paper*, or *ROP*, in newspapers, and *run of time* on radio). Further, as if this was not complex enough, the media vehicle reserves the right to yank your spot off the air if all you pay is a lower *preemptible* rate, than a higher *nonpreemptible* rate. This complexity is one reason why media buying is best done by seasoned media buying professionals. The reading at the end of this part of the book describes the process.

THE MEDIA PLAN FOR THE BROILER. . . . .

Now that we have discussed the complete media planning, scheduling, and buying process, it is useful to see what an actual media plan might look like. A simulated television plan for one of the leading fast-food chains, The Broiler, is shown in Figure 17–2. The total advertising and promotional budget is around $250 million, of which well over one-half is earmarked for television. The television plan illustrates a segmentation strategy and several types of scheduling alternatives.

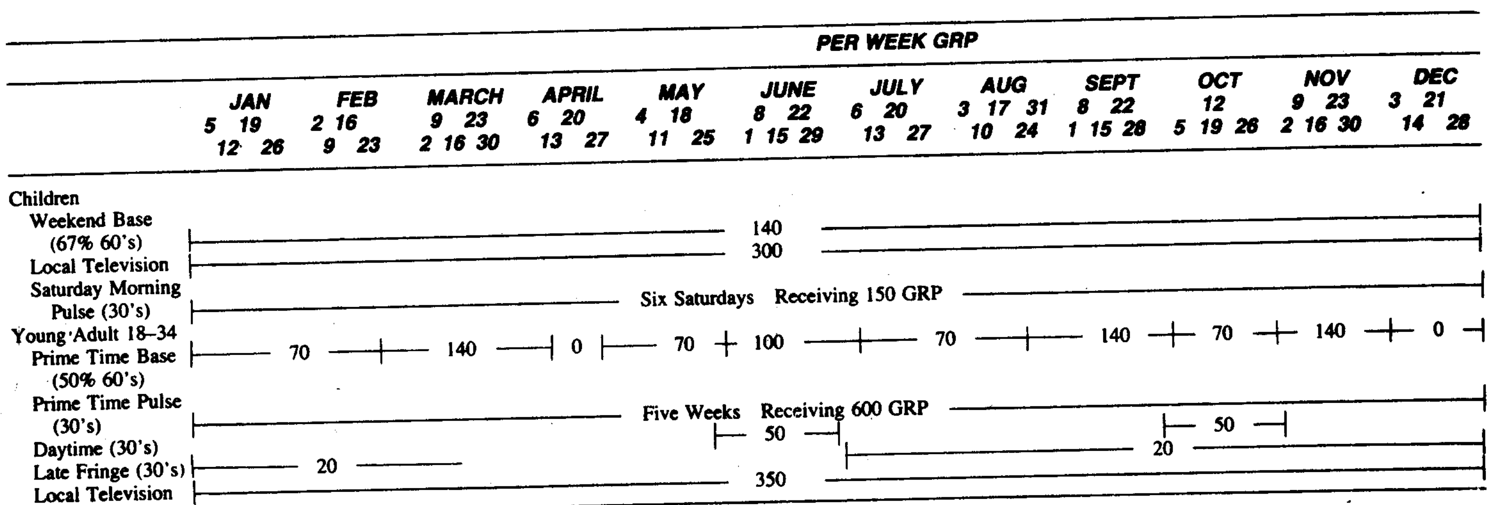
The children segment, including teens, is an important market. The Broiler has always lagged McDonald's with respect to children but has made inroads with the St. Bernard advertising spokesman. The St. Bernard's campaign with additional characters and a "fun" theme is planned. As the figure indicates, national buys of 140 GRP per week will be supported by 300 GRPs per week on local television. Six Saturday morning pulses were planned during the year. In such a pulse, thirty-second commercials would appear every half-hour from 8:30 A.M. to the conclusion of children's Saturday programming.

The young adult market, the eighteen- to thirty-five-year-olds is another important segment for The Broiler. Research showed that within this segment, it was leading on the product quality dimension. For example, in terms of having hot and tasty food, The Broiler received a 88 percent rating, about 20 to 30 points above its rivals. Ratings for "value" were much weaker. The strategy was to lead from strength by focusing upon the product quality dimension. To attract this segment, the media plan suggested 500 to 600 GRPs per week for the adult segment. Five adult pulses were planned, each of which will translate into a thirty-second spot every thirty minutes on each network during prime time.

The plan called for advertising to focus upon certain themes for relatively long periods and to be linked to simple, tested promotions. For example, a hamburger theme was to be used in January and February. In March and April, the emphasis was to be on breakfasts, supported by a breakfast promotion.

Research indicated that The Broiler had not penetrated the heavy user group sufficiently, the group that accounts for 50 percent of the total market. Thus, more attention was focused upon the heavy user segment, especially African Americans, Hispanics, and the ten-to seventeen-year-old set. The prime-time adult schedule included spots featuring African Americans. The effort toward African Americans also included *Ebony* and *Jet* magazines and African American radio. The Hispanic thrust used Spanish television.

Women were to be reached not only by the daytime national media effort, but by a $2 million campaign in *Family Circle*, *Good Housekeeping*, and *People*.[57]



[1] Late fringe is the two hour period following prime time.

Figure 17–2. National television media plan for The Broiler.

SUMMARY

The selection of the type of medium, such as television, radio, or magazines will depend in part upon the number of people in the target audience that the medium can deliver, as well as compatibility with the needs of the creative message, needs regarding timing and flexibility, and so on.

A basic concern in determining which specific media vehicle to select is cost per thousand, or CPM, for print and cost per rating point, or CPRP, for television, both of which are a measure of total exposures per dollar cost. However, it is usually useful also to measure reach (the number of people exposed at least once) and average frequency (the average number of exposures per exposed person). Exposure decisions add precision to an understanding of what the media plan is actually delivering.

Data sources were discussed. One approach to measuring print readership is recent reading, asking people whether they read a magazine last month. The people-meter attaches to TV sets and monitors the stations watched in order to obtain measures of television program viewing. In some contexts, it can be relevant to evaluate vehicles in terms of their expertness, prestige, mood, and audience involvement.

Decisions as to media options, for example, the size and color for print ads and length for TV and radio ads, must also be made as do decisions as to scheduling/timing, the use of flighting, pulsing, or continuous advertising. The actual buying can be done by the advertising agency or by a specialized media buying organization.

DISCUSSION QUESTIONS

1. A basic component of a media model objective function involves counting exposures generated by an insertion schedule. The remaining components introduced in this chapter attempt to qualify the exposures, the potential worth of the audience member, and so on. How else might you want to qualify exposures? What other components might be added to the list?
2. Comment on the media plan for The Broiler. What would the "value of successive exposure" function look like? How would you go about deciding upon the mix of sixty- and thirty-second commercials?
3. You are an advertising manager for a new line of package marking devices for use by retail food stores. Your advertising is designed to create awareness among chain store managers. Two schedules with equal cost are proposed. One uses many trade journals and will reach 10,000 store managers with a frequency of 1.1. The other reaches fewer journals and will reach 4,000 with a frequency of 5.4. Which of these two alternatives is superior? What other factors should be considered?
4. In a survey of housewives, the readership of *Atlantic Monthly* was exaggerated and the and the readership of *Soap Opera Digest* seemed much less than circulation figures indicated. Why would respondents incorrectly report their read-

ership in this manner? Can you think of any measure, perhaps unobtrusive, to avoid this bias?

5. Of the recent-reading and through-the-book methods, which do you prefer? Why?
6. What are the limitations of the people-meter?
7. Generate vehicle source effect values for a set of magazines or TV programs using your own subjective judgment, assuming a product and an advertising objective. For example, suppose that a product-effectiveness ad was generated for an electric frypan and the magazine alternatives were *Women's Day*, *TV Guide*, *Vogue*, *Elle*, *McCall's*, and *Time*. Justify your set of values.
8. Under what circumstances would it be effective to pulse advertising rather than spreading it out evenly? Evaluate the strategy of The Broiler to engage in ten or so television pulse campaigns during the year.
9. What are the advantages of using a media buying organization?
10. Given the data in Table 17–4, select media vehicles using CPM figures for (a) all adults and (b) women only.

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READING

CHECKING IN AT CHECKERBOARD SQUARE

Marianne Paskowski and Pam Ellis-Simons

It's late January and the snow is clogging New York's streets, but William Claggett, Ralston Purina's vice president and director of marketing and advertising services, hardly notices. He has May on his mind. That's the time when the network upfront buying season gets underway, and the time when Ralston traditionally leads the pack in committing its dollars. Claggett is making his way to NBC headquarters to learn anything he can—even this early in the game—that might later give Ralston an edge over its competitors.

This early-bird syndrome is only possible because, unlike many other companies, the marketing and media functions at Ralston-Purina cooperate handsomely with each other. Well in advance of the big buy, the two departments have adroitly meshed their needs and squared away their budgets. Ralston knows what it wants.

Ralston's success—its sales and earnings growth rates top the chart in the pet food world—is largely attributable to this unstinting eye for detail. The style at Checkerboard Square is to plot out as completely as possible what courses of action are most appropriate and opportunistic for its stable of brands. While best known for pet products such as its Dog, Cat and Puppy Chows, and its Chex line of cereals, Ralston also houses fast-fooder Jack In The Box, in agriculture division which sells cattle, hog and chicken feed, and, with the acquisition of Continental Bakeries, such all-American classics as Twinkies and Wonder Bread.

Ralston spends heftily to market and advertise this lineup. Last year, it is estimated that the company shelled out more than $200 million in support of some 75 brands, with about 70% targeted towards network TV. These sums are not spent lightly: Ralston has a reputation for being a thorough, "totally inflexible negotiator" who knows just what it wants and what it will pay to get it, in the words of one executive who has sat across from the company as it wrangles its media buys.

Indeed, it is nearly legend that it is well-prepared Ralston who kicks off the annual upfront network tv buying season. While its buttoned-down Claggett denies any "compulsion to be first," he admits the company is never too far back.

Under Claggett's tutelage, the media budgeting and buying season is seen as a supreme challenge and a chance to test one's mettle. Unlike many of its competitors, which keep the marketing and media departments separate, though equal, Ralston gets both groups of specialists working together. Furthermore, even though Ralston has an agency roster that includes some of the largest and best, the company relies heavily on input from its own in-house agency and veteran media group.

Simply put, Ralston is a believer in the theory that the correct use of media can be the crucial key in unlocking a brand's full market potential. As a consequence, Ralston has set out to become more expert than the experts.

For example, Ralston goes through an elaborate drill in preparation for the network tv upfront buy, which usually commences around May or June. Its in-house media team—15 members strong—starts gathering intelligence on the network upfront market in January, early by most standards. It produces an analysis of market conditions in general and forecasts pricing, with input from its agencies and in-house group. Some members of the media team even trek out to Hollywood to get an early fix on new pilots from producers and programers. "Since we are among the first to buy every year, we don't have the luxury of waiting until Variety *covers what they're going to do," says Claggett sarcastically.*

Further into the network cycle, Ralston starts agonizing about share estimates for the networks' fall lineups, culling data from all 10 of its agencies and debating those numbers until everyone is in agreement. "I've been told on good authority that other clients don't get this deeply involved with estimating,"notes Claggett, with more than a hint of pride. (See sidebar, "47 Steps to the Upfront Buy.")

"One agency may say Crazy Like A Fox *is going to do a 22 share, another might say a 32 share, and everyone else will come in at 27–28," relates Claggett. "We then have a little debate where we can change the consensus, and many times do, depending on the reasoning behind it. But we* never *just mathematically average them out," he says with some vehemence.*

Does all this result in a better network deal for Ralston? One network observer, at least, thinks it does. "Ralston, unlike many advertisers, knows exactly what they want when they come to upfront. They say, 'Give me 26 commercials on this show and 38 on that one and how much will it cost.' Most people come in and say 'I have $10 million, I want to reach women 18–35 on Monday, Wednesday and Friday. What do you have?' Ralston, however, picks high-rated shows and winds up buying a schedule that actually runs, which is a rarity these days. Because they are so early, they get what they want, even if they have to pay a little more for it since they're buying per unit cost at that time." He sums up, "They're totally inflexible negotiators. They know what they want and they get it."

NBC's senior vice president of network sales, Robert Blackmore, agrees that Ralston "does an outstanding job in selecting quality shows."

Blackmore points to another Ralston advantage—its longstanding relationship (15 years) with the Paul Schulman media buying service. "One of the advantages to that setup is that Schulman can concentrate on the Ralston package—he has the time to spend on all of the nuances because he's basically concentrating on that one account," Blackmore explains.

While Ralston's attention to detail in network circles is well known, what is less understood is that all media gets put under this high-power microscope. In magazine buys, for example, Ralston's media people call on publishers and editors in New York each September to give each book its yearly report card on the previous year's performance. They also lay out Ralston's expectations for the next year. Big deal, skeptics might say—but the report card has worked for Ralston.

Claggett looks at magazine buys much like he does network TV. Unlike many advertisers which have their agencies buying magazine schedules for specific brands, Ralston buys a corporate package upfront. In addition to this upfront buy, Ralston buys magazines opportunistically. "We are able to take advantage of last minute offers or remnant space right before magazine closings with what we call our opportunistic magazine program because this is all preplanned in advance," he says.

"The challenge is to know as much about a product as the marketing person does," stresses Linda Pavlenko, group media director and a 13-year Ralston veteran. "It's really a team effort, and our relationship with marketing is very good," she reiterates.

And vice versa. Newly recruited brand managers lose little time in learning the world of gross rating points (GRPs). Brand managers are required to attend a series of media seminars and are put into immediate contact with the media department. "In some companies the media department is quite separate from the brand group, but here we discuss things back and forth," Claggett explains, who has spent 18 of his 53 years at Ralston.

For example, at budget time in the early spring, brand managers approach media per-

sonnel to develop final marketing plans for the upcoming year. They base their requests on information that media has been feeding into the brand management funnel throughout the year, not just during the formal budgeting process. That data accommodates the ever-changing needs of brands. When a competitor springs an unpleasant surprise, brand managers have the media data at their fingertips to retaliate. As a result, brand managers, well versed in the ways of media, have a fair idea of what media strategies they should be pursuing.

Media is equally well prepared. "It's not as though media gets involved at the point where approved budgets are coming together," explains Jack Shubert, director of advertising services for Ralston's grocery products division. "Media has been involved with marketing from the very beginning, from the 'blue skies' preplanning sessions and all the way through," he emphasizes.

THE IN-HOUSE ADVANTAGE . . . .

This type of cooperation would not be possible without the presence of an active, in-house media department with clout. Without doubt, Ralston puts a premium on just such an entity.

The best in-house media departments, in Claggett's mind, have had that kind of longstanding, side-by-side relationship with their marketing people. He admires the in-house media operations at corporate giants such as General Foods, Procter & Gamble, General Mills, Colgate, and Nabisco because they are active, smooth partnership operations.

"Somewhere in the corporation you have to be coordinating the whole activity," Claggett advises. And in his universe that translates into an in-house agency shepherding the needs of some 75 brands as well as the efforts of Ralston's 10 advertising agencies. Make no mistake about it, there is also a distinct Ralston culture that must be adhered to. To this end, Continental Baking will move its headquarters from Rye, N.Y., to Checkerboard Square later this year. Claggett is now working with its advertising agencies, Ted Bates and Grey, to indoctrinate the newcomers to the Ralston way of doing business.

"You'll find a lot of companies which have what they call in-house media departments, but quite frankly they spend 99% of their time working on network TV, negotiating and improving the network packages," states corporate media director Don Martin, who's been with Ralston 19 years. "While our people here do that to a great extent, at the same time they might be working on 50 or so brands, and every one has been fully coordinated with a full-service agency media staff or planned in-house. Our people are coordinating plans from the very first meeting with the product managers," he adds.

Because of this hands-on approach to media, Martin believes that the in-house people are in a much better position to review, critique and perhaps alter plans that are being prepared and presented to them by the agencies.

Not that the strong-willed Claggett means to suggest that the entire media function should be brought in-house. "It's not a goal at all, because most of the network action is done in New York," explains Claggett, recognizing that Ralston needs to rely on the resources of agencies close to the heart of Broadcast Row. Furthermore, he adds, "We feel that our system is perfect because we can tap into new media technologies at 10 different agencies and use the best of them. If we did it all ourselves, well, we simply could not," he concedes, his voice trailing off.

While it may not do it all, the in-house agency, in conjunction with the rest of the marketing department, sure does a lot. Checkerboard Advertising is composed of roughly 50 people, or a third of the entire marketing department. Among CA's duties are the handling of outside agency coordination work which involves coordination of agency selection and agency fee systems.

In addition to media, the department's responsibilities include tv and print advertising production, packaging development, audiovisuals for sales meetings, sales analysis, brand publicity, sales promotion, advertising research, media research, corporate market research and even test kitchens.

Checkerboard Advertising works closely with the full agency lineup. "We involve all of our agencies in planning and in share estimates, and we select one of our agencies to work with us on every buy," Claggett explains. However, Ralston usually uses the Paul Schulman Co. to execute its media placement orders. "We have almost a partnership arrangement," says Claggett *of their affiliation with Schulman, a division of one of its agencies, Gardner Advertising. In the past, Ralston has brought Wells, Rich, Greene into the act as well, and this go round, with its CBC buys, they may involve Bates and Grey in the process, reports Claggett.*

From an outsider's perspective, who does what is confusing. "We find it's more effective to do some things ourselves, and let the agencies do other things, and of course, we do some things jointly," says Claggett, trying to shed light on the subject. For example, Ralston handles all network bill/pay, all internal costing, allocation of spots, direct media buying for some brands, and spot TV pool coordination. Some areas are left to agencies, like the bulk of the brand work, creativity and new media and computer uses.

Ralston's media department also handles talent and residuals payments to keep costs down. Most companies leave that cleanup work to their agencies who charge a 17.65% commission for the service. "I defy you to find anywhere in the universe a media department where planners or buyers are aware of how to to T&R," challenges a proud Shubert.

All in all, the in-house operation makes plenty of good business sense for the sprawling St. Louis company. Outside of better control and coordination, there's also substantial cost savings involved. "Generally speaking, our savings are somewhat between two and a half to three times the cost of running the department," confides Claggett. "In terms of eliminating the float, in terms of certain procedures we have, they by far offset the cost of the department." The operation is audited indeoendently by a department which does not report to Claggett.

THE BUDGETING PROCESS . . . .

How does Ralston make all the many pieces come together? By taking a methodical approach. At the first budgeting meeting in early spring, marketing and media sit down to go over brand marketing objectives. The turf is already very familiar to both sides, since they have already worked side-by-side on brands throughout the year.

Basics are reviewed on brand objectives. For network upfront, marketing submits its brand requirements in terms of specific target audience GRPs, weekly weights and planned budgets taken directly from respective media plans. "Out total requirements are the cumulative result of each brand's needs in each specific broadcast daypart," Martin explains. "Our responsibility in media is to then fill those requirements in the most effective way."

Meanwhile marketing already has a pretty good idea about the total budget amount they'll need. "It's based upon the needs of the product, the stage in the life cycle, the R&D investment required, consumer information needs, competitive activity and target audience requirements," tells Martin. Marketing must have its requests in to media so that media can be in position for the upfront network TV buy by May, or whenever the market looks like it's ready to move.

With the basics hashed out, media exits and returns only when it has a prepared plan. A frenzy of activity takes place in the media department. Life is so hectic in the media department during this time that it closes its doors to outside suppliers from March through June.

Media has bolted itself in because it is now under the gun to map out strategy for all media buys as it supervises the information streaming in from its agencies' media departments. "We're getting our act together on everything, network, TV, print, radio," ticks off Pavlenko. For example, agencies are feeding in estimates on a CPM cluster point basis (spot TV), she lists, while analysis of a cable market's subscribing base is also being done. Syndication is far from forgotten. That medium is being studied at the same time newspaper and promotional needs are being evaluated.

Pavlenko points out too that this is the period when the agencies are providing in-depth competitive spending reports of Ralston's competition. "It helps us decide how we're going to split up that money, and it's one thing we rely greatly on the agencies for," she notes.

The topper is that all of Ralston's divisions—pet foods, cereal, industrial feeds, Jack In The Box and now Continental Baking Co.—are being planned simultaneously. Some $200 million plus in expenditures are now being sliced up.

"The push and the crunch starts along as early as February and then is carried on through June or July, when the final documents are put to bed," notes Shubert. "The major push comes

from May to June where we really get into final plans, because a lot of these documents require four or five meetings per brand. It's not just 'one media meeting, go away, bring the plan back, and you're finished,' " he sighs.

When media does finally come back to marketing with its fleshed out media recommendations, both sides review them to make sure that all objectives are fulfilled. The media group, though, already had approved the media plans from its agencies prior to its meeting with marketing staffers. Martin says, "This is a required procedure."

If any differences of opinion between marketing and media surface from this meeting, both sides talk it out. "If we are in complete disagreement we take it to the next higher authority," Martin outlines. The next link in the command chain would be the group marketing director. Although it has happened in the past, "It doesn't happen much now because normally you square those things away in preliminary meetings," Martin adds with relief.

After the meeting between brand managers and media, the budgets go to marketing directors who approve their individual brand budgets. The budget then gets kicked upstairs to the next layer of approval, the director of marketing for grocery products. If all goes well, the next move is up to the president of the grocery products division. From that point on, the budgets travel to a corporate budget committee and ultimately the board of directors.

With approval from the director of marketing and the president of the grocery products group, media can then determine what percentages of the budget for network tv should be spent upfront and opportunistically. While the media budget is still undergoing scrutiny from various layers of approval, the total amount of dollars for media spending has received the nod. "In effect, what we're doing is making forecasts for management of what the situation will be like in the following fiscal year," explains Claggett. "While it's more of a forecast for the coming fiscal year than a tight budget, we do have some parameters to deal with," he clarifies.

The forecasts come in pretty close to what is actually approved, continues Martin. "Normally the variance, from top to bottom, is in the 5% area, and we can live with that," he adds. "We've never really had any major problem in that area," he concludes.

"We're pretty close on the dollars, too, because we have a checkpoint, a last minute reading of conditions right before the market opens, even the day that it's opening," Martin boasts. "This last minute reading prevents us from making any major mistakes in terms of the total dollars that we will be committing on behalf of the company," he notes.

At Ralston, budgets are reviewed at least every quarter. "If need be, we'll do it more often," shrugs Shubert. The budgets are reviewed that often, he explains, "because things are constantly changing, and we want to have an actionable position always."

Martin concurs, adding, "Nowadays, there is no such thing as an annual plan. Anybody who thinks there is lives in the 18th century."

Although Ralston's media department seems to have all the i's dotted and the t's crossed, Claggett, the indefatigable perfectionist, says there's always room for improvement.

He would like to see more creativity in the use of media, especially cable and syndication, as the two forums are likely to take on more importance in future years. Ralston has already taken a giant step in the syndication arena with Nashville, *which it developed from scratch. "Initially, we built that to address a problem in a certain section of the country," says Shubert. "Now it is in over a hundred markets and doing very well."*

Another area for improvement is personnel. One of the strong points of the media department is that many of the staff have worked together upwards of 15 years. That's one of the keys to the operation's success. But as Ralston continues to grow, the media department will also have to grow to accommodate the influx.

For companies just starting up an in-house media operation, Claggett advises finding the best professionals available. "The other ingredient is making sure they work closely with brand management," he teaches. "Sometimes, it takes years to really develop a rapport and a feeling for working with brand management groups. And when you're starting out, you have to have that," he insists.

As for adversarial relationships that sometimes develop between the media and marketing disciplines, Claggett simply won't allow that to happen. When he walks into NBC's offices, he needs everything he can get from both departments. "The two are working on the same *team, working for the same company," he insists. That team is about to make its plays, and Claggett wants to enter the game knowing he can execute, and score.*

SIDEBARS

#1—47 STEPS TO THE UPFRONT BUY

It's not by chance that Ralston Purina is yards ahead of the pack in completing its upfront TV buy each year. "While a lot of people think it's just sitting around in a fancy restaurant discussing millions of dollars," Ralston's Claggett complains, "there is a lot of detail and planning which enters into the buy." At Ralston, the process begins in January with analyses of market conditions. Claggett ticks off those 47 steps.

Preliminary Phase

1. **Analyze market conditions and forecast pricing.**
2. **Notify brand groups and agencies of deadlines for brand needs.**
3. **Set efficiency goals and objectives.**
4. **Assemble brand requirements.**
5. **Estimate total corporate tv budgets by daypart.**
6. **Assemble overall desired package requirements.**
7. **Load target audience evaluative data in computer.**
8. **Establish qualitative evaluation criteria.**

Exploratory Phase

9. **Discuss new pilot scenarios with major Hollywood producers and network West Coast programers.**
10. **Discuss available research and reports on new shows.**
11. **Examine possible fall schedules.**
12. **Chart past performance shares by time period, by week.**
13. **Communicate general requirements to each network.**
14. **Set timetable for negotiations.**

Programing Evaluation Phase

15. **Attend announcement meetings held by each network.**
16. **Screen all footage on new pilots.**
17. **Discuss future storylines on pilots with network programing people.**
18. **Discuss possible schedule changes.**
19. **Meet with Ralston's major network agencies to develop corporate share estimates by quarter.**
20. **Load estimated time period shares and viewer data into computer.**
21. **Determine best combinations of shows through analysis of all possible or feasible packaging on an anticipated cost basis.**

Offer and Bidding Phase

22. Inform networks of specific packages of shows and costs desired.
23. Receive network bids.
24. Determine last minute schedule changes.
25. Perform computer analysis of quantitative/qualitative aspects of each plan.
26. Evaluate packages against original objectives.

Final Negotiation Phase

27. Inform networks of plan weaknesses.
28. Evaluate revised network proposals.
29. Make seasonal and scheduling adjustments in final package desired.
30. Receive final network bids.
31. Discuss different budget level plans at each network.
32. Final evaluation and decision on total corporate package.
33. Determine contract conditions for each network.
34. Negotiate final packages at each network.

Wrap-Up Phase

35. Assign shows to each brand.
36. Set up weekly rotation schedule for all brands.
37. Formalize contract specifics in order letters.
38. Advise brand groups and brand agencies of purchase details.
39. Start "opportunistic" exploration for budget amounts not committed in the upfront buy.

Reevaluation Phase

40. Recalculate audience estimates due to schedule changes.
41. Renegotiate participations due to schedule changes.
42. Shift positions due to competitive and/or marketing considerations.
43. Negotiate make-goods.
44. Negotiate opportunistic packages.

Reporting Phase

45. Compare "goals" vs. "actual" based on A. C. Nielsen research.
46. Police purchase agreements.
47. Report actual achievements vs. goals to product management/agencies.

#2—HOW FOUR OTHER COMPANIES PLAY THE BUDGET GAME . . . .

Marianne Paskowski
Pam Ellis-Simons

While there is always a certain amount of fresh angst involved in developing annual budgets, most of the major companies adhere to a pretty tried and true approach. Oft labeled the "Proc-

ter & Gamble method," this traditional budgeting modus operandi calls for somewhat separate and distinct roles for brand managers and media personnel. Generally, brand managers come up with the product objectives—say the goal is to increase market share by 3% in the Southwest—and then turn the plan over to the media group for coordinated implementation. In this instance, the media department may recommend a certain number of GRPs and suggest various exposures—regional magazines or local radio, perhaps.

At that point, the two camps get together to see if everyone agrees on the objective and solutions. When the answer is "yes," the budget is sent first to higher level marketing executives for approval, then on to the unit's business manager, before it starts laboring its way through layers of bureaucracy for the final okay. At some companies, that go-ahead stamp is given by the president, CEO, or even the board of directors.

Not every company tackles the budgeting process in exactly the same way. Some companies, such as Ralston Purina, Campbell Soup and Clorox, evince a corporate culture that favors well-prepared early bids. This trio already has the budgeting blueprint well underway for the upcoming year. Campbell's started planning its strategy in mid-January to meet an August deadline.

Others, such as Coca-Cola USA and Apple Computers, take their cue from their fiscal calendars. They don't even begin crunching the numbers until late spring or early summer. Coke pulls itself together in three months, tops.

"When you're selling a product which is broadly based, it's not exactly like you're cutting it as close as a gnat's eyelash," quips William Lynn, Coca-Cola's corporate media director.

And, of course, not every brand has the same needs. Some products may be seasonal in nature, necessitating a different budgeting cycle. Other brands may have their plans torn up when a competitor unveils a surprise, or the market itself undergoes an unforeseen change. (These are some of the reasons why formal quarterly budget reviews are fading away. In today's chaotic selling atmosphere, most budgets are under constant review.)

Nor does everyone speak to the same people when affixing spending levels. At many companies, marketing and media executives huddle together to hash out brand objectives and media usage. But at other companies, never the twain shall meet till late in the game. At more egalitarian marketers (at least in theory), middle management plays a much broader role. Apple Computers is a case in point.

The following are brief sketches of how four major marketers view the planning cycle.

CLOROX: THE TEXTBOOK APPROACH . . . .

This Oakland, Calif.-based consumer product specialist has a reputation for being a tough-nosed negotiator. It follows a traditional path that obviously works.

It begins the plans for its household products, which include Clorox Liquid, Softscrub, Tilex and its newly introduced Fresh Step cat box filler, in February in order that they can be put into motion by the start of its fiscal year on July 1. Seasonal products such as charcoal, paint, and salad dressing work on a different schedule and are planned with trade/broker considerations in mind.

The nitty-gritty starts when Clorox brand managers and assistants begin pulling together marketing data from their own media departments as well as from the account servicing departments of the agencies. Needham Harper Worldwide, Young & Rubicam, Foote, Cone & Belding and N. W. Ayer get involved at this early stage.

The marketing data is then presented to the advertising agency management for its review. Later, the documents, along with specific agency recommendations, are forwarded to corporate product management. Once a strategy is agreed upon for a brand, the media departments at Clorox and the agency develop concrete plans. The recipient of this outpouring is the advertising manager. Included in the plan's coverage are promotion, sales and creative strategies. After the ad manager's okay, the budget wends its way to divisional ad managers. Later, the media budget gets wrapped into corporate budgets for the president and chairman to approve.

Clorox is not a proponent of the zero-based budgeting technique. Rather, "We test our way into making significant changes in budgets," tells Robert Bolte, director of media services at Clorox. Even with new products, the development process runs parallel to the existing formula.

Once budgets are signed off, they are rarely formally reviewed. The budget will be re-opened "only if significant changes need to be made," Bolte says.

One area of change at the company has been its embrace of computers and in-house software. This technology has speeded, and made more sophisticated, formulation of the budget. Everyone, from assistant brand managers on up, is adept at using this data, notes Bolte.

CAMPBELL SOUP: SEPARATE, BUT PARALLEL . . .

The media budgeting process has changed over the years at Campbell Soup, reports George Mahrlig, director of media services at the Camden, N.J.–based foods company. "It's much more dynamic now because we have decentralized the decision-making process to the business unit level," he says.

After the first year, for example, business unit managers from the soup division will go over these brands' basic directions with the unit's marketing managers. Media personnel are at these meetings, but are not offering input. "At this point, it's just strategic planning," describes Mahrlig. "Advertising and media will be discussed only if they are a substantial part of the brand plan, and then only directionally."

By late April or May, marketing plans have been formulated and presented to management.

The media plan has not been left out. Rather, its development is running separately yet parallel to the marketing overview. Having been in on the objectives meetings, the media group has devised its own very detailed plan. Sometime in May, the media plan is presented to the business unit manager. From that point, the chief financial officer and president of the company put their stamp of approval on the plans.

"This process has its shortcomings," concedes Mahrlig, "but it works well overall." He notes that under this method brands can start their advertising schedules even if they don't have final budgetary approval. "If there was a disagreement about strategy, it would have surfaced and been settled earlier," he points out.

Like Clorox, Campbell's has scrapped its practice of formally reviewing budgets on a quarterly basis. "The responsibility for stewarding the budget falls on the business unit, and it's really a daily, weekly, monthly, ongoing process," says Mahrlig fervently.

COCA-COLA: GETTING IT TOGETHER, FAST. . . . . .

At the soft-drink king, the media budgeting process starts up around June and is finalized around August or early fourth quarter for the following year's spending. Unlike other companies, Coke gathers a slew of corporate and agency players together and pushes them into a room. Coca-Cola's brand directors and media experts sit down with their agencies' account management and media department teams. Coke's Lynn describes this set-up as a "loop," where all four entities are meeting at the same time, arguing and reconciling their views. Soon after, marketing plans are presented and the team addresses the advertising-related portions of the brand's plans.

The media departments at Coke and its agencies then set out to translate these marketing objectives into advertising tactics. For a new product entry, Coke will do "an initial pay-out analysis on share expectations, pretty much the same way as P&G," reports Lynn. The plan goes first to the marketing director for an okay, before heading to the president, for the final okay.

How often do budgets come up for review? "We try to review brand budgets quarterly, but that really depends on the brand's needs," says Lynn. "Some brands may not get reviewed at all, while others will get revised four times."

Since Coke's budgeting process is just getting going around the time the upfront tv market is convening, does the company run into problems by not having an approved and specific spending level in hand? No way, grins Lynn. He reasons that because fourth quarter budgets are already approved, and 50% of the upcoming buy can be cancelled, buying upfront without a firm budget represents no major obstacle. Also, networks will most likely alter a sizable chunk of the buy with second-season programing changes. "It's not a problem at all," shrugs Lynn. "You're just buying a mortgage on someone else's future, so it's not your worry."

APPLE: HIGH-TECH MIGRATION . . . .

This maverick personal computer maker thrives on creativity and individuality, so fittingly, its budget planning process is hardly traditional. Bruce Mowery, advertising, sales promotion and public relations manager for Apple II Division (there is no counterpart for the Macintosh division as yet), says the budgeting process is dictated by the fiscal year beginning October 1.

"Around April," says the former Chiat/Day ad executive, "we begin to think of fiscal 1986—what specific TV shows or miniseries we want to appear on, and what print support there will be." This is about the time when Apple starts its business planning process, so the timing is ideal. The period also coincides with the upfront tv buys of May-June, points out Mowery.

Mowery explains that Apple's media budgeting process is "iterative" and seems to ramble on through October. Financial groups start the business plan for each division at about the time the two divisions' product managers start isolating new product introduction and pinpoint market targets for the upcoming year. Ideas for promotion and exposure are brought to Mowery's attention and he coordinates them for possible "event advertising" opportunities. "Then we migrate to the marketing director as a team and present a plan," outlines Mowery.

"There would probably be changes made and then we'd present the plans to the general manager of the division, along with the marketing director. Marketing is very decentralized and is a team approach," he describes. "We affix a cost to each individual product manager's plan, and then figure out what is needed in advertising support. We then figure out if it's in the ballpark, and cut it if we have to," says Mowery. "It is a zero-based thing. Some items are sacrosanct (such as certain event advertising components), but you've got to build flex into it because the computer world moves so quickly," he believes.

"It is not a classic approach," he admits, "but it works for us. It is representative of middle management playing a broad role, versus a Procter & Gamble with its highly formalized structures for brand managers."

Apple does review its budgets quarterly, because, again, things move so fast in that high-tech world.

While the media budgeting process at Apple may be fairly nontraditional and might not be as cost-effective once done, they feel they get more bang for the buck. Mathematical models and the like, Mowery continues, are useless in a budgeting process which addresses event marketing.

"CPMs are important, but you can't put a mathematical model on a 25% participation in a miniseries. It just doesn't apply to event marketing," he stresses.

Apple, he continues, also keeps its media budget relatively loose so that if a product does not meet expectations, or doesn't appear on time, media sums can be switched. "Because of the high technology of our products, there is always slack," Mowery sums up. "Everything is loosely tied to a product or program so we can quickly untie the knot and reallocate expenditures."

APPENDIX TO PART V

Sources of Media Data

The advertising media budget allocation process usually begins by background research on the characteristics and market potential of alternative markets. At this stage, sources such as the *Editor and Publisher Market Guide* (source A) or the *Sales and Marketing Management Survey of Buying Power* might be consulted. Competitive activities would also be studied, by consulting sources such as *Leading National Advertisers* (source B), *Leading National Advertisers/Publishers Information Bureau* (source C), *Rome Reports* (source D), or *MediaWatch* (source E), all published by Competitive Media Reporting.

After budgets have been allocated over media classes and markets, audience and cost data on specific media vehicles are usually consulted and used to select those that provide efficient cost-per-thousand means to achieve targeted reach and frequency levels.

For audience (reach) data, sources consulted usually include *Simmons Market Research Bureau's Study of Media and Markets* (see table earlier in chapter 17) or similar *Mediamark Research Inc. (MRI)* reports. In addition, Nielsen reports are usually consulted for television program viewership data, either or a national basis in the *National Television Index National Audience Demographics Report* (sources F and G) or on a local market basis in the *Nielsen Station Index* reports (source H). Radio station data and newspaper readership data are available from sources such as *Scarborough Research* and others.

For cost data, media planners and buyers may turn to sources such as *Standard Rate and Data Service (SRDS)*, which provides cost data in separate volumes for newspapers (source I), magazines (source J), local television stations (source K), and others.

This is only a sampling of media data sources for the U.S. advertising industry, provided to give the reader a feel for the kinds of data available. We are grateful for these companies for allowing us to reproduce these sample pages.

Nearby Shopping Centers

Name (No. of stores)	Miles from Downtown	Principal Stores
Section	5	Foodland
Grant	8	Foodland
Woodville	12	Shop-E-Z Foods
Stevenson	14	Piggly Wiggly, ShopRite
Pisgah	10	Super Valu
Rainsville	18	Lucky, Foodland

Principal Shopping Days-Thur., Fri., Sat.
Stores Open Evenings-Most to 8 nightly and 9 on Fri. & Sat.; Lucky; Piggly Wiggly; Kroger; Foodland except Sun.

13 - RETAIL OUTLETS: Department Stores-Parks; Hammer's; Cato; Sears; Goody's.
Discount Stores-Family Dollar; K mart; Wal-Mart.
Chain Drug Stores-Big B; Hodges.
Chain Supermarkets-Piggly Wiggly; Lucky; Jitney Jungle; ShopRite; Foodland; Food World; Sav-A-Lot.
Other Chain Stores-Goodyear; Goodrich; Larch Jewelry; Pacific Finance; Radio Shack; Heilig-Meyers; Big Lots.

14 - NEWSPAPERS: SENTINEL (m-tues to fri; S) 6,815; sworn Oct. 1, 1992.
Local Contact for Advertising and Merchandising Data: Anita Bynum, Gen Mgr., SENTINEL, 704 E. Laurel St.; PO Box 220, Scottsboro, AL 35768; Tel. (205) 259-1020.
National Representative: None.

SELMA

1 - LOCATION: Dallas County, E&P Map C-4. County Seat. On Alabama River, center of state. Agric. and cattle area.

2 - TRANSPORTATION: Railroads-Norfolk Southern; Seaboard System.
Waterways-Navigable River to Port of Mobile.
Motor Freight Carriers-4.
Intercity Bus Line-Greyhound.

3 - POPULATION:
Corp. City 90 Cen. 23,755; E&P 94 Est. 22,739
County 90 Cen. 48,130; E&P 94 Est. 46,613

4 - HOUSEHOLDS:
City 90 Cen. 8,371; E&P 94 Est. 8,012
County 90 Cen. 18,130; E&P 94 Est. 17,559

5 - BANKS	NUMBER	DEPOSITS
Savings & Loan	2	$280,000,000
Commercial	5	$385,000,000

6 - PASSENGER AUTOS: Dallas County 34,314

7 - ELECTRIC METERS: Residence 17,644

8 - GAS METERS: Residence 19,092

9 - PRINCIPAL INDUSTRIES: Industry, No. of Wage Earners-Lumber 808; Cigar Mfg. 282; Lock Mfg. 487; Lawn Mowers 110; Table Mfg. 400; Garment 990; Packaging 254; Bricks 51; Farm Mach. 60; Tractor Mfg. 475; Paper 428; Windshields 180; Glass 180; Candy 350; Aluminum Prods. 285; Air-Craft 500; Apparel 500.
Principal Industrial Pay Days-Fri., Sat.

10 - CLIMATE: Min. & Max. Temp.-Spring 58-79; Summer 70-98; Fall 58-89; Winter 20-60. First killing frost, Nov. 30; last killing frost, Mar. 3.

11 - TAP WATER: Neutral, soft; fluoridated.

12 - RETAILING: Principal Shopping Center-8 blocks on Broad St. (3 blocks E & W).
Neighborhood Shopping Centers-N Broad St. 12; Selmont; E Selma; W Selma; Citizen's Plz.

Nearby Shopping Centers

Name (No. of stores)	Miles from Downtown	Principal Stores
Gastons(6)	NA	IGA
Setterfield(5)	4	Winn-Dixie
Selma Mall(28)	5	JCPenney, Beall-Ladymon
The Market Place(16)		K mart, Winn-Dixie, Harco, Food World
Valley Creek(4)	5	Wal-Mart

Principal Shopping Days-Fri., Sat.

13 - RETAIL OUTLETS: Department Stores-JCPenney; Leon's; Beall's.

Discount Stores-Wal-Mart; K mart.
Variety Stores-S.H. Kress; Family Dollar; Top Dollar; Bill's Dollar; Bargain Town.
Chain Drug Stores-Rexall; Harco; Big B; Brown; Swift.
Chain Supermarkets-Winn-Dixie; IGA; Foodland; Big Bear; Food World.
Other Chain Stores-Firestone; Goodrich; Goodyear; Lerch's; Western; Hancock Fabrics; Pic 'N Pay Shoes; Cato; Kenwins Dress For Less; Payless Shoes; Skinner Furn.; Whol. Bedding; Rent-a-Center; Heilig-Meyers Furniture; Radio Shack; Spiller Furniture.

14 - NEWSPAPERS: TIMES-JOURNAL (m-mon to fri; S) 10,300; sworn Sept. 30, 1992.
Local Contact for Advertising and Merchandising Data: David M. Pippin, Pub., TIMES-JOURNAL, 1018 Water Ave., Selma, AL 36701; Tel. (205) 875-2110.
National Representative: Landon Associates.

SHEFFIELD
See FLORENCE

TALLADEGA

1 - LOCATION: Talladega County, E&P Map C-3. County Seat. 54 mi. E of Birmingham. On U.S. Hwys. 231, 280; State Hwys. 21, 77.

2 - TRANSPORTATION: Railroads-Southern; L&N; ACL.
Intercity Bus Line-Continental Trailways.
Motor Freight Carriers-9.

3 - POPULATION:
Corp. City 90 Cen. 18,175; E&P 94 Est. 18,125
County 90 Cen. 74,107; E&P 94 Est. 77,107

4 - HOUSEHOLDS:
City 90 Cen. 5,903; E&P 94 Est. 5,886
County 90 Cen. 27,838; E&P 94 Est. 28,965

5 - BANKS	NUMBER	DEPOSITS
Savings & Loan	2	NA
Commercial	6	NA

6 - PASSENGER AUTOS: Talladega County 54,727

7 - ELECTRIC METERS: Residence 21,448

8 - GAS METERS: Residence 10,775

9 - PRINCIPAL INDUSTRIES: Industry, No. of Wage Earners-Textiles & Bags 3,080; Machine Foundry 983; Lumber & Box Mfg. 451; Brooms & Mops 300; Mining 284; Comm. Printing 865; Newsprint 2,000; Misc. 1,520.

10 - CLIMATE: Min. & Max. Temp.-Spring 10-98; Summer 45-109; Fall 14-109; Winter 5-85. First killing frost, Oct. 21; last killing frost, Mar. 21.

11 - TAP WATER: Alkaline, medium hard; fluoridated.

12 - RETAILING:

Nearby Shopping Centers

Name (No. of stores)	Miles from Downtown	Principal Stores
Talladega Commons	NA	Wal-Mart
Marble City(11)	NA	
Ogletree(14)	NA	Bargaintown, Wal-Mart
Sylacauga(5)	NA	Sears, Harco, Family Dollar
Syla. Shopping Square(3)	NA	Winn-Dixie, K mart, Carport
Talladega Plz. (4)	NA	Carport, Family Dollar, Payless, Sears
Talladega(19)	NA	Winn-Dixie, Harco, Belk-Hudson

Principal Shopping Days-Mon., Fri., Sat.

13 - RETAIL OUTLETS: Department Stores-Belk-Hudson; Maudee's; Helen's; Cohen's 2; Kitchens.

Discount Stores-Top Dollar; Bargain Town, USA; Simply 6-21; G&S Store; $3.00 Bill Store; Super 10 2; Lee's; K mart 2; Wal-Mart 2; Family Dollar 2; Bud's.
Chain Drug Stores-Harco 2; Buy Wise; Big B 3.
Chain Supermarkets-Winn-Dixie 3; Food World 2; 3-B Warehouse, 5; Consumer Foods.
Other Chain Stores-Goodyear; Dress For Less 2; Sherwin-Williams 2; Cato 2; Braswell Furn.; Marvin's; Foote Bros.; Shoe City 2; Pic 'N Pay; Farmer's Furn.

14 - NEWSPAPERS: HOME (m-mon to sat) 8,861; sworn Oct. 1, 1992.
Local Contact for Advertising and Merchandising Data: Ed Fowler, Gen. Mgr., HOME, PO Box 977, Talladega, AL 35160; Tel. (205) 362-1000; FAX (205) 249-4315.
National Representative: None.

TROY

1 - LOCATION: Pike County, E&P Map C-4. County Seat. Agriculture, cattle, hog, broiler, mining & industrial area. Timber & pulpwood, miscellaneous manufacturing, wholesale grocery, drug, insecticide distributing center. Distribution Headquarters (14 Counties) State Hwy. Department. Central SE part of state. 44 mi. from Montgomery; 140 mi. from Birmingham.

2 - TRANSPORTATION: Railroads-Seaboard-Coastline; Southern.
Motor Freight Carriers-4.
Intercity Bus Line-Greyhound.

3 - POPULATION:
Corp. City 90 Cen. 13,051; E&P 94 Est. 13,508
County 90 Cen. 27,595; E&P 94 Est. 28,276

4 - HOUSEHOLDS:
City 90 Cen. 4,479; E&P 94 Est. 4,636
County 90 Cen. 9,083; E&P 94 Est. 9,307

5 - BANKS	NUMBER	EST. DEP.
Commercial	3	$56,395,000

6 - PASSENGER AUTOS: Pike County 21,004

7 - ELECTRIC METERS: Residence 3,963

8 - GAS METERS: Residence 2,080

9 - PRINCIPAL INDUSTRIES: Industry, No. of Wage Earners-Woodworking 497; Textiles 511; Fertilizer/Insecticides 116; Truck Body 115; College/State University 795.
Principal Pay Day-Fri.

10 - CLIMATE: Av. Mean Temp. 63; Jan. 43; July 79. Av. rainfall 47 in.

11 - TAP WATER: Alkaline, slightly hard; fluoridated.

12 - RETAILING: Principal Shopping Centers-10 blocks on 4 Sts.; Troy Plz.; Park Lane.

Nearby Shopping Centers

Name (No. of stores)	Miles from Downtown	Principal Stores
Parklane(6)	NA	Piggly Wiggly, Sears, Fred's Dollar Store
Troy Plz.(8)	NA	Winn-Dixie
Southland Vlg.	NA	Piggly Wiggly, TG&Y

Principal Shopping Days-Mon. through Sat.

13 - RETAIL OUTLETS: Department Stores-Rosenberg's; Leon's; Stanton's; Wal-Mart; Town Sq.; Kitchens.
Variety Stores-Fred's.
Discount Stores-Bargain Town, USA; Top Dollar.
Chain Drug Stores-Sepolts; Harco.
Chain Supermarkets-Piggly Wiggly; IGA; Winn-Dixie; Junior Foods; Food World.
Other Chain Stores-Diana Shops; Goodyear; Sears; Kenwin; Eleanor Shops; Baxter Shoes; Firestone; Wittit Shoes.

14 - NEWSPAPERS: MESSENGER (m-tues to fri) 4,000; (S) 4,200; sworn Oct. 1, 1992.
Local Contact for Advertising and Merchandising Data: Deedie Carter, Adv. Dir., MESSENGER, 918 S. Brundidge St.; PO Box 727, Troy, AL 36081; Tel. (205) 566-4270.
National Representative: Landon Associates.

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LEADING NATIONAL ADVERTISERS

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	94	93	94	93	94	93	94	93	94	93	94	93	94	93	94	93	94	93	94	93	94	93	94	93	94	93
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AMERICAN HEALTH	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	1	1	1	10	10
AMERICAN HERITAGE	0	0	1	1	0	0	1	1	1	1	0	0	0	1	1	0	1	1	1	1	1	1	1	1	8	8
AMERICAN HOMESTYLE	1	0	0	1	1	1	0	0	1	1	1	1	0	0	1	1	0	0	1	1	1	1	1	1	8	8
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ARCHITECTURAL DIGEST	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
ART & ANTIQUES	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	1	1	1	1	1	1	1	1	10	10
ATLANTIC MONTHLY THE	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
AUDUBON	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	6	6
AUTOMOBILE MAGAZINE	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
AUTOWEEK	5	4	4	4	4	5	4	4	5	5	4	4	4	4	5	5	4	4	5	4	5	6	4	4	53	53
BABY TALK	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
BACKPACKER	0	0	1	1	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	1	0	0	1	1	9	9
BASSMASTER	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	1	1	0	0	1	1	1	1	10	10
BETTER HOMES & GARDENS	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
BICYCLING	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	1	11	11
BLACK ENTERPRISE	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
BON APPETIT	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
BOYS' LIFE	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
BRIDAL GUIDE	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	6	6
BRIDE'S	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	6	6
BUSINESS WEEK	4	3	4	4	4	5	4	5	6	5	4	4	4	4	5	5	4	4	5	5	5	5	4	4	53	53
CABLE GUIDE PLUS TOTAL TV	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
CAR AND DRIVER	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
CHILD	0	0	1	1	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	1	1	1	1	1	10	10
COLONIAL HOMES	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	6	6
COMPUTE	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	0	1	0	1	9	12
CONDE NAST TRAVELER	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
CONSUMERS DIGEST	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	6	6
COOKING LIGHT	1	1	0	0	1	1	0	0	1	1	1	0	1	1	0	0	1	1	1	1	1	1	0	0	8	7
COSMOPOLITAN	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
COUNTRY AMERICA	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	1	1	1	0	11	10
COUNTRY HOME	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	6	6
COUNTRY LIVING	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
CRUISING WORLD	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
DELTA SKY	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
DETAILS	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
DISCOVER	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
EATING WELL	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	6	6
EBONY	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
ECONOMIST	4	4	4	4	4	4	5	4	4	5	4	4	5	5	4	4	4	4	5	5	4	4	4	4	51	51
ELLE	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
ELLE DECOR	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	6	6
ENDLESS VACATION	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	6	6
ENTERTAINMENT WEEKLY	3	4	3	4	4	4	5	5	4	4	4	4	4	4	4	4	4	3	5	5	4	4	5	5	49	50
ENTREPRENEUR	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	1	1	1	1	1	13	12
ESQUIRE	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
ESSENCE	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
FAMILY CIRCLE	1	1	2	2	1	1	2	2	1	1	2	2	1	1	1	1	2	2	1	1	2	2	1	1	17	17
FAMILY FUN	0	0	1	1	1	1	1	0	1	1	1	0	0	1	1	0	1	1	1	0	1	1	1	1	10	7
FAMILY HANDYMAN	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	1	0	0	10	10
FAMILY LIFE	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	1	0	0	0	0	1	1	5	2
FIELD & STREAM	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
FINANCIAL WORLD	2	2	2	2	3	3	2	2	2	2	2	2	2	2	2	1	3	3	2	2	2	2	1	1	25	24
FITNESS	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	6	6
FOOD & WINE	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
FORBES	3	2	2	2	2	3	2	2	2	2	2	2	2	2	3	3	2	2	3	3	2	2	2	2	27	27
FORTUNE	2	2	2	2	2	2	2	2	3	3	2	2	2	2	2	2	2	3	3	3	2	4	2	2	26	29
FOUR WHEELER	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
GENTLEMEN'S QUARTERLY	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
GLAMOUR	1	1	1	1	[illegible]	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
GOLF	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12
GOLF DIGEST	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12

B. Sample page from *Leading National Advertisers*. Courtesy of *Competitive Media Reporting*.

LEADING NATIONAL ADVERTISERS
MAGAZINE TOTALS BY PARENT COMPANY
January - December 1994

COMPANY/MAGAZINE	PAGES	% OF CO.	DOLLARS	% OF CO.	# OF INS.
1000 ISLANDS INT COUNCIL	1.12	100.0	24.970	100.0	5
BETTER HOMES & GARDENS	0.05	4.5	10.480	42.0	2
LADIES' HOME JOURNAL	0.07	6.3	8.290	33.2	2
NEW YORK MAGAZINE	1.00	89.3	6.200	24.8	1
1001 RUGS	0.81	100.0	13.250	100.0	5
SOUTHERN ACCENTS	0.81	100.0	13.250	100.0	5
1928 JEWELRY CO	8.61	100.0	500.898	100.0	9
ELLE	4.65	54.0	198.877	39.7	5
REDBOOK	3.96	46.0	302.021	60.3	4
2 HULLS	6.25	100.0	19.740	100.0	10
CRUISING WORLD	6.25	100.0	19.740	100.0	10
20/21 SOFTWARE INC	0.83	100.0	24.286	100.0	5
SUCCESS	0.83	100.0	24.286	100.0	5
21ST CENTURY COMMUNICATIONS	0.17	100.0	1.260	100.0	1
INCOME OPPORTUNITIES	0.17	100.0	1.260	100.0	1
24 FIFTH AVENUE RESTAURANT	2.30	100.0	23.767	100.0	5
NEW YORK MAGAZINE	2.30	100.0	23.767	100.0	5
26 RED	0.33	100.0	6.450	100.0	1
DETAILS	0.33	100.0	6.450	100.0	1
2XIST INC	5.00	100.0	123.677	100.0	5
DETAILS	2.00	40.0	33.879	27.4	2
MENS HEALTH	2.00	40.0	53.550	43.3	2
VANITY FAIR	1.00	20.0	36.248	29.3	1
315 E62 ST ANTIQUE DEALERS	0.28	100.0	8.395	100.0	1
ARCHITECTURAL DIGEST	0.28	100.0	8.395	100.0	1
3D POLITICS	0.07	100.0	1.280	100.0	2
NEW YORKER	0.07	100.0	1.280	100.0	2
4 DAY TIRE STORES	18.17	100.0	381.330	100.0	29
AUTOWEEK	0.83	4.6	6.300	1.7	5
CAR AND DRIVER	8.67	47.7	222.960	58.5	12
ROAD & TRACK	8.67	47.7	152.070	39.9	12
4 WEST	8.67	100.0	55.611	100.0	12
FOUR WHEELER	8.67	100.0	55.611	100.0	12
40TH ST TRIM & FABRIC CORP	3.14	100.0	56.350	100.0	3
BRIDE'S	1.14	36.3	21.870	38.8	2
MODERN BRIDE	2.00	63.7	34.480	61.2	1
47 STREET PHOTO	64.00	100.0	1.338.080	100.0	12
POPULAR PHOTOGRAPHY	64.00	100.0	1.338.080	100.0	12
4WD HARDWARE INC	0.50	100.0	3.195	100.0	1
FOUR WHEELER	0.50	100.0	3.195	100.0	1
5 & 10 NO EXAGGERATION RESTAURANT	0.31	100.0	2.140	100.0	1
NEW YORK MAGAZINE	0.31	100.0	2.140	100.0	1
6TH AVE ELECTRONICS CITY INC	4.00	100.0	140.296	100.0	4
CAR AND DRIVER	1.00	25.0	40.458	28.8	1
ELLE	1.00	25.0	37.910	27.0	1
POPULAR PHOTOGRAPHY	1.00	25.0	34.340	24.5	1
ROAD & TRACK	1.00	25.0	27.588	19.7	1
70 WEST MARINA	2.00	100.0	6.780	100.0	12
SALT WATER SPORTSMAN	2.00	100.0	6.780	100.0	12
72 MARINE SALES	0.49	100.0	14.190	100.0	8
BASSMASTER	0.49	100.0	14.190	100.0	8
77 MAIDEN LANE SALON	0.25	100.0	8.140	100.0	1
W	0.25	100.0	8.140	100.0	1
7TH LEVEL INC	3.00	100.0	32.145	100.0	3
COMPUTE	3.00	100.0	32.145	100.0	3
800 LOOSGRV	0.33	100.0	10.256	100.0	1
SASSY	0.33	100.0	10.256	100.0	1
900 MARKETING INC	0.49	100.0	87.778	100.0	6
PEOPLE WEEKLY	0.49	100.0	87.778	100.0	6
800-DENTIST PHONE SERVICE	1.00	100.0	12.680	100.0	1
TEXAS MONTHLY	1.00	100.0	12.680	100.0	1
800-FLOWERS	3.29	100.0	94.291	100.0	4
FAMILY HANDYMAN	1.00	30.4	34.535	36.6	1
NEW YORK MAGAZINE	0.29	8.8	5.570	5.9	1
TRAVEL HOLIDAY	2.00	60.8	54.186	57.5	2
900-LUGGAGE	0.33	100.0	9.192	100.0	1
DELTA SKY	0.33	100.0	9.192	100.0	1
900 NUMBERS	1.00	100.0	12.925	100.0	1
ENTREPRENEUR	1.00	100.0	12.925	100.0	1
A & B INDUSTRIES INC	0.50	100.0	2.070	100.0	1
CRUISING WORLD	0.50	100.0	2.070	100.0	1
A & E APPAREL INC	2.00	100.0	30.690	100.0	6
ENTREPRENEUR	2.00	100.0	30.690	100.0	6
A & G PRODUCTS INC	0.67	100.0	8.600	100.0	2
NATURAL HISTORY	0.67	100.0	8.600	100.0	2
A CHRISTMAS CAROL	0.50	100.0	10.460	100.0	1
NEW YORKER	0.50	100.0	10.460	100.0	1
A CHRISTMAS PLACE	0.17	100.0	3.919	100.0	1
AMERICAN WAY	0.17	100.0	3.919	100.0	1
A DAY AT THE MOVIES	1.50	100.0	58.732	100.0	2
ENTERTAINMENT WEEKLY	1.00	66.7	52.532	89.4	1
NEW YORK MAGAZINE	0.50	33.3	6.200	10.6	1
A F SCHWALZIRED COMPANY	0.44	100.0	6.460	100.0	3
SOUTHERN ACCENTS	0.44	100.0	6.460	100.0	3
A JAMAIS	0.17	100.0	7.700	100.0	1
WORKING WOMAN	0.17	100.0	7.700	100.0	1

C. Sample page from *Leading National Advertisers/Publishers Information Bureau.* Courtesy of *Competitive Media Reporting.*

THE CMR ROME REPORTS ADVERTISING REPORT JAN-DEC 1994

COMPANY / DIVISION / CITY, STATE / PUBLICATION	INS	PGS	DOL
SERENA LODGES & HOTELS			
TRAVEL WORLD NEWS	3	0.75	4500
			4.500
1-800-CRUISES INC			
LAKE WORTH FL			
TRAVEL TRADE NEWS ED	19	2.28	17123
TRAVEL WEEKLY	27	7.18	110029
			127.152
100 OAKS			
NASHVILLE TN			
CHAIN STORE AGE EXEC	1	1.00	8840
			8.840
100VG-ANYLAN FORUM			
NORTH HIGHLANDS CA			
COMMUNICATIONSWEEK	4	2.00	45360
			45.360
1220 EXHIBITS			
EXHIBITOR	4	2.00	5382
			5.382
168 CLUB			
COMPUTER SHOPPER	1	0.25	5366
			5.366
1ST AMER MGNT CO INC			
IN			
AMERICAN METAL MARKE	2	0.83	3270
MODERN METALS	1	0.33	1805
PLANTS SITES & PARKS	1	0.33	2425
			7.500
20/20 SOFTWARE			
OLD GREENWICH CT			
LAN TIMES	1	0.50	6807
			6.807
20TH CENTURY FOX FILM CORP			
LOS ANGELES CA			
ADVERTISING AGE - NA	1	2.00	30138
ADWEEK/EAST	1	2.00	12385
BRANDWEEK	2	3.00	28715
BROADCASTING & CABLE	5	28.00	144460
CHAIN DRUG REVIEW	1	0.60	9509
DISCOUNT STORE NEWS	4	3.67	45360
ELECTRONIC MEDIA	6	13.40	77554
HFN	1	1.00	12830
MEDIA WEEK	1	2.00	14200
MULTICHANNEL NEWS	1	3.00	16664
SUPERMARKET NEWS	2	1.80	37000
VIDEO BUSINESS	101	150.00	1227430
VIDEO SOFTWARE	4	8.00	62600
VIDEO STORE	25	38.25	409139
			2.131.956
20TH CENTURY FOX FILM CORP			
NEW YORK NY			
ADWEEK/EAST	1	2.00	12385
HFN	1	1.00	12830
INSIDE MEDIA	1	2.00	18426
SUPERMARKET NEWS	1	1.00	17000
VIDEO SOFTWARE	1	2.00	15170
VIDEO STORE	3	5.00	53345
			129.136
21ST CENTURY AUTOMOTIVE MKTG ASSO			
OMAHA NE			
DEALER BUSINESS	2	1.67	11248
			11.248
21ST CENTURY CONTAINERS LTD			
ATLANTA GA			
CHEMICAL EQUIPMENT	1	0.17	2603
CHEMICAL WEEK	1	0.33	4430
CPI PURCHASING	1	0.33	2290
ENVIRONMENT TODAY	2	0.85	8543
MATERIAL HANDLING PR	1	0.17	2545
POLLUTION ENGINEERIN	1	0.33	2075
WATER & WASTES DIGES	2	0.33	3754
			26.240
21ST CENTURY METALS INC			
BENSENVILLE IL			
WHOLESALER	4	2.40	16600
			16.600
21ST CENTURY MKTG			
FARMINGDALE NY			
DIRECT	11	5.50	43190
SALES & MARKETING ST	1	1.00	7600
			50.790
225 THE INTL SHOWCASE			
NEW YORK NY			
HFN	13	7.00	139672
			139.672
230 FIFTH AVE			
NY			
HFN	2	1.20	16688
			16.688
2500 AD SOFTWARE INC			
BUENA VISTA CO			
EDN/EDN P & C	2	0.22	4950
EMBEDDED SYSTEMS PRO	3	2.11	9919
			14.869
2CD-ROM LLC			
DALLAS TX			
BYTE	3	0.38	21540
			21.540
2ND SOURCE CELLULAR			
FT THOMAS KY			
CELLULAR BUSINESS	4	4.00	17386
			17.386
3 SIGMA			
COVINGTON OH			
CONVERTING MAGAZINE	2	2.00	9990
			9.990
3-6 COMPUTERS			
HOLLYWOOD CA			
INFOWORLD	5	0.56	46950
			46.950
3-G VIDEOCASSETTE CORP			
CANOGA PARK CA			
NON-FOODS MERCHANDIS	1	1.00	8035
SUPERMARKET BUSINESS	1	0.60	11920
			19.955
3-STRIKES CUSTOM DESIGN INC			
STAMFORD CT			
BRANDWEEK	4	1.33	23110
INCENTIVE	1	0.17	1150
POTENTIALS IN MARKET	11	1.33	17305
SALES & MARKETING ST	1	0.25	3025
			44.590
360 SYSTEMS			
WESTLAKE VILLAGE CA			
BROADCAST ENGINEERIN	6	5.25	30990
RADIO WORLD	9	9.00	31050
SOUND & VIDEO CONTRA	8	2.50	12982
TV TECHNOLOGY	4	4.00	21600
			96.622
3C RESEARCH			
LEONIA NJ			
SURFACE MOUNT TECHNO	4	1.33	9716
			9.716
3COM CORP			
FOXBOROUGH MA			
DATA COMMUNICATIONS	1	2.00	21500
			21.500
3COM CORP			
WASHINGTON DC			
COMPUTER RESELLER NE	2	2.00	28470
DATA COMMUNICATIONS	2	3.00	37900
INFORMATIONWEEK	1	2.00	44638
LAN TIMES	1	1.00	13695
NETWORKWORLD	7	9.33	197860
PC	1	2.00	82005
PC WEEK	2	4.00	106150
VARBUSINESS	2	2.00	28380
			539.098
3COM CORP			
SANTA CLARA CA			
COMMUNICATIONSWEEK	33	60.00	1107940
COMPUTER RESELLER NE	49	52.00	729920
COMPUTERWORLD	7	14.00	362250
DATA COMMUNICATIONS	13	22.00	250300
INFORMATIONWEEK	2	4.00	89276
LAN TIMES	27	41.00	530695
NETWORK COMPUTING	17	28.67	591895
NETWORKWORLD	33	56.34	1187962
PC	19	33.00	1373395
PC WEEK	41	78.20	2102260
RESELLER MANAGEMENT	1	1.00	8465
VARBUSINESS	12	14.00	190890
			8.525.248
3COM CORP			
GA			
COMPUTER RESELLER NE	5	5.00	71175
DATA COMMUNICATIONS	3	6.00	64500
LAN TIMES	1	2.00	25190
NETWORK COMPUTING	1	2.00	41135
NETWORKWORLD	1	2.00	41500
			243.500
3COM CORP			
FULFILLMENT CNTR			
AUSTIN TX			
COMMUNICATIONSWEEK	2	1.34	22124
COMPUTERWORLD	1	1.20	38000
DATA COMMUNICATIONS	3	3.34	31730
LAN TIMES	1	2.00	25190
NETWORK COMPUTING	2	2.67	50450
NETWORKWORLD	5	8.20	165900
VARBUSINESS	1	0.67	7772
			341.246
3D SYSTEMS INC			
VALENCIA CA			
MACHINE DESIGN	7	4.50	54085
			54.085
3D1 PRODUCTIONS INC			
WINDOWS	2	2.00	33190
			33.190
3DBM FACTORY DIRECT SALES			
DALLAS TX			
TV TECHNOLOGY	10	1.92	15088
			15.088
3DX			
SATELLITE ORBIT	1	0.50	8636
			8.636
3G GRAPHICS			
KIRKLAND WA			
WINDOWS	3	0.75	12295
			12.295
3L GLOBAL ELECTRONICS			
ST PETERSBURG FL			
ECN	3	0.75	5880
EE PRODUCT NEWS	2	0.50	6870
ELECTRONIC ENGINEERI	1	0.33	5252
			18.002
3M CO			
SALT LAKE CITY UT			
HEALTH MANAGEMENT TE	1	1.00	5030
NEW STEEL	1	1.00	4560
			9.590
3M CO			
AUSTIN TX			
AMERICAS NETWORK	1	1.00	5127
			5.127
3M CO			
ST PAUL MN			
33 METAL PRODUCING	1	1.00	4045
ADVERTISING AGE - NA	5	3.00	69835
AMERICAN LABORATORY	3	2.50	27428
AUTOMOTIVE BODY REPA	1	1.00	8695
AUTOMOTIVE ENGINEERI	1	1.00	9090
AUTOMOTIVE MARKETING	1	0.25	2664
AV VIDEO	2	1.50	11210
BUILDING DESIGN & CO	2	2.00	19490
BUILDING OPERATING M	8	9.00	61760
BUILDING SUPPLY HOME	15	16.25	107328
CEE NEWS	6	12.00	121050
CHEMICAL & ENGINEERI	1	1.00	12600
CHEMICAL PROCESSING	3	3.00	24094
CLEANING MANAGEMENT	1	1.00	3875
COMMERCIAL CARRIER J	1	2.00	17230
COMPUTER DESIGN	5	7.00	71785
COMPUTER PICTURES	2	1.50	10829
COMPUTER RESELLER NE	9	9.00	128115
COMPUTER TECHNOLOGY	5	4.20	56175
COMPUTERWORLD	14	14.00	392000
CONSULTING/SPECIFYIN	2	2.00	13290
DESIGN NEWS	39	35.61	356521
DISCOUNT MERCHANDISE	7	7.00	73500
DISCOUNT STORE NEWS	7	7.20	94285
DO-IT-YOURSELF RETAI	6	6.00	50125
DRUG STORE NEWS	4	1.97	31580
ECN	1	1.00	8000
EDN/EDN P & C	2	2.00	17990
ELECTRICAL WHOLESALI	3	3.00	15725
ELECTRONIC PACKAGING	8	8.25	43600
ELECTRONICS NOW	3	0.83	8825
ENVIRONMENTAL LAB	5	3.25	14387
ENVIRONMENTAL SOLUTI	2	2.00	8712
ESD TECHNOLOGY	1	1.00	2550
EVALUATION ENGINEERI	6	6.33	35190
FLEET OWNER	1	2.00	19205
FLEXO	1	1.00	2881
FOLIO	1	1.00	5170
FOOD PROCESSING	1	1.00	6395
FURNITURE TODAY	1	1.00	8900
GOVERNING	3	3.00	27200
GOVERNMENT EXECUTIVE	1	0.50	5950
GRAPHIC ARTS MONTHLY	3	6.00	53430
HFN	4	4.00	48200
HOSPITAL PURCHASING	6	6.00	30240
HOSPITALS & HEALTH N	1	1.00	7860
HYDROCARBON PROCESSI	3	3.00	16695
INDUSTRIAL HEATING	3	3.00	12630
INDUSTRIAL MAINTNC &	3	1.93	25720
INDUSTRIAL PRODUCT B	1	0.50	11072
INDUSTRIAL SAFETY &	3	1.10	12227
INFOWORLD	10	10.00	285500
LABORATORY EQUIPMENT	1	1.00	13220

D. Sample page from *Rome Reports*. Courtesy of *Competitive Media Reporting*.

SECTION 2 BRAND DETAIL WITHIN PARENT COMPANY

PARENT COMPANY / BRAND/PRODUCT / NETWORK / NY TIME & PROGRAM NAME	DAYPART	WEEKLY TOTALS NO. OF COMM	WEEKLY TOTALS MINUTES AND SECONDS	MON MAY 29	TUE MAY 30	WED MAY 31	THU JUN 1	FRI JUN 2	SAT JUN 3	SUN JUN 4
AMR CORP										
AMERICAN AIRLINES-DOMESTIC										
C 2:30P NCAA WORLD SERIES GAME	S/S	2	1:00						1:00	
ANHEUSER-BUSCH COMPANIES INC										
ANHEUSER BUSCH-CORP PSA										
N 9:00A MEET THE PRESS	S/S	2	1:00							1:00
BUD ICE BEER										
N 7:00P NBA PLAYOFF NITE	P/T	3	1:30					1:00		:30
F 3:00P STANLEY CUP PLYFFS	S/S	3	1:30							1:30
PRODUCT TOTALS		6	3:00					1:00		2:00
BUD ICE BEER-BUD ICE LIGHT BEER										
F 3:00P STANLEY CUP PLYFFS	S/S	3	1:30							1:30
BUD LIGHT BEER										
N 7:00P NBA PLAYOFF NITE	P/T	9	4:30		1:30		1:30	1:00		:30
C 12:37X LATE LATE/TOM SNYDER	E/L	1	:30		:30					
C 11:35P LATE SHOW/DAVID LTTRMN	E/L	1	:30	:30						
N 11:30P SATURDAY NIGHT	E/L	1	:30						:30	
E/L FRINGES TOTALS		3-	1:30-	:30-	:30-				:30-	
PRODUCT TOTALS		12	6:00	:30	2:00		1:30	1:00	:30	:30
BUDWEISER BEER										
N 7:00P NBA PLAYOFF NITE	P/T	6	3:00			1:30	:30			1:00
N 3:25P NBA PLAYOFF GAME-DAY	M-F	4	2:00	2:00						
F 3:00P STANLEY CUP PLYFFS	S/S	2	1:00							1:00
C 12:37X LATE LATE/TOM SNYDER	E/L	3	1:30				:30	1:00		
C 11:35P LATE SHOW/DAVID LTTRMN	E/L	5	2:30	:30	:30	:30	:30	:30		
N 1:35X LATE NT/CONAN OBRIEN	E/L	2	1:00		:30	:30				
N 2:24X LATER	E/L	1	:30		:30					
N 11:30P SATURDAY NIGHT	E/L	1	:30						:30	
N 11:35P TONIGHT SHOW	E/L	2	1:00	:30	:30					
E/L FRINGES TOTALS		14-	7:00-	1:00-	2:00-	1:00-	1:00-	1:30-	:30-	
PRODUCT TOTALS		26	13:00	3:00	2:00	2:30	1:30	1:30	:30	2:00
BUDWEISER BEER-CORP PSA										
A 11:30A THIS WEEK	S/S	1	:30							:30
C 9:00A SUNDAY MORNING	S/S	1	:30							:30
PRODUCT & S/S DAYTIME TOTALS		2	1:00							1:00
SEA WORLD PARK-BUSCH GARDENS										
A 7:30P AMERICA'S/HOME VIDEOS	P/T	1	:30							:30
A 8:30P BRINGING UP JACK	P/T	1	:30						:30	
A 8:00P SISTER SISTER	P/T	1	:30			:30				
A 9:00P STEP BY STEP	P/T	1	:30					:30		
N 10:00P EARTH 2	P/T	1	:30							:30
PRODUCT & PRIME TIME TOTALS		5	2:30			:30		:30	:30	1:00
PARENT CO. PRIME TIME TOTALS		23	11:30		1:30	2:00	2:00	2:30	:30	3:00
PARENT CO. M-F DAYTIME TOTALS		4	2:00	2:00						
PARENT CO. S/S DAYTIME TOTALS		12	6:00							6:00
PARENT CO. E/L FRINGES TOTALS		17	8:30	1:30	2:30	1:00	1:00	1:30	1:00	[illegible]
PARENT COMPANY WEEKLY TOTALS		56	28:00	3:30	4:00	3:00	3:00	4:00	1:30	9:00
[illegible]										
A 9:00P ABC FAMILY MOVIE	P/T	2	1:00						1:00	
A 10:11P ABC MONDAY NIGHT MOVIE	P/T	1	:30	:30						
A 9:00P ABC SUNDAY NIGHT MV	P/T	1	:30							:30
A 9:30P HANGIN WITH MR COOPER	P/T	1	:30					:30		
A 9:00P WORLD MUSIC AWARDS	P/T	4	2:00		2:00					
C 9:30P CYBILL	P/T	2	1:00	1:00						
C 9:00P INTRUDERS	P/T	1	:30			:30				
C 8:00P TONY AWARDS	P/T	1	:30							:30
F 8:18P COLD HARD FACTS	P/T	1	:30							:30
F 8:51P FOX NIGHT AT THE MOVIE	P/T	1	:30		:30					
F 8:31P LIVING SINGLE	P/T	1	:30				:30			
F 9:01P MEDICINE BALL	P/T	1	:30	:30						
F 9:30P MY WILDEST DREAMS	P/T	1	:30							:30
N 7:00P NBA PLAYOFF NITE	P/T	3	1:30		:30		:30			:30
PRIME TIME TOTALS		21-	10:30-	2:00-	3:00-	:30-	1:00-	:30-	1:00-	2:30-
A 8:00A ABC NEWS THIS MORNING	M-F	8	4:00		1:00	1:00	1:00	1:00		
A 1:00P ALL MY CHILDREN	M-F	2	1:00	:30	:30					
A 3:00P GENERAL HOSPITAL	M-F	4	2:00	:30		:30	:30	:30		
A 7:00A GOOD MORNING, AMERICA	M-F	2	1:00	:30		:30				
A 11:00A MIKE & MATY SHOW	M-F	1	:30	:30						
A 2:00P ONE LIFE TO LIVE	M-F	4	2:00	:30	:30		:30	:30		
C 2:00P AS THE WORLD TURNS	M-F	3	1:30		:30		:30	:30		
C 1:30P BOLD AND THE BEAUTIFUL	M-F	3	1:30	:30		:30	:30			
C 6:00A CBS MORNING NEWS	M-F	3	1:30		:30	:30	:30			
C 7:00A CBS THIS MORNING	M-F	2	1:00	:30	:30					
C 3:00P GUIDING LIGHT	M-F	2	1:00		:30		:30			
C 11:00A PRICE IS RIGHT	M-F	3	1:30	:30				1:00		
C 12:00N YOUNG AND THE RESTLESS	M-F	3	1:30			:30	:30	:30		
N 2:00P ANOTHER WORLD	M-F	4	2:00	:30	:30	:30	:30			
N 1:00P DAYS OF OUR LIVES	M-F	6	3:00	:30	:30	1:00	:30	:30		
N 10:00A LEEZA-MORNING	M-F	5	2:30	:30	:30	:30	:30	:30		
N 6:00A NBC NEWS AT SUNRISE	M-F	1	:30		:30					
N 11:00A OTHER SIDE/NBC	M-F	2	1:00	:30			:30			
N 7:00A TODAY SHOW	M-F	1	:30				:30			
M-F DAYTIME TOTALS		59-	29:30-	6:00-	6:00-	5:30-	7:00-	5:00-		
N 4:00P HOOP IT UP	S/S	3	1:30							1:30
A 12:05X IN CONCERT	E/L	2	1:00					1:00		
C 12:37X LATE LATE/TOM SNYDER	E/L	2	1:00	:30	:30					
C 11:35P LATE SHOW/DAVID LTTRMN	E/L	1	:30				:30			
N 2:11X FRIDAY NIGHT VIDEOS	E/L	2	1:00					1:00		
N 12:36X LATE NGT/CONAN OBRIEN	E/L	2	1:00	1:00						
N 1:24X LATE NT/CONAN OBRIEN	E/L	4	2:00		1:30	:30				
N 2:34X LATER	E/L	1	:30			:30				
N 11:35P TONIGHT SHOW	E/L	4	2:00	1:00	:30			:30		
E/L FRINGES TOTALS		18-	9:00-	2:30-	2:30-	1:00-	:30-	2:30-		
PRODUCT TOTALS		101	50:30	10:30	11:30	7:00	8:30	8:00	1:00	4:00

NETWORK TV REPORT MONITORED DURING WEEK ENDING JUNE 4, 1995

CMR - NT001S

E. Sample page from *Media Watch*. Courtesy of *Competitive Media Reporting*.

60 MINUTES
WEEKS 1234 MINS• 240
SUN 7.00PM - 8.00PM DN CBS

NTI NAD REPORT — NOVEMBER 1994
TABLE 10A -- EVENING
AUDIENCE BY MARKET SECTION
INDIVIDUAL NETWORK PROGRAMS (TOTAL DURATION)

RATINGS(%)	HOUSE-HOLDS	WRK WOM 18+	WOMEN 18+	WOMEN 18-34	WOMEN 18-49	WOMEN 25-54	WOMEN 35-64	WOMEN 55+	MEN 18+	MEN 18-34	MEN 18-49	MEN 25-54	MEN 35-64	MEN 55+	TEENS TOTAL 12-17	TEENS FEMALE 12-17	CHILDREN 2-11	CHILDREN 6-11
TOTAL U.S.	18.4	10.7	14.2	6.0	7.0	9.1	13.6	28.9	11.9	4.3	6.2	8.2	12.1	25.7	2.2	2.6	1.9	2.0
TERRITORY																		
NORTHEAST	21.0	11.4	15.7	6.8	7.8	9.7	13.8	32.6	13.0	5.0	6.7	8.8	12.2	28.7	2.0^	IFR	2.2^	1.8^
EAST CENTRAL	17.7	9.3	13.1	5.1	6.8	8.8	12.1	25.1	12.8	4.8	7.2	9.4	13.1	24.8	.9v	IFR	3.0^	2.8^
WEST CENTRAL	19.7	11.8	15.5	6.9	7.1	8.8	14.6	31.7	12.5	5.4	7.0	8.5	12.6	27.5	2.7^	IFR	2.0^	2.8^
SOUTHEAST	18.9	11.3	15.2	6.0	7.7	10.1	14.5	28.4	12.4	3.9	6.3	8.7	12.8	25.1	2.8^	IFR	2.0^	2.2^
SOUTHWEST	15.4	9.5	11.1	3.9^	6.1	7.8	10.9	22.8	10.8	2.8^	5.8	9.2	13.5	21.3	2.8^	IFR	1.8^	2.4^
PACIFIC	16.1	8.8	13.0	3.4	6.1	8.2	14.0	28.6	8.7	3.0	4.6	5.6	9.5	24.6	1.6^	1.3v	.8^	.9v
COUNTY SIZE																		
A	17.9	9.7	13.0	4.3	6.4	8.1	12.4	28.5	11.3	4.2	6.4	8.2	11.9	26.0	1.9^	1.0v	1.7	1.7^
B	18.1	11.3	14.5	5.8	7.5	9.9	14.6	28.1	11.5	4.3	5.8	8.0	12.3	29.2	2.3^	3.3^	2.3	2.5^
C & D	19.5	11.6	15.6	6.1	7.4	9.7	14.0	30.1	13.0	4.5	6.4	8.8	12.1	27.1	2.6^	3.7^	1.9	2.1^
CABLE/VCR STATUS																		
ANY CABLE	17.2	10.6	13.2	5.2	6.9	8.9	12.8	27.1	10.9	3.7	5.8	7.7	11.5	24.2	1.7	1.7^	2.0	2.1
PAY CABLE	14.2	8.4	10.6	4.8	6.8	7.3	10.2	24.0	8.7	2.9	5.1	6.6	9.4	21.4	1.2^	.9v	1.5	1.6^
NO CABLE	20.6	10.9	16.0	4.7	7.2	9.5	15.0	31.6	13.6	5.5	6.9	9.3	13.2	28.3	3.1	4.1^	1.9	2.0^
VCR OWNERSHIP	17.5	10.8	13.2	5.2	7.1	9.2	13.5	28.5	11.5	4.4	6.3	8.3	11.9	25.9	1.9	2.3	1.8	1.8
HHLD SIZE																		
1	23.5	19.6	29.7	IFR	13.5	17.8	24.3	36.3	16.0	IFR	9.6	11.7	16.0	26.4	IFR	IFR	IFR	IFR
2	24.1	14.3	20.3	8.6	11.2	13.9	19.3	29.5	19.8	6.5	9.0	12.0	18.6	28.8	IFR	IFR	IFR	IFR
3+	11.8	7.2	6.9	3.5	6.1	6.4	8.5	17.1	7.0	3.3	5.0	6.5	8.6	18.7	2.2	2.4	1.9	2.0
4+	10.0	6.3	5.8	3.3	4.8	5.9	7.2	11.0	5.6	2.7	4.6	5.8	7.3	13.0	1.9	2.8	1.9	2.1
PRESENCE OF NON-ADULTS																		
ANY UNDER 18	9.2	6.3	5.4	3.7	4.8	5.5	6.6	IFR	5.7	3.2	5.0	6.0	7.2	IFR	2.2	2.6	1.8	2.0
ANY UNDER 12	8.8	5.7	5.0	3.8	4.4	5.0	6.2	IFR	5.7	3.6	5.2	5.8	7.1	IFR	2.1	3.0^	1.9	2.0
ANY UNDER 6	8.0	5.7	4.8	4.2	4.4	4.9	5.8	IFR	4.9	3.7	4.6	5.0	6.1	IFR	2.1^	IFR	1.8	1.7^
ANY 6-11	8.4	5.4	4.9	3.3	4.2	4.7	6.2	IFR	6.0	2.7^	5.3	5.7	7.1	IFR	2.2^	2.8^	1.9	2.0
ANY 12-17	9.7	6.9	5.8	2.8^	5.4	6.1	6.6	IFR	6.8	1.8^	4.8	6.5	7.2	IFR	2.2	2.6	2.5	2.8
HOUSEHOLD INCOME																		
$20-29,999	17.7	9.0	13.8	3.3^	5.2	7.6	13.9	27.8	11.9	3.6^	5.3	7.6	10.7	24.2	2.7^	IFR	1.8^	2.5^
$30-39,999	18.2	11.2	13.8	5.6	7.5	9.4	14.2	29.2	11.7	3.6^	5.8	7.3	11.6	27.3	1.9v	IFR	1.6^	1.4v
$40-59,999	16.5	10.5	11.8	4.7	7.0	8.9	13.1	26.1	10.0	3.9	5.1	7.1	11.1	26.1	1.7^	1.9v	1.5^	1.3^
$60,000+	18.7	12.3	12.6	6.4	8.6	10.5	13.9	28.8	12.2	6.0	8.0	10.1	12.9	27.8	1.6^	IFR	1.4^	1.1^
SELECTED UPPER DEMOS																		
$40,000+ WITH NON-ADULTS	11.0	7.0	6.9	3.8	5.5	6.0	7.1	IFR	6.3	3.5	5.2	6.4	7.4	IFR	1.7^	1.5^	1.5	1.2^
$40,000+ & HOH POM	16.6	11.5	10.9	6.4	7.7	8.7	12.7	26.0	10.4	5.5	6.8	9.0	11.6	25.8	2.0^	1.1v	1.5^	.9v
$40,000+ & HOH 1+ YRS. COLLEGE	18.7	13.0	12.7	7.2	8.6	10.3	13.8	29.6	12.6	6.0	8.0	10.2	13.5	28.9	2.0^	1.4v	1.6^	1.1^
EDUCATION OF HEAD OF HOUSE																		
NO COLLEGE	18.1	9.0	14.0	3.5	5.6	7.7	12.4	26.3	10.9	3.4	4.8	6.7	10.6	22.4	2.4	3.1^	2.8	2.1
4+ YEARS OF COLLEGE	19.5	14.1	14.3	7.8	9.5	11.1	15.3	29.6	13.9	7.9	8.8	10.6	13.7	30.4	2.1^	1.7v	2.3	1.8^
RACE																		
BLACK	14.8	8.8	10.8	6.2	6.5	7.8	10.0	23.8	7.7	2.8^	4.6	6.7	9.1	IFR	4.2^	IFR	3.0^	3.6^

VIEWERS PER 1000 TOTAL U.S. VIEWING HOUSEHOLDS—REFERENCED TO 17.58 MILLION HOUSEHOLDS TUNED TO THIS PROGRAM

	WRK WOM 18+	WOMEN 18+	WOMEN 18-34	WOMEN 18-49	WOMEN 25-54	WOMEN 35-64	WOMEN 55+	MEN 18+	MEN 18-34	MEN 18-49	MEN 25-54	MEN 35-64	MEN 55+	TEENS TOTAL 12-17	TEENS FEMALE 12-17	CHILDREN 2-11	CHILDREN 6-11
TOTAL U.S.	298	792	91	246	293	366	476	602	78	212	298	307	331	27	15	42	28
TERRITORY																	
NORTHEAST	66	195	24	61	70	83	122	144	22	50	60	68	81	5^	IFR	8^	5^
EAST CENTRAL	30	90	12	32	36	44	58	86	11	32	38	46	44	1v	IFR	9^	5^
WEST CENTRAL	47	133	18	38	47	60	82	90	15	37	41	50	56	5^	IFR	7^	5^
SOUTHEAST	54	182	19	50	60	74	96	117	13	38	50	58	66	6^	IFR	7^	6^
SOUTHWEST	26	88	8^	25	28	33	30	62	6^	23	32	38	28	6^	IFR	7^	4^
PACIFIC	46	135	12	41	51	71	80	96	11	32	36	46	56	3^	1v	3^	2v
COUNTY SIZE																	
A	103	297	34	94	111	138	180	236	33	92	107	124	122	9^	2v	18	8^
B	88	244	32	81	87	120	138	170	23	81	78	94	96	8^	6^	15	10^
C & D	79	251	26	71	86	109	158	191	22	80	73	89	114	10^	7^	13	8^
CABLE/VCR STATUS																	
ANY CABLE	181	469	60	156	190	229	287	358	43	129	156	180	196	13	6^	28	16
PAY CABLE	73	163	28	65	80	93	77	138	17	58	68	83	67	5^	2v	11	7^
NO CABLE	96	323	31	80	104	137	208	244	36	83	101	117	136	14	9^	16	10^
VCR OWNERSHIP	240	586	82	219	261	318	319	490	68	186	226	263	252	20	12	30	18
HHLD SIZE																	
1	50	221	IFR	28	40	62	179	86	IFR	30	37	38	46	IFR	IFR	IFR	IFR
2	113	361	36	90	114	172	237	309	25	61	83	133	220	IFR	IFR	IFR	IFR
3+	104	211	46	129	140	132	80	208	42	121	136	136	64	25	14	39	25
4+	53	104	28	79	82	66	17	105	21	75	81	75	19	18	12	33	22
PRESENCE OF NON-ADULTS																	
ANY UNDER 18	70	123	41	102	102	77	IFR	114	27	89	97	81	IFR	27	15	42	28
ANY UNDER 12	46	87	37	73	72	47	IFR	86	25	72	73	55	IFR	12	8^	42	28
ANY UNDER 6	27	64	31	47	43	20	IFR	46	20	40	38	24	IFR	4^	IFR	25	9^
ANY 6-11	27	53	16	43	46	35	IFR	55	8^	46	47	41	IFR	10^	7^	32	26
ANY 12-17	37	61	6^	51	52	48	IFR	56	5^	39	47	48	IFR	27	15	15	12
HOUSEHOLD INCOME																	
$20-29,999	31	111	9^	25	32	48	77	87	10^	26	30	31	55	4^	IFR	6^	4^
$30-39,999	41	101	15	37	42	50	66	83	10^	28	33	39	48	3v	IFR	5^	2v
$40-59,999	68	132	19	58	70	82	58	117	17	44	58	72	57	5^	3v	8^	4^
$60,000+	100	167	26	83	100	118	61	176	28	82	98	115	74	6^	IFR	8^	3^
SELECTED UPPER DEMOS																	
$40,000+ WITH NON-ADULTS	46	67	17	57	58	48	IFR	72	14	53	62	54	IFR	10^	5^	14	7^
$40,000+ & HOH POM	66	100	19	56	70	75	27	100	17	50	64	72	34	5^	1v	6^	2v
$40,000+ & HOH 1+ YRS. COLLEGE	118	197	37	101	117	128	72	206	32	96	118	133	82	8^	3v	10^	4^
EDUCATION OF HEAD OF HOUSE																	
NO COLLEGE	104	426	33	96	118	170	298	289	32	80	99	128	184	18	10^	23	14
4+ YEARS OF COLLEGE	94	179	32	86	95	106	73	171	32	77	90	97	77	6^	2v	11	5^
RACE																	
BLACK	26	71	16	29	31	31	36	40	6^	17	21	22	IFR	8^	IFR	10^	6^

N.B. SEE LEAD PAGE OF THIS SECTION FOR EXPLANATIONS OF SYMBOLS.

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F. Sample page from the *National Television Index (NTI) National Audience Demographics Report.* Courtesy of *Nielsen Media Research.*

NTI NATIONAL AUDIENCE DEMOGRAPHICS REPORT
NOVEMBER 1994
TABLE 6A – AUDIENCE BY RESPONDENT CHARACTERISTICS:
ESTIMATES OF INDIVIDUAL NETWORK PROGRAMS (TOTAL DURATION)
EVENING

PROGRAM NAME / DAY / START TIME	DUR	NTWK	TYPE	WEEKS / MINS	KEY	HOUSE-HOLDS	WORKING WOMEN 18+	WORKING WOMEN 18-49	WORKING WOMEN 25-54	WORKING WOMEN 35+	(18-49) WITH CHILD <3	(18-49) WITH CHILD <12	(18-49) WITH CHILD <18	PART TIME 18+	PART TIME 18-49	LOW 18-49 W/CH <3	WOMEN WITH CHILD<3 18+	WOMEN WITH CHILD<3 18-34	WOMEN WITH CHILD<3 18-49	TWO INCOME FAMILIES W/$40,000+ INCOME WOMEN 18+	WOMEN 18-49	WOMEN 25-54	MEN 18+	MEN 18-49	MEN 25-54
SIMPSONS TWO(P-->)					A	10.4	6.0	7.1	5.7	3.3	7.8	7.4	6.7	4.5	5.8	7.5	7.2	7.9	7.4	6.1	5.7	5.6	6.7	7.8	6.9
SUN VARIOUS	30	FOX	EA	12 4	B	9.89	2.66	2.50	1.96	.91	.34	1.00	1.23	.42	.42	.72	.86	.69	.83	1.00	.93	.87	1.38	1.27	1.08
				90	C		268	252	200	92	35	101	125	43	42	73	87	69	84	101	95	88	139	129	109
SINATRA DUETS(S)					A	7.6	5.6	4.1	5.1	7.2	4.5A	2.9	3.6	3.3A	1.7A	2.4A	2.3A	2.1A	2.3A	7.3	6.0	7.0	4.4	3.3	6.0
FRI 10.00PM	60	CBS	PC	4	B	7.25	2.46	1.46	1.78	1.87	.20A	.39	.67	.31A	.12A	.23A	.27A	.19A	.26A	1.42	.98	1.06	.92	.54	.78
				60	C		330	201	246	272	27A	54	93	43A	17A	32A	37A	26A	36A	196	136	148	127	75	107
SISTER, SISTER(P-->)					A	9.2	5.6	5.6	6.0	5.8	5.9	6.7	6.9	5.5	5.1	5.7	6.3	6.3	6.2	5.3	5.5	5.9	3.3	3.3	3.7
WED 8.00PM	30	ABC	CS	34	B	8.78	2.48	1.99	2.08	1.58	.28	.91	1.28	.52	.36	.55	.74	.55	.70	1.03	.90	.91	.60	.54	.58
				60	C		283	227	237	180	30	104	146	59	42	63	85	62	79	118	103	104	78	62	80
SISTERS					A	8.9	7.8	7.9	8.2	8.0	8.4	7.0	6.9	8.9	6.8	8.5	8.2	6.1	8.3	7.0	7.2	7.9	3.6	3.1	4.0
SAT 10.00PM	60	NBC	GD	123	B	8.46	3.42	2.80	2.86	2.20	.37	.94	1.29	.84	.63	.82	.98	.71	.94	1.37	1.18	1.23	.74	.51	.62
				180	C		405	331	338	280	44	111	152	99	74	97	116	84	111	162	139	146	87	61	74
60 MINUTES					A	18.4	10.7	8.4	9.9	13.4	4.2	5.5	6.1	9.8	4.6	4.1	4.0	3.3	3.7	10.3	8.9	10.3	9.5	6.7	8.9
SUN 7.00PM	60	CBS	DN	1234	B	17.58	4.71	2.07	3.48	3.88	.19	.74	1.12	.82	.33	.39	.47	.29	.41	2.01	1.45	1.80	1.96	1.10	1.39
				240	C		288	189	196	210	11	42	64	52	19	22	27	16	24	114	82	91	112	62	79
STEP BY STEP					A	11.9	7.9	7.9	7.7	7.6	10.1	9.9	9.5	9.3	10.1	11.4	10.6	10.1	10.6	7.7	8.2	7.5	4.3	4.6	4.8
FRI 9.00PM	30	ABC	CS	1234	B	11.33	3.46	2.81	2.88	2.10	.46	1.34	1.76	.87	.72	1.10	1.26	.88	1.20	1.50	1.33	1.18	.88	.78	.75
				120	C		305	248	237	186	39	118	155	77	64	97	111	78	105	132	118	102	79	67	66
SWEET JUSTICE					A	7.4	5.4	4.8	5.3	6.8	3.8A	2.7	3.5	5.5	4.3A	3.3A	3.3	2.8A	3.2A	3.7	3.5	4.4	2.4	1.9A	2.5
SAT 8.00PM	120	NBC	GD	2	B	7.06	2.37	1.09	1.83	1.82	.17A	.37	.64	.51	.31A	.32A	.40	.24A	.36A	.72	.57	.86	.50	.31A	.39
				120	C		335	239	280	258	24A	52	91	73	44A	46A	56	35A	50A	102	80	98	71	44A	55
THUNDER ALLEY					A	10.6	5.9	5.8	6.0	5.4	10.6	7.6	7.1	8.3	8.3	9.4	7.9	8.4	8.3	6.6	6.3	6.8	5.1	5.5	5.7
WED 8.00PM	30	ABC	CS	1	B	10.11	2.58	2.05	2.07	1.47	.47	1.02	1.32	.78	.59	.80	.84	.73	.84	1.29	1.04	1.06	1.06	.91	.88
				30	C		255	200	204	146	46	101	130	77	68	89	93	72	93	127	102	105	104	90	88
TOUCHED BY AN ANGEL					A	9.0	5.6	4.5	5.5	7.0	2.2A	4.1	4.7	4.7	2.2A	2.6A	2.6A	2.4A	2.4A	4.2	3.2	4.7	3.5	2.7	4.1
WED 9.00PM	60	CBS	GD	1	B	8.50	2.45	1.00	1.92	1.92	.10A	.56	.87	.44	.16A	.25A	.32A	.21A	.27A	.82	.62	.73	.72	.44	.64
				60	C		286	186	224	224	11A	64	102	52	18A	29A	37A	24A	32A	95	61	85	84	52	75
TRIBUTE-TV FUNNST FAMLIES(S)					A	12.1	9.2	9.6	9.6	9.4	10.5	9.6	9.7	12.6	12.3	10.4	9.9	9.0	10.1	10.0	9.8	9.7	6.2	6.4	6.5
SAT 10.00PM	60	NBC	CV	4	B	11.54	4.06	3.40	3.34	2.57	.46	1.30	1.80	1.17	.87	1.00	1.18	.86	1.13	1.96	1.60	1.51	1.29	1.04	1.02
				60	C		362	296	289	223	40	112	156	101	76	87	102	75	98	170	139	130	111	90	88
TURNING POINT					A	11.3	8.3	7.8	8.6	9.3	6.0	7.3	7.6	8.1	7.3	7.8	7.2	7.8	7.4	7.8	7.9	8.3	7.1	7.0	7.8
WED 10.00PM	60	ABC	DN	1 34	B	10.81	3.86	2.75	2.98	2.57	.27	.98	1.41	.76	.52	.76	.86	.68	.83	1.53	1.27	1.29	1.46	1.14	1.22
				180	C		338	254	276	237	25	91	130	70	48	70	79	63	77	142	117	119	135	106	112
20/20					A	13.8	10.2	9.5	10.5	11.9	10.6	10.0	10.4	11.0	9.4	11.6	10.3	9.7	10.4	10.5	10.3	11.2	6.7	5.8	7.1
FRI 10.00PM	60	ABC	DN	1234	B	13.14	4.50	3.36	3.63	3.27	.47	1.35	1.93	1.04	.67	1.12	1.22	.84	1.18	2.06	1.68	1.74	1.38	.86	1.12
				240	C		343	256	276	249	38	103	147	70	51	85	93	64	89	156	128	132	105	72	86
UNDER SUSPICION					A	9.1	5.6	4.1	4.9	7.0	4.0A	2.7	3.5	5.8	2.6A	3.3	3.0	2.6	3.0	4.4	3.6	4.8	3.3	2.3	3.5
FRI 9.00PM	60	CBS	GD	123	B	8.65	2.48	1.43	1.68	1.83	.20A	.37	.64	.55	.18A	.31	.36	.23	.34	.86	.59	.75	.60	.37	.56
				180	C		284	166	194	223	23A	43	74	63	22A	36	41	26	39	100	68	87	80	43	63

N.B. SEE LEAD PAGE OF THIS SECTION FOR EXPLANATIONS OF SYMBOLS.

G. Sample page from the *National Television Index (NTI) National Audience Demographics Report.* Courtesy of *Nielsen Media Research.*

CHICAGO, IL

WK1 11/03-11/09 WK2 11/10-11/16 WK3 11/17-11/23 WK4 11/24-11/30

PROGRAM AVERAGES

METRO HH RTG (1)	METRO HH SHR (2)	STATION DAY PROGRAM	DMA HOUSEHOLD RATINGS WEEKS 1 (3)	WEEKS 2 (4)	WEEKS 3 (5)	WEEKS 4 (6)	MULTI-WEEK AVG RTG (7)	MULTI-WEEK AVG SHR (8)	HUT (14)	PERSONS 2+ (15)	PERSONS 18+ (16)	PERSONS 12-24 (17)	PERSONS 12-34 (18)	PERSONS 18-34 (19)	PERSONS 18-49 (20)	PERSONS 21-49 (21)	PERSONS 25-54 (22)	PERSONS 35+ (23)	PERSONS 35-64 (24)	PERSONS 50+ (25)	WOMEN 18+ (26)	WOMEN 12-24 (27)	WOMEN 18-34 (28)	WOMEN 18-49 (29)	WOMEN 21-49 (30)	WOMEN 25-49 (31)	WOMEN 25-54 (32)	WOMEN 50+ (33)	WOMEN WKG (34)	MEN 18+ (35)	MEN 18-34 (36)	MEN 18-49 (37)	MEN 21-49 (38)	MEN 25-49 (39)	MEN 25-54 (40)	TNS 12-17 (41)	CHILD 2-11 (42)	CHILD 6-11 (43)
1 LT		R.S.E. THRESHOLDS 25+% (1 S.E.) 4 WK AVG 50+%	2 LT	2 LT	2 LT	2 LT	1 LT			1 LT	1 LT	3 1	2 LT	2 LT	1 LT	1 LT	1 LT	1 LT	1 LT	1 LT	1 LT	5 1	3 1	2 LT	2 LT	2 LT	1 LT	2 1	2 LT	1 LT	4 1	2 LT	2 LT	2 LT	2 LT	6 2	4 1	6 1
		3:00PM																																				
9	29	WLS MON INSIDE EDITION	10	9	11	9	10	30	32	4	5		2	2	3	3	4	7	5	9	6		3	4	4	4	5	12	3	3	1	2	2	3	3	1	1	1
10	30	TUE INSIDE EDITION	9	10	10	10	10	31	31	4	5	2	2	2	2	2	3	7	4	11	7	3	4	4	4	4	5	14	3	2					1	2		
8	25	WED INSIDE EDITION	9	7	8	9	8	26	31	3	4	1	1	2	2	2	3	6	4	9	6	1	3	3	3	4	4	12	4	2		1	1	1	1	1	1	
8	24	THU INSIDE EDITION	7	7	9		8	24	32	3	4	1	2	2	3	3	3	5	4	7	6	2	4	4	4	5	4	9	3	2	1	1	1	1	1	1	1	1
5	14	THU INSIDE EDTN TK				5	5	14	35	2	2					1	1	4	4	6	2		1	1	1	1	1	4	2	3					2			
10	30	FRI INSIDE EDITION	12	8	10		10	30	33	5	6	3	3	3	4	4	4	7	5	9	9	6	7	7	7	7	8	13	6	2		1	1	1	1	3	1	
9	*28*	*AVG INSIDE EDITION*	*9*	*8*	*9*	*9*	*9*	*28*	*32*	*4*	*5*	*1*	*2*	*2*	*3*	*3*	*3*	*6*	*4*	*9*	*7*	*2*	*4*	*4*	*4*	*5*	*5*	*12*	*4*	*2*		*1*	*1*	*1*	*1*	*1*	*1*	*1*
4	8	SUN KAPALUA-GLF SU	4				4	8	50	2	2	1	1		1	1	1	3	2	5	1						1	3	1	3		1	1	2	2	2		
2	4	SUN MRLL LYNCH-GLF		2			2	4	52	1	1			1			1	1	2	2	1							2	1	1	1	1	1	1				
7	13	SUN SKATE AMER2ABC			7		7	13	52	3	4		1	1	2	2	3	6	3	8	6		1	3	3	4	5	12	4	2	1							
4	7	SUN SUN AFTRNN NV2				4	4	7	50	2	2	4	2	2	2	3	2	2	2		1			1	2	2	2			2	3	3	4	2	2	4	5	
6	18	WMAQ MON DONAHUE	7	7	6	5	6	18	34	3	3	2	2	2	2	2	2	3	2	5	4	2	3	3	3	3	3	6	3	2	2	1	1	1	1	1	1	1
5	16	TUE DONAHUE	5	6	5	5	5	16	34	2	3	2	2	3	2	2	2	3	2	4	4	2	4	3	3	3	3	5	3	2	2	1	1	1	1	1		1
5	15	WED DONAHUE	3	5	6	5	5	15	34	2	3	2	2	2	2	2	2	3	2	4	4	3	3	3	3	3	3	5	3	1	1	1	1	1	1	1		
6	19	THU DONAHUE	7	6	5		6	19	34	3	3	2	1	2	2	1	2	4	3	7	5	4	3	3	2	2	3	9	3	2	1		1	1	1	1		
5	16	THU DONAHUE TK				5	5	15	35	3	3	4	3	4	3	3	2	3	2	4	2	1	1	1	1	1	1	4	1	4	7	5	4	3	3			
6	16	FRI DONAHUE	5	6	5	7	6	16	36	2	3	1	1	1	2	2	2	4	3	6	4	2	2	3	3	3	3	7	3	2	1	1	1	1	1	1		
6	*17*	*AVG DONAHUE*	*6*	*6*	*5*	*6*	*6*	*17*	*34*	*2*	*3*	*2*	*2*	*2*	*2*	*2*	*2*	*4*	*2*	*5*	*4*	*3*	*3*	*3*	*3*	*3*	*3*	*6*	*3*	*2*	*1*	*1*	*1*	*1*	*1*	*1*		
2	5	SAT WRLD CP GLF-SA		2			2	5	43	1	1				1	1		2	2	3	1			1	1	1	1	2	1	2								
11	20	SUN NBC NFL FTBL 2	14	7	17	4	11	19	55	6	7	3	6	7	7	7	8	7	7	8	4	2	4	4	4	4	4	5	4	11	10	10	11	12	12	3	2	2
2	5	WPWR MON GOOF TROOP	1	2	1	1	1	5	32	1		1	1												1	1	1		1							2	3	2
2	7	TUE GOOF TROOP	2	2	1	3	2	6	31	1	1	1	1	1	1	1	1				1	1	3	2	2	3	2		1							1	3	3
2	6	WED GOOF TROOP	3	1	2	1	2	5	32	1			1	1	1	1	1				1		2	1	1	1	1										3	3
2	5	THU GOOF TROOP	1	2	1		2	5	32	1		2	1									1	1	1	1	1	1									3	2	3
2	6	THU GOOF TROOP TK				2	2	6	35	3	1	2	2	1	2	2	2	1	2		1		2	2	2	2	2			1		1	2	2	2	4	9	
2	5	FRI GOOF TROOP	1	2	2	1	2	5	34	1		1																				1	1	1	1	1	5	7
2	*6*	*AVG GOOF TROOP*	*2*	*2*	*2*	*2*	*2*	*5*	*32*	*1*		*1*	*1*	*1*	*1*	*1*	*1*				*1*		*1*	*1*	*1*	*1*	*1*									*2*	*3*	*4*
2	5	SAT HEAVEN HELP US	1	3	2	3	2	5	41	1	1	1	1	1	1	1	1	1	1		1	1	1	2	2	2	2	1	1							1	2	1
4	8	SUN SUN 50 FEATURE	3	5	4	4	4	7	53	2	2	5	4	3	3	3	2	2	2	1	3	7	4	4	4	4	3	1	2	1	2	1	1	1	1	6	2	2
1	3	WTTW MON WILD AMERICA	1	1	1	1	1	3	32										1	1																	1	
1	3	TUE WILD AMERICA	1	1	1	1	1	3	31	1	1			1	1	1	1	1	1	1	1		1	1	1	1	1			1	1			1	1		1	
1	4	WED WILD AMERICA	1	1	2	1	1	4	32	1	1							1	1	1	1		1			1		1		1								
1	3	THU MOV 2				1	1	3	35	1	1							1		1	1							2	1									
1	3	THU WILD AMERICA	1	1	1		1	2	32											1			1	1	1	1												
1	4	FRI WILD AMERICA	2	1	2		1	4	33	1	1							1		2								1		1							1	
1	*3*	*AVG WILD AMERICA*	*1*	*1*	*1*	*1*	*1*	*3*	*32*		*1*							*1*	*1*	*1*	*1*							*1*		*1*							*1*	
4	10	SAT J WILSON-COOKN	4	3	5		4	10	40	2	2				2	2	2	3	3	3	3	1	1	2	2	3	2	4	2	2		2	2	2	2	1		
		3:15PM																																				
<<		WCIU THU MARKET COMMNTY	<<	<<	<<		<<		33																													
15	31	WFLD SUN FOX NFL-PSTGM1	15				15	30	49	9	10	7	9	10	10	10	10	10	10	10	6	3	6	5	6	6	5	6	5	14	14	14	15	15	15	8	3	
3	8	WTTW SAT PLEDGE				3	3	7	40	1	1				1	1	1	2	2	2	2			2	2	2	3	3	3									
1	2	SUN PLEDGE				1	1	2	58	1	1			1	1	1	2	2	2	3	1						2	3	1	1	1	1	1	1	1			
		3:30PM																																				
4	10	WBBM MON AMERCN JOURNAL	3	2	5	4	4	10	36	2	2		1	1	1	1	1	3	2	4	3		1	1	1	2	2	6	1	1		1	1	1	1			
4	11	TUE AMERCN JOURNAL	3	3	4	4	4	10	36	2	2	1	1	1	1	1	1	3	2	4	3	1	2	2	2	2	2	5	1	1					1			
4	11	WED AMERCN JOURNAL	4	4	3	3	4	11	36	2	2	1	1	1	1	1	1	3	2	5	3	1	1	1	1	2	2	6	1	2	1	1	1	1	1	2	1	1
3	9	THU AMERCN JOURNAL	4	3	3		3	9	35	2	2		1	2	1	1	1	2	1	4	3	1	3	2	1	2	2	5	2	1		1	1	1	1			
2	6	THU AMERCN JRNL TK				2	2	6	35	1	1	2	1	1	1	1	1	2	2	3	1	1					1	3		1	1	1	1		1	2		
4	12	FRI AMERCN JOURNAL	6	3	4		4	12	37	2	3		1	1	1	1	2	4	2	6	3		2	2	2	2	3	7	2	2		1	1	1	1			
5	12	FRI AMRCN JOURNL H				5	5	12	40	2	2	1	1	1	1	2	1	3	2	4	4	2	2	3	3	3	2	6										
4	*11*	*AVG AMERCN JOURNAL*	*4*	*3*	*4*	*4*	*4*	*10*	*36*	*2*	*2*	*1*	*1*	*1*	*1*	*1*	*1*	*3*	*2*	*5*	*3*	*1*	*2*	*2*	*2*	*2*	*2*	*6*	*1*	*2*	*1*	*1*	*1*	*1*	*1*			
1	3	SAT EYE-SPORTS-SAT	2	<<			1	3	45		1		1	1	1	1												1		1	2	1	1	1	1			
1	2	WCFC SAT SIMPLY FISHNG	1	<<	1	<<	1	2	41											1										1				1	1			
<<		SUN JEWISH JEWELS	1	1	<<	<<	<<		52																													
<<		WCIU MON CHESPIRITO	<<	<<	<<	<<	<<		39																													
<<		TUE CHESPIRITO	<<	1	<<	<<	<<		38			1										1																
<<		WED CHESPIRITO	1	<<	<<	<<	<<		38			1										1														1	1	1
<<		THU CHESPIRITO	<<	<<	<<	<<	<<		37																													
<<		FRI CHESPIRITO	<<	<<	<<	<<	<<		39																													
<<		*AVG CHESPIRITO*	*<<*	*<<*	*<<*	*<<*	*<<*		*38*																													
<<		SAT PAID PROGRAM	<<	<<	<<	<<	<<		44																													
<<		SUN NATNL GREEK TV	<<	<<	<<	<<	<<		53																													
4	10	WFLD MON TAZMNA M-F-FOX	3	4	3	4	4	10	38	2		2	1									1														4	9	8
3	10	TUE TAZMNA M-F-FOX	3	4	3	4	3	10	36	2		1	1									1														3	9	6
4	11	WED TAZMNA M-F-FOX	5	4	4	3	4	11	36	2	1	2	1	1	1	1					1	2	1	1	1	1			1		1	1	1			1	10	8
3	9	THU TAZMNA M-F-FOX	3	3	3		3	9	35	2		2	1	1	1							2	1	1							1		1			3	8	6
3	9	FRI TAZMNA M-F-FOX	4	3	3	3	3	9	38	2		2	1									2	1	1		1										4	7	7
4	*10*	*AVG TAZMNA M-F-FOX*	*4*	*4*	*3*	*3*	*4*	*10*	*36*	*2*		*2*	*1*	*1*								*2*	*1*	*1*	*1*											*3*	*9*	*7*
8	16	SUN BEARS LV PSTGM	7				7	15	49	4	5	4	4	4	4	5	5	5	5	5	2		1	2	2	2	2	2	3	8	7	7	7	7	8	4		
8	15	SUN FOX NW CH POST	6		8		7	14	50	4	5	5	5	5	5	5	5	4	4	4	2	3		1	2	2	2	2	1	8	10	8	8	8	8	5	2	3
1	3	WGBO FRI UP ON-HOUSETOP				1	1	3	40	1	1						1	1	1	2	1						2	4	2									

See Program Index for complete details of program start time, duration and weeks of telecast.

Nielsen has been advised that a station(s) conducted a special promotional activity. *See page 3.*

H. Sample page from the *Nielsen Station Index* report. Courtesy of *Nielsen Media Research.*

St. Petersburg

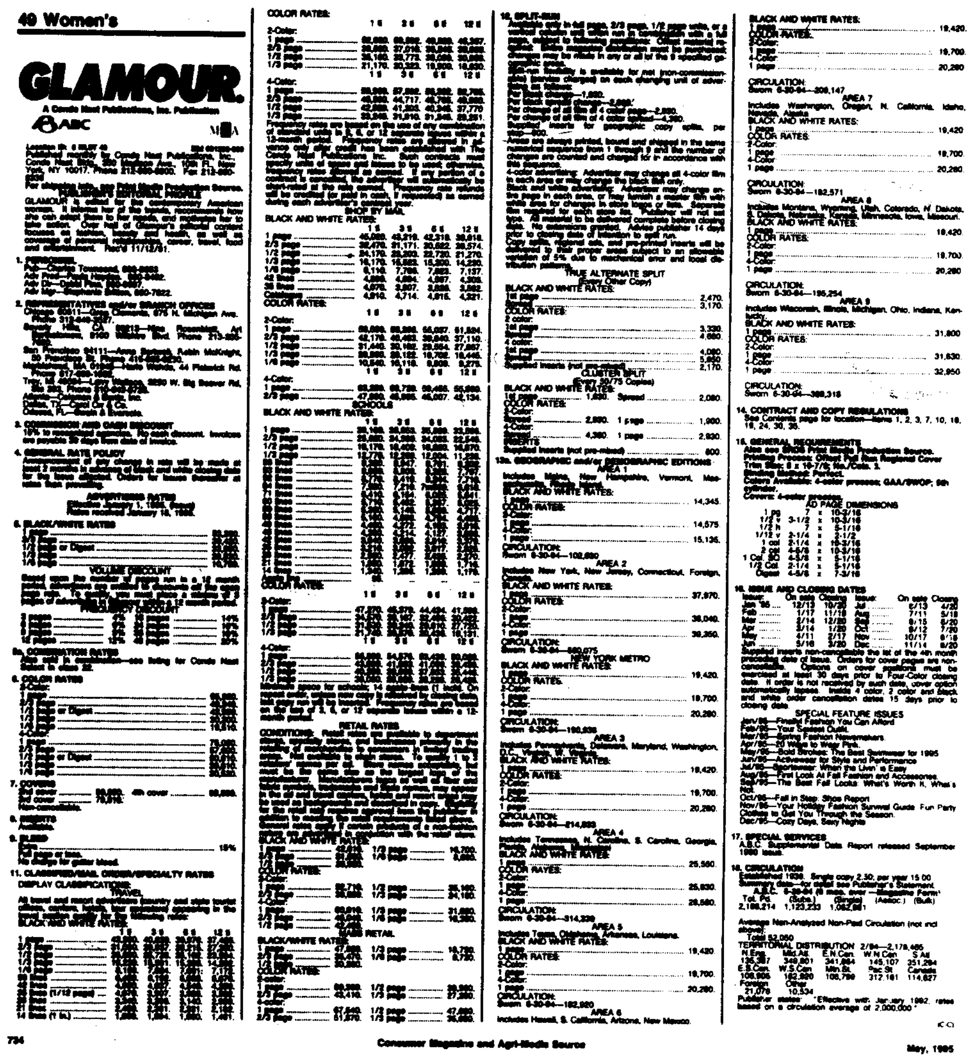
Sanford

Sarasota

April, 1995

Newspaper Advertising Source

I. Sample page from *Standard Rate and Data Service Newspaper Advertising Source.* Courtesy of *Standard Rate and Data Service.*

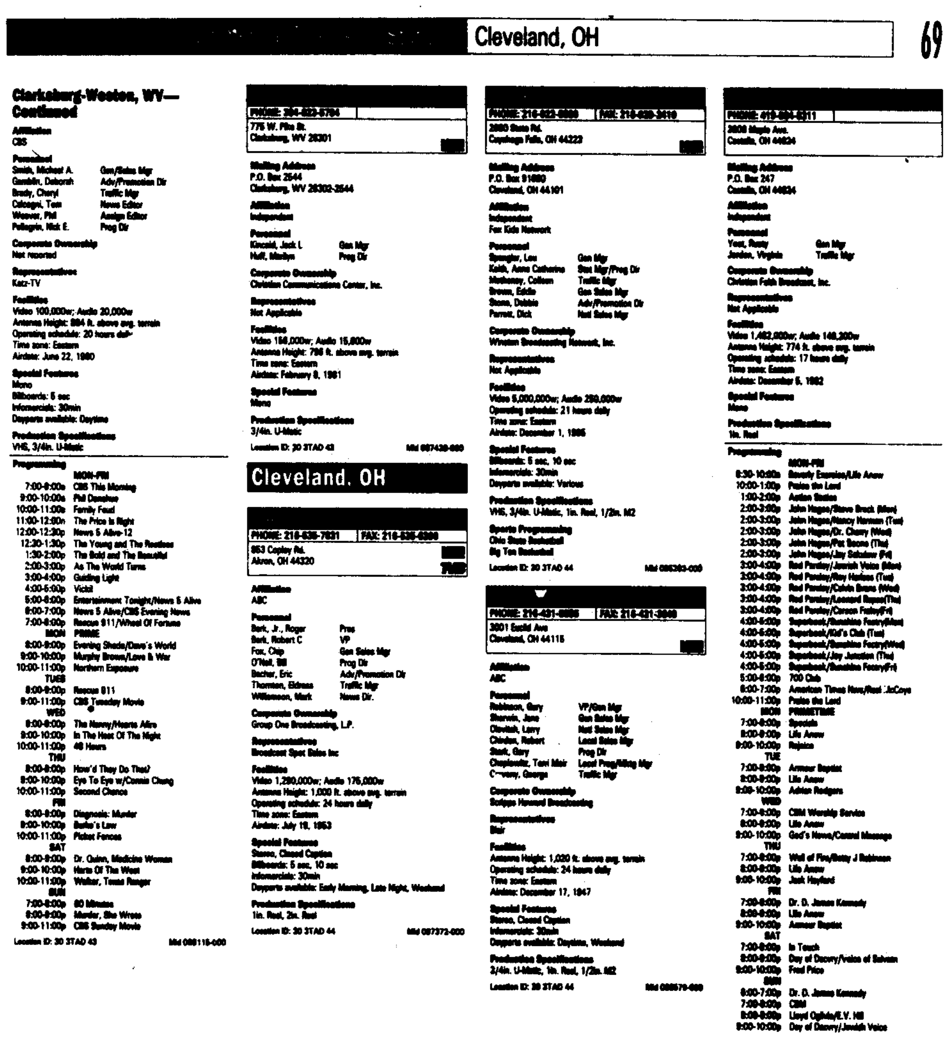


40 Women's

GLAMOUR

734 Consumer Magazine and Agri-Media Source May, 1995

J. Sample page from *Standard Rate and Data Service Magazine and Agri-Media Source*. Courtesy of *Standard Rate and Data Service*.


Cleveland, OH
69
Clarksburg-Weston, WV—Continued
Cleveland, OH

K. Sample page from *Standard Rate and Data Service TV and Cable Source.* Courtesy of *Standard Rate and Data Service.*

PART VI

HE BROADER ENVIRONMENT

18 ADVERTISING REGULATION

> Consumers have a considerable [illegible] exaggeration and puffery [illegible] undoubtedly expect advert[illegible] and to present merchandise in an [illegible]
> (Neil Borden, 1942, professor of advertising [illegible])

A good measure of the importance of [illegible] associated with regulating advertising [illegible] journal called the *Journal of Public Policy and [illegible]* [illegible] and book reviews published in this new journal [illegible] regulation in one form or another.[1] Advertising has a [illegible] economic system to provide information on new [illegible] services. Most of what is purchased is advertised. Thus, the [illegible] of both buyers and competitors is affected if the advertising [illegible] jected with false or misleading claims. The result can be a misallo[illegible] sources, disappointed or even injured buyers and damaged competitors.

Advertising regulation is a fascinating subject, and it is heavily determined by political attitudes. Those who believe in less government and think that business should be left alone to regulate itself tend to favor less advertising regulation. Others who believe government has a role to play tend to want more legislation and government regulation. One manifestation of this principle is the cycles of power and authority of the Federal Trade Commission, the government agency most responsible for advertising regulation. For example, Jef Richards notes, "President Reagan entered office with a commitment to a "New Federalism," which meant, in part, liberating business from excessive federal regulation.... As a result, the FTC staff was cut by 43 percent over the next eight years ... and it experienced an infusion of 'Chicago School' free-market economists dedicated to a cost-benefit approach to trade regulation."[2] In response to such criticism, FTC Chairman Janet D. Steiger, speaking to the Consumer Federation of America in the spring of 1990, declared that the Commission's staff was aggressively pursuing cases against national advertising. In her speech, she highlighted the following areas for FTC attention: (1) promotional practices of the tobacco and alcohol industries, (2) health claims in food advertising, (3) children's advertising, including toy advertising and "900" telephone services to "Dial-A-Santa," (4) advertising to the elderly concerning health, safety, and financial security, and (5) environmental "green claims" such as those asserting a product is "biodegradable," or "environmentally safe." She reported that nearly fifty cases had resulted in almost $100 million in judgments and more than $6.5 million in redress awards to consumers.[3] In the early 1990s, these topics have indeed been major thrusts of advertising regulation activity at the FTC.

To understand advertising regulation, a host of issues need to be addressed. One central issue is *definitional*—what is deception? When Blatz claims that it is "Milwaukee's finest beer," is deception involved when many (particularly other Milwaukee brewers) argue that other beers are superior? What does "finest" mean? One advertisement claimed that a hair dye would color hair permanently. If someone exposed to the advertisement believed that the dye would hold for hair not yet grown and thus a single dye would last for decades, is the claim deceptive?

There are other issues as well. How many people need to misunderstand before deception is involved? When there is disagreement about what is deception, who should decide? How can dishonest and careless advertisers be detected, prosecuted, and punished? To what extent can self-regulation be relied upon? What are appropriate remedies? These questions and others make the issue of deception a complex area for an advertiser, the media, and the government.

In the following sections, the history of regulation will be briefly sketched. The concept of deception will then be considered. The role of advertising research will then be examined followed by a discussion of the remedies available to the FTC when deception is found. Finally, the matter of lawsuits and self-regulation will be considered.

HISTORY OF FEDERAL REGULATION OF ADVERTISING

In 1914, the Federal Trade Commission Act was passed, which created the federal agency that has had the primary responsibility for the regulation of advertising. Section 5 of the FTC Act contained this prohibition: "Unfair methods of competition in commerce are hereby declared unlawful." The aim was to provide an agency that could deal with restraints of trade more effectively than had the Sherman antitrust law. The problem of deceptive advertising was not a target of the FTC Act. Ira Millstein, a legal scholar, observes: "The most important development in the long history of the FTC's prohibition of false advertising was that the FTC concerned itself with the problem in the first place."[4] In many respects it was a fortuitous accident.

The FTC first became concerned with deceptive advertising because of its effect upon competition and not because of a concern for consumer protection. In the first test case in 1919, the FTC moved against Sears, Roebuck.[5] Sears had advertised that their prices for sugar and tea were lower than those of competitors because of their larger buying power. The claim was found to be false, but the FTC action was upheld, not because of subsequent damage caused the consumer but by the fact that smaller competitors could be injured. Thus, for many years, advertising regulation was largely concentrated on the need to protect small firms and competitors rather than consumers themselves.

In 1931, in the landmark *FTC* v. *Raladam* case, the Supreme Court specifically held that the FTC could not prohibit false advertising if there is no evidence of injury to a competitor.[6] The ruling struck a decisive blow in that it stopped any movement in the direction of protecting the consuming public directly. However, it was a blessing in disguise, for it helped to mobilize support for redefining the powers of the FTC. The ultimate result was the Wheeler-Lea Amendment passed in 1938, which amended Section 5 of the FTC Act to read as follows: "Unfair methods of competition in commerce and unfair or deceptive actions or practices in commerce are hereby declared unlawful." Thus the obligation to demonstrate that injury to competition occurred was removed. The issue then was not a jurisdictional one but rather how to move forward against deceptive advertising.

In addition to the FTC and Wheeler-Lea Acts, many cases of advertising regulation in federal courts are based on the Lanham Trademark Act.[7] A recent development is the increasingly important role of state attorneys general. The historical preeminence of the Federal Trade Commission as the chief regulator of American advertising has been challenged by the National Association of Attorneys General (NAAG). Multistate regulator efforts have raised questions about the legality of state restrictions on national advertising. Richards[8] analyzes the history of this development and concludes that state attorney generals will continue to be an important arm of advertising regulation and that all parties involved must adjust to this new reality.

A basic issue in the enforcement of these laws against deceptive advertising, to which we now turn, is how to define and identify deception.

WHAT IS DECEPTIVE ADVERTISING? . . . .

Conceptually, deception exists when an advertisement is introduced into the perceptual process of some audience and the output of that perceptual process (1) differs from the reality of the situation and (2) affects buying behavior to the detriment of the consumer. The input itself may be determined to contain falsehoods. The more difficult and perhaps more common case, however, is when the input, the advertisement, is not obviously false, but the perceptual process generates an impression that is deceptive. A disclaimer may not pass through the attention filter or the message may be misinterpreted.

Legally, the definition of deception has evolved over the years since the Wheeler-Lea Amendment was passed. Refinements have been caused by the FTC in its decisions in individual cases and in its Trade Regulation Rules, which cover unlawful trade practices of entire industries. The FTC positions can be appealed to the courts, which ultimately provide the legal definition of deceptive advertising.

To provide guidance in the face of a history of sometimes conflicting decisions regarding deception, the FTC in 1983 decided to go on record with a formal position. Although somewhat controversial (it was passed on a three-to-two vote), it does represent an important effort to define deception. Dividing the definition into its three major components, it states that deception will be found if

1. There is a misrepresentation, omission, or practice that is likely to mislead.

2. The consumer is acting responsibly (or reasonably) in the circumstances.

3. The practice is material and consumer injury is possible because consumers are likely to have chosen differently if there was no deception.[9]

Although some argue that this definition only codifies the body of law that preceded it, most observers suggest that the definition involves two major changes from prior positions that make it harder for an ad to quality as deceptive.[10] First, the deception must be likely to mislead, whereas the prior understanding was that it need only have a tendency or capacity to mislead. Second, the deception must occur in consumers acting responsibly or reasonably in the circumstances rather than simply occuring in a substantial number of consumers (even if they are naive and unthinking). Thus, the consumer is charged with at least some minimal responsibility in interpreting the advertising.

Petty[11] shows that an important distinction in defining deceptive advertising is between commercial speech which is partially protected by the First Amendment and political speech which is fully protected. He presents an audience impact model as a practical solution to the problem. Commercial speech is speech which potentially influences people as consumers whereas political or other forms of speech potentially influences people in some other role.

In the following discussion, we will look more closely at the three dimensions of deceptive advertising discussed above.

A Misrepresentation or Omission

There are a variety of ways in which misrepresentations or omissions can occur:

1. *Suggesting that a small difference is important.* A Lorillard ad that correctly claimed that its cigarette was the lowest level of tar and nicotine in a cigarette test reported in *Reader's Digest* was ruled deceptive because the differences between Lorillard's Kent and several other brands was insignificant and meaningless.[12]

2. *Artificial product demonstrations.* Firms or their advertising agencies that misrepresent any advertised demonstration, picture, experiment, or test designed to prove any material feature of a product, or prove its superiority to another product may be subject to FTC orders prohibiting such future representations. A television commercial for a car wax used flaming gasoline on an automobile to demonstrate that the wax could withstand intense heat.[13] However, because the gasoline was only burning for a few seconds, no significant heat was generated and the test really proved nothing. Campbell Soup and its agency, in producing commercials, used marbles to make soup ingredients rise to the surface which was found to be deceptive.[14] In a "Bear Foot" campaign for Volvo cars, a "monster truck" was depicted running over a row of cars and crushing all of them but a Volvo 240 station wagon. The FTC charged both Volvo and Scali, its ad agency, with falsely depicting the comparative performance of cars. The FTC alleged that some of the Volvos used in the demo had been structurally reinforced and subjected to less-severe monster-truck treatment than competing vehicles and that structural supports in some of the competing cars had been severed. The case was settled by

consent order and both Volvo and Scali were required to pay $150,000 each to the U.S. Treasury.[15]

3. *Using an ambiguous or easily confused phrase.* The use of the phrase "government-supported" could be interpreted as "government-approved" and was therefore challenged.[16] In another case the FTC held that a toothpaste claim that it "fights decay" could be interpreted as a claim that it provides complete protection and was therefore deceptive.[17] The FTC alleged that commercials claiming that a Nestlé product, Carnation Coffee-Mate Liquid nondairy coffee creamer, was "low in fat" falsely implied that the product was low in fat—a half-cup serving of the liquid had nearly twice the fat of an identical serving of whole milk and nearly four times the fat of 2-percent milk.[18]

An Illinois state bar association rule imposed a blanket ban on attorneys advertising themselves as "certified" or "specialists." The implication was that the state of Illinois had formally authorized certification or specialists in trial advocacy which was not true.[19] Advertising by professionals like lawyers, doctors, dentists, and so on has been under careful scrutiny by regulators in recent years because they have been allowed to advertise for the first time and because of the potential for consumer harm.

4. *Implying a benefit that does not fully or partially exist.* An aspirin substitute, Efficen, was truthfully advertised as containing no aspirin. However, the FTC charged that the no aspirin claim implied incorrectly that the product would not have Aspirin's side effects.[20] General Electric was charged with misrepresenting the amount of light that its lower wattage, cost-saving replacement bulbs produce. In addition to the consent order, GE was required to inform its customers that the bulbs provide less light than the bulbs to which they were compared.[21] Stouffer Food was charged with making deceptive claims that its Lean Cuisine frozen entrees were low in sodium by claiming that the products "make sense," "skimp," on sodium, and were formulated to contain less than "1 gram" of sodium per entree. The advertising failed to disclose adequately that 1 gram is equivalent to 1,000 milligrams, the commonly used unit of measurement for sodium. The Commission charged that this failure could lead consumers to underestimate the sodium content of the product.[22]

5. *Implying that a product benefit is unique to a brand.* An FTC complaint against Wonder Bread argued that Wonder Bread's claim that its brand built bodies twelve ways falsely implied that Wonder Bread was unique with respect to such a claim. Although this charge was subsequently dropped, it does illustrate one possible way in which the definition of deception could be broadened.[23] Interestingly, Hunt-Wesson Foods, soon after the Wonder Bread complaint was filed, developed a policy of avoiding advertising brands that are virtually similar to their competitors. Another example concerns low-alcohol beer. Anheuser-Busch began to market a beer with a low alcohol content that it called "LA" defined by the Bureau of Alcohol, Tobacco and Firearms (BATF), the agency that regulates labeling of alcoholic malt beverages, as a beer containing less than 2.5 percent alcohol by volume and less than 2 percent alcohol by weight. Both Heilman and Miller planned to use the LA name, and in response to A-B's request to cease and desist, sued A-B for antitrust and attempting to monopolize the low-alcohol beer market.

A-B filed a counterclaim for trademark infringement, unfair competition, and trademark dilution.[24]

6. *Implying that a benefit is needed or that a product will fulfill a benefit when it will not.* Gainesburgers once advertised that its product contained all the milk protein your dog needs. It was true that the product had milk protein and that competitors' products did not. But it was also true that dogs need little or no milk protein. The FTC argued that the line "Every BODY Needs Milk" incorrectly implied that good health required regular milk consumption.

In the search for ways to differentiate their products, many companies have turned to the environment and the use of environmental appeals. Many cases have come before the FTC concerning claims that a particular product will aid or improve the environment. According to FTC Commissioner Deborah K. Own, the FTC's "overriding goals in investigating environmental marketing claims are preventing consumer deception and ensuring that objective environmental performance claims are adequately substantiated." As environmental marketing has mushroomed, so have the number of cases brought before the FTC. Companies are prohibited from making any general environmental benefit claims—such as "environmentally friendly" or "safe to the environment"—unless the company can substantiate the claim and discloses exactly what it means by such terms.[25] Jerome Russell Cosmetics was charged with making false and unsubstantiated environmental claims in marketing its cosmetics products as "ozone safe" and "ozone friendly," when, in fact, they contained a harmful ozone-depleting substance. In another case, American Enviro Products was charged with making unsubstantiated claims that its "Bunnies" disposable diapers, when disposed of in a landfill, would decompose and return to nature "within three to five years" or "before your child grows up," and that its product offered a significant environmental benefit compared with other disposable diapers. Under a consent agreement, the company was prohibited from making similar misrepresentations and was required to support future environmental claims with reliable scientific evidence.[26]

7. *Incorrectly implying that an endorser uses and advocates the brand.* Advertisements implied that an acne medication was superior and had cured Pat Boone's daughter's acne when neither claim was true.[27] Pat Boone, the endorser, was ordered to return his remuneration to users. An endorser in general only need inform the audience that payment is involved when there is an implication that no payment is involved. Procter & Gamble, however, was found guilty of implying incorrectly that washing machine manufacturers distributed P&G detergents with their machines because they endorsed P&G brands rather than because they were paid to do so. The FTC has developed a set of guidelines called *FTC Guides Concerning Use of Endorsements and Testimonials in Advertising*, which were used in a case involving Diamond Mortgage Corporation and A. J. Obie Associates. These companies developed television advertising campaigns designed to encourage investors to secure shares in what turned out to be nonexistent mortgages. In a classic Ponzi scheme, most of the investors' money went to paying previous investors. Both companies filed for bankruptcy, but because huge amounts of money had been siphoned off, investors lost significantly and some of the companies' executives went to jail. In an effort to recoup some of their investments, several Obie in-

vestors sued actors Lloyd Bridges and George Hamilton for endorsing the companies in ads. The actors claimed they were spokespersons, who were not required to substantiate the truthfulness of endorsements, rather than endorsers, who have that duty. The court decided the actors were endorsers because the *Guides* provide that "an 'endorsement' means any advertising message . . . which . . . consumers are likely to believe reflects the opinions, beliefs, findings or experience of a party other than the sponsoring advertiser. . . ." The court also declared that there is no requirement that the endorser be an expert and that an endorser does not have to have a financial interest in the sale of the product to establish liability. It was also held irrelevant that the actors were not active participants in the preparation of the commercials. Finally, it was found that the advertising agency could not escape liability even though the agency did not film the commercials but only arranged their airing, and neither the agency nor the producer could escape liability by blaming the other. The fact that the producer had not been sued was also deemed to be irrelevant.[28]

In a similar case, Black & Decker was found to have misrepresented that its iron with a shut-off feature had the exclusive endorsement of The National Fire Safety Council (NFSC), an organization with expertise in appliance fire safety. The FTC argued that the NFSC did not have expertise in evaluating or testing appliance fire safety and did not grant its exclusive endorsement to Black & Decker on the basis of a valid test or evaluation.[29]

8. *Omitting a needed qualification.* The FTC can require that a more complete disclosure be made to correct a misconception. Thus, Geritol was required to indicate that the "tired feeling" it was supposed to help was possibly caused by factors that the product could not treat effectively.[30] Similarly, baldness cures have been required to indicate that baldness usually is hereditary and untreatable. Toys are usually assumed to be safe. Therefore, toy manufacturers have a special responsibility to point out possible unsafe aspects of their toys. Clorox settled FTC charges that its television commercials referred to its Take Heart salad dressing as "fat free" and "no fat" while, in fact, there were one or two grams of fat per two tablespoonfuls of the dressing. The agreement did not prohibit any claims about fat, saturated fat, cholesterol, or sodium that were specifically permitted in labeling for the advertised serving size by the FDA.[31]

A Kraft company ad claiming Kraft Singles cheese product slices contained the same amount of calcium as 5 ounces of milk and more calcium than most imitation cheese slices was found deceptive. Although the cheese slices were made from 5 ounces of milk, it was not revealed that much of the calcium is lost in processing. One defense was that the claim was not material to consumers. The FTC found that consumers placed great importance on calcium consumption and that a 30 percent exaggeration of calcium content was a numerically significant claim that would affect consumer purchasing decisions.[32]

In 1989, the FTC issued a complaint charging Campbell Soup, which controls about two-thirds of the more than $2 billion retail soup market in the United States, with making deceptive and unsubstantiated claims for its soups. Campbell's ads that were part of its "Soup is Good Food" campaign, linked the low fat and cholesdisclose that the soups were high in sodium and that diets high in sodium may increase the risk of heart disease.[33]

It is interesting to consider how far pressure from the FTC for complete disclosure could go. There are a wide variety of advertised brands that differ little in substance from competitors. It is a common practice to associate a brand with an attribute of the product class. Should the brand be required to state in its advertisement that all brands are virtually identical in this respect? For example, an aspirin advertisement may emphasize the product's pain-relieving quality without mentioning that all aspirin-based brands will have a similar effect.

9. *Making a claim without substantiation.* The FTC can require advertisers to substantiate claims made with respect to safety, performance, efficacy, quality, or comparative price when such claims will be relied on by a consumer who lacks the ability or knowledge to independently judge their validity. Firestone was ordered to stop advertising that its tires "stop 25 percent faster," and Fedders was told to stop calling its reserve cooling system "unique" because they were unable to support these claims with valid test or survey data. Inadequate substantiation is considered an *unfair* (as opposed to *deceptive*) *action* by the FTC. Removatron was ordered to cease and desist from making claims that any of its hair-removal devices, products, or treatments would achieve permanent hair removal unless it relies on "competent and reliable scientific" evidence defined as "adequate and well-controlled, double-blind clinical testing." The company also had to send a copy of the order to each purchaser of the Removatron device.[34]

10. *Bait and switch.* Companies that solicit business on one basis and than switch consumers to other products can be charged with unfair and deceptive practices. Many cases have involved the use of 900 telephone numbers. For example, US Sales advertised its automobile auction information service on radio and television. The ads encouraged consumers to call a 900 number (1-900-HOT-CARS) for information about government auctions of automobiles. Callers to the 900 number were charged $2 per minute for a twelve-minute call, at the end of which they were given an 800 number to call. Those who called were solicited to purchase lifetime memberships in US Sales service for $99.95, which entitled them to receive information about additional automobile auctions. The impression from the ads was that callers would receive information about buying excellent cars at extremely low prices. Instead, callers were informed of sales at which cars in poor condition were sold at relatively low prices and cars in good condition were sold at approximately fair market value. Although the defendants pleaded that the ads consisted merely of *puffing* (which we review in the next section), and that a reasonable consumer would not be misled by such typical advertising hyperbole, the courts declared that the ads went beyond mere puffing. The FTC need only show that a reasonable consumer, upon hearing the advertisement, is likely to be mislead to his or her detriment. In fact, the Commission is required only to show that it is likely, not that it is certain, that a reasonable consumer would be mislead. Ads are illegal if they have a "tendency" or "capacity" to deceive; actual deception of particular consumers need not be proven. The court ordered US Sales and Dean Vlahos to pay consumer redress of over $9 million and granted a permanent in-

junction that required the defendants to obtain a performance bond for any future sales. Other cases involving 900 numbers are *FTC* v. *Starlink*, a service offering employment opportunity information, and *FTC* v. *M.D.M. Interests*, a company that represented falsely to consumers that they could obtain Visa or Mastercards regardless of credit history by making a $50 call to a 900 number. The company failed to disclose that substantial deposits in the issuing banks were required, and that a substantial fee was often charged.[35]

11. *Identifying the advertising.* The FTC reached a consent order agreement with Nu-Day enterprises that would permanently prohibit false advertising that a diet program could cause weight loss without exercising. The advertising appeared in a thirty-second show called "The Perfect Diet," which appeared to be an independent consumer news program airing interviews to report on the discovery of the Nu-Day diet. The FTC charged the TV show was an infomercial containing false and misleading metabolism and weight-loss claims for the diet program. In addition to a consent order banning the false metabolism claims, the advertising required a disclosure within the first thirty seconds, and every fifteen minutes thereafter as follows: "The program you are watching is a paid advertisement for (the product or service)."[36]

12. *Telemarketing.* Many cases have come before the Commission that involve deception arising from telemarketing practices. The largest telemarketing fraud settlement ever revealed by the FTC involved an oil and gas lease scheme that bilked investors out of more than $51 million. Defendants were charged with falsely representing their ability to "eliminate the risk" of participating in an oil and gas lottery. In about a year, customers filed more than 66,000 applications but won only sixty leases. The court froze $12 million of the assets of the companies and the personal assets of the individuals named in the case. Victimized customers got back more than 90 cents on the dollar in this case.[37]

13. *Intellectual property.* The problems of copyright have emerged as a new and important issue to advertisers. A legal copyright protects the description of the results of research; it does not protect the investment required to attain those results. Nor are "facts" protected under the Copyright Act of 1976. Compilations of facts are protected only to the degree that the materials represent original effort. The work or effort involved in compiling the facts is not subject to copyright protection. Hence, Apple Computer was not allowed to exclude Microsoft and Hewlett-Packard from using the Macintosh improvements for an electronic interface with Microsoft's Windows 3.0 and H-Ps New Wave graphic user's interfaces (GUIs) despite Apple's substantial research investment. Similarly, Lotus was not allowed to force Borland to stop using the Lotus 1-2-3 interface in Borland's Quattro Pro. Another example is Consumer Reports. Comparative evaluations reported in a product survey by Consumer Reports may be copied with or without attribution to CR as the source. The expense and research incurred by Consumers Union in discovering such "facts" does not give those "facts" copyright protection. The description of those facts is copyrightable. Constants, formulae, and computer algorithms are not protected, whereas manuals and programs utilizing or describing the constants, formulae, and algorithms are protected.[38]

These are some of the ways in which misrepresentations or omissions can occur. In an interesting test of first amendment rights, Todd Fox and several students at the State University of New York sued the university for prohibiting "commercial enterprise" from operating on the SUNY campus. A saleswoman from American Futures Systems, a company that sells housewares, conducted a "Tupperware-like" party demonstrating the company's products in the student dorm. She was arrested by campus police and charged with trespass and soliciting without a permit. This case went all the way to the Supreme Court and illustrates the difficulties of separating commercial and noncommercial speech. It is an example of yet another dimension of the issues involved in misrepresentations and omissions.[39] We turn now to a look at the question of puffery.

Puffery

A rather well-established rule of law is that *trade puffing* is permissible. *Puffing* takes two general forms. The first is a subjective statement of opinion about a product's quality, using such terms as "best or greatest." Nearly all advertisements contain some measure of puffery. "You can't get any closer" (Norelco), "Try something better" (J&B Scotch), "Gas gives you a better deal" (American Gas Association), "Live better electrically" (Edison Electric Institution), "State Farm is all you need to know about insurance," and "Super Shell" are examples. None of these statements has been proved to be true, but neither have they been proved false. They all involve some measure of exaggeration.

In 1946, the court set aside the FTC ruling in the *Carlay* case that a weight-reduction plan involving Ayds candy, which claimed to be "easy" to follow, was deceptive. The court noted that "what was said was clearly justifiable . . . under those cases recognizing that such words as 'easy,' 'perfect,' 'amazing,' 'prime,' 'wonderful,' 'excellent,' are regarded in law as mere puffing or dealer's talk upon which no charge of misrepresentation can be based."[40]

The second form of puffery is an exaggeration extended to the point of outright spoof that is obviously not true. A Green Giant is obviously fictitious, and even if he were real, he wouldn't be talking the way he does. In the 1927 Ostermoor case, the court pointed to the puffery argument in denying that a mattress company was deceptive in using an illustration appearing to depict that the inner filling of a mattress would expand to 35 inches when in fact it would expand only 3 to 6 inches.[41]

Ivan Preston and Ralph Johnson and, later, Preston examined the puffery issue and declared that although it is well established in law, it is at the same time somewhat vulnerable and has often been denied.[42] For example, in the *Tanners Shoe Company* case, the FTC denied the puffery defense, declaring that it was stipulated that it is not literally true that respondents' shoes will assure comfort or a perfect fit to all individuals. The Commission argued that such a representation was false because it attributed to the product a quality which it did not possess rather than exaggerating a quality which it did possess.[43]

Jef Richards, in an article titled "A 'New and Improved' View of Puffery," cited the considerable amount of literature on puffery written in the late 1970s and 1980s and provided a penetrating analysis of definitions ranging from the very broad to the very narrow. He argued that marketing researchers who generally accept the argument that puffery is frequently deceptive are basing this conclusion on a much broader definition than has been adopted by regulators. Based on stated definitions and policy, puffing has been narrowed to the point where no deceptive claim can properly be termed puffery. Many claims labeled puffs could be proved deceptive if better evidence was presented and "by this logic it is inappropriate to criticize the FTC for retaining the puffing defense, but the FTC staff is certainly vulnerable to criticism for failing its obligation to prove deceptive claims to be deceptive. . . . For marketing managers, this means that many claims commonly presumed to be puffery are no longer shielded by the legal 'puffery doctrine.' There is no safe harbor when using traditional magic words like 'the best,' 'wonderful,' or 'excellent,' If proved deceptive, even a trade name like 'Wonder Bread' could be regulated . . . sellers should take care not to cling to a false sense of security when using exaggerated claims."[44]

Alexander Simonson and Morris Holbrook analyzed the concept of permissible puffery by examining the communications content of sellers' claims and the circumstances underlying buyer-seller transactions. The study included warranty cases as well. A basic question studied was whether permissible puffery can be identified with reference only to the communications at hand or whether the identification requires consideration of other underlying factors. The authors argue strongly for the latter conclusion. Based upon an empirical study of hundreds of warranty cases, they challenge the existence of an applicable determination of puffery derived solely from the content of the communications. For example, an index of communications subjectivity does *not* contribute significantly to determining puffery or warranty outcomes. The determination must be made in connection with the situational circumstances of the case. The results mirror Preston's concern that the FTC's message-response views are perhaps not useful if they do not concomitantly view the circumstances of a communication. In sum, the application of the puffery defense in warranty cases is an interactive circumstance-related concept. This calls into question the usability of a "definition" of puffery that includes a "reasonable person" standard but does not account for numerous situation-specific factors.[45] We turn now to the issue of the reasonable consumer.

Who Is Deceived—The Reasonable Consumer?

Who is it that needs to be protected? The FTC has historically taken the extreme position that essentially all are to be protected, in particular those who are naive, trusting, and of low intelligence.

In 1944, this position was graphically illustrated by two cases. In the *Charles of the Ritz* case, the FTC found that the trademark "Rejuvenescence" was associated with a foundation makeup cream in a manner that promised the restoration of a youthful complexion.[46] Some, including those ignorant, unthinking, and credulous, might believe that the product could actually cause youth to be restored. In

Gelb v. *FTC*, the FTC prohibited the claim that a hair-coloring product could color hair permanently.[47] Its position was that some might believe that even new hair would have the desired new color.

The 1955 *Kirchner* case provided some relief to the charge that no deception can exist.[48] It involved a swimming aid, and the claim that when the device was worn under a swimming suit it was "thin and invisible." The commission decided that buyers who were not "foolish or feebleminded" would be unlikely to take this claim literally, noting

> *Perhaps a few misguided would believe, for example, that all "Danish pastry" is made in Denmark. Is it, therefore, an actual deception to advertise "Danish pastry" when it is made in this country? Of course not. A representation does not become "false and deceptive" merely because it will be unreasonably misunderstood by an insignificant and unrepresentative segment of the class of persons to whom the representation is addressed.*[49]

The *Kirchner* case also indicated that advertising aimed at particularity susceptible groups will be evaluated with respect to that group. Thus, when children are the target, deception will be evaluated with respect to them. One case was decided on the basis of the advertising impact on a "busy businessman." This refinement is interesting because it recognizes that people may perceive stimuli differently, depending on the situational context.

In 1983, the FTC narrowed its definition of deception in an important way. Previously, an advertisement was held to be deceptive if it "has the tendency or capacity to deceive a substantial number of consumers in a material way." However, in the *Cliffdale* case, the proper test for finding deception was whether the claim is "material and likely to mislead consumers acting 'reasonably' under the circumstances." The key word is "reasonably." A mail-order company, Cliffdale Associates, had advertised an automobile fuel economy device, the $12.95 BallMatic Valve, which made deceptive performance claims. The FTC concluded that consumers acting reasonably would not be materially affected.

Russell Laczniak and Sanford Grossbart[50] conducted an empirical study of whether reasonable consumers might also be deceived under various circumstances. Adult consumers were exposed to subjective claims, objective claims, and a combination of subjective and objective claims as well as high and low message involvement manipulations of camera advertising. The authors also collected data on expertise. It was found that expertise was related to positive message-related cognitive responses and appeared to be independent of the level of objective claim content. In other words, experts were influenced by subjective claim advertising. More involved receivers have been found to engage in more critical message analysis and greater cognitive elaboration than less-involved receivers which in turn leads to the generation of more positive cognitive responses. Whereas judicial and regulatory authorities seem to assume that reasonable consumers have defenses against deceptive advertising because of higher message involvement and greater product-class expertise, the results do not support this assumption. Expert and more involved consumers may actually be more vulnerable to deception.

Materiality of the Falsehood

For an advertisement to be deceptive, it must contain a *material untruth*; that is, one capable of affecting purchase decisions. It should be likely that the advertisement will cause public injury. Millstein explains:

> *"Public injury" does not mean that a consumer must actually suffer damage, or that it must be shown that goods purchased are unequal to the value expended. Rather, "public injury" results if the advertisement has a tendency to induce action (such as the purchase itself) detrimental to the consumer that might not otherwise have been taken. If such action could not have been induced by the claim (even though false), there is no "public injury." This requirement comports with the express provision of Section 15 of the FTC Act, as amended, that the advertisement must be misleading in a material respect to be actionable.*[51]

Courts and the FTC have ruled that only mock-ups and props that were intended to demonstrate visually a quality that was material to the sale of a product would be prohibited. If the demonstration would not affect consumer's decisions, then, even if it were misrepresented, it would not be deceptive. Thus, mashed potatoes could be used in television commercials in scenes depicting ice cream consumption (ice cream will melt too rapidly under lights) if the texture and color of the prop were not emphasized as selling points of the product.

The materiality question is nevertheless one in which advertisers are often in a no-win situation. In the *Kraft* case,[52] the Commission staff judged the ads to imply that Kraft Singles cheese contained as much calcium as 5 ounces of whole milk, whereas the slices contained only about 70 percent as much calcium. To provide evidence for a defense resting on the assumption that the claims were essentially "immaterial," Kraft commissioned Professor Jacob Jacoby of New York University to conduct a survey of consumer reactions to the claim. After some introductory questions, respondents in this telephone survey were told that "although each slice of Kraft Singles is made from 5 ounces of whole milk, it does not contain as much calcium as 5 ounces of milk. One slice actually contains 70 percent of the calcium in 5 ounces of milk." Then they were asked whether they would continue buying or stop buying Kraft Singles in light of that information. Ninety-six percent said they would continue buying. Thus, the survey provided support for Kraft's position that the claim was unlikely to affect consumers' choice. In spite of this evidence, the FTC declared it "insufficiently probative to rebut the evidence in support of the materiality of the milk equivalency claim."

Richards and Preston[53] argue that the Commission has, through it presumptions in the *Kraft* case, created a nearly impossible situation for advertisers. Advertisers must prove a negative: that their claim was not important to any significant number of reasonable consumers in any way relevant to any conduct related to the product. To reject such evidence, the Commission need only argue that some group of reasonable consumers was overlooked or that some conduct or relevance was ignored. Much relates to how materiality should be tested. The authors suggest comparing the importance of the implied falsity with that of the truth. However, the focus needs to be shifted from whether the claim is likely to affect consumer behavior to whether it is *more likely* than a true claim to have such an effect. As they state, "If consumers will take the same action (e.g., purchase) whether the claim is true or false, that claim can hardly be considered important to their 'choice of, or conduct regarding, the product.' "

A related issue is the dissemination of nutrition information. The Nutrition Labeling and Education Act of 1990 required the Food and Drug Administration to implement sweeping changes in the regulations governing food labeling. Pauline Ippolito and Alan Mathios[54] summarize the major features of the labeling requirements and analyze the likely impacts on the flow of nutrition information to consumers. They concluded that although much in the new rules was likely to improve consumer information, there were serious concerns. In the attempt to prevent deceptive claims, the new rules also eliminated the potential for many types of truthful, nonmisleading claims that could generate unnecessary losses for consumers. The authors argue that use of health claims in advertising and labeling plays an important role in educating the public about diet and health and in improving food choices. Good consumer policy should focus as much on increasing the flow of truthful information as it does on stopping deceptive claims.

In a similar vein, David Stewart and Ingrid Martin[55] examined the question of the intended and unintended consequences of warning messages and labels. They concluded that warnings tend to inform rather than persuade consumers and consumers selectively attend to warning messages. Because of multiple effects of warnings and the varying responses of different groups of consumers, warning messages should be carefully designed and should be designed using empirical research rather than just expert opinion or judgment.

DETERMINING DECEPTION USING ADVERTISING RESEARCH

The crucial issue in deceptive advertising is often the determination of how the advertising claims are perceived by consumers and what impact such perceptions have on consumer behavior. Since these issues are also central to copy testing and to the evaluation of an advertising campaign, it would be natural for the FTC and the courts to avail themselves of the methodologies of advertising research. Until the late 1960s, however, there was actually little consumer research employed in this context. Several factors inhibited the use of consumer research on perceptions.

1. The FTC simply was not required by the courts to develop evidence—subjective judgment was held as adequate.
2. The use of independently commissioned survey research is somewhat inconsistent with the traditional adversary system of justice wherein each side submits arguments and evidence to support a position. To an attorney, agreeing to a carefully conceived and conducted survey might be too much like calling a prestigious witness without knowing which side his or her testimony will support.

3. There are methodological difficulties and pitfalls in any study. The population must be defined, a defensible sampling plan created, and questions designed to pass tests of unbiasedness and validity. Additional pressures on any research design are created in the legal context by opposing lawyers and experts who will try to discredit it. Some early survey efforts were badly flawed by using small, unrepresentative samples and naive questionnaires.

4. Defendants have lacked motivation to introduce survey evidence because it could be used against them. In the 1963 *Benrus Watch* case, a survey showed that 86 percent correctly interpreted an ad, but the FTC used the fact that 14 percent had been deceived as evidence against Benrus.[56]

Over the years, the reluctance to use consumer research to determine how advertising is perceived and how it impacts consumers has gradually declined for two reasons. First, the consumer research community has both advanced their methods and worked to apply them in the legal setting. Several prominent consumer researchers have worked for the FTC, for example, and thereby have helped show how research methods can be applied to determine the impact of deception upon perceptions, beliefs, and behavior. Second, the courts, seeing the power of consumer evidence, especially concerning perceptions, have begun to look for such evidence and be suspicious when it is missing or flawed.

FTC Commissioner Deborah Owen and Attorney Joyce E. Plyler[57] reviewed the role of empirical evidence in regulation cases. They argued that objectivity is best achieved through the use of empiricism and that copy tests are the most scientific method of measuring actual consumer perceptions. However, disputes over methodological flaws may undermine the empirical evidence and the Commission may have no choice but to rely on a more subjective interpretation of the ad. It is important that the Commission understand what flaws in methodology are fatal and what flaws do not significantly affect the accuracy of survey findings. And, copy tests may not be feasible or other kinds of marketing research and expert testimony may be more useful. The basic question remains of whether it is possible for the Commission to establish a coherent set of guidelines for the use of extrinsic evidence in support of its standards as to what constitutes "reason to believe." There is a set of guidelines on claims substantiation and they might be used in developing reason to believe guidelines. In determining the degree of substantiation necessary for an objective product claim, the Commission considers:

1. **The type of claim.**
2. **The type of product.**
3. **The benefits of a truthful claim.**
4. **The consequences of a false claim.**
5. **The cost of developing substantiation.**
6. **The amount of substantiation experts in the field believe is reasonable.**

Preston[58] reported on a content analysis of evidence introduced in deceptive advertising cases. The focus was on evidence that was rejected because it was unable to establish the factual finding it was introduced to support. It was found that a very significant amount of such "erroneous evidence" was submitted and that the invalidity and consequent rejection were predictable in advance based on the professional knowledge of lawyers and researchers. One reason is the nature of legal action and the nature of the interaction between lawyers and researchers. The result is considerable waste. Preston suggests that the FTC should develop guidelines by having legal writers analyze and synthesize all relevant decisions into brief expressions that summarize points as usable rules.

Richards[59] has proposed a method for gathering empirical evidence that goes beyond the typical Burke in-home, day-after recall tests or in-theater recall tests done by Audience Studies, Inc. It uses a modified semantic differential measured not only for the test ad but also for a control condition and "true" and "false" communications presented as memo text, not ad copy or layout. The communications are presented to sampled subjects in a laboratory "without editorial or programming context." Subjects also rate product attributes on a materiality scale such as "would or would not affect my decision." There are five treatments for each ad, separately measuring ad belief, ad comprehension, a true and false memo, and a control treatment for separate sets of subjects. The method is called *RPI*, or *Relative Proximity Index.*

What Is an Acceptable Level of Misperception?

A key lingering issue had been the determination of the "acceptable" level of misperception. What percent of an audience needs to be mislead for deception to occur? In general, levels under 5 percent are considered to be irrelevant and are ignored. However, as the *Benrus Watch* case illustrates, levels as low as 15 to 20 percent have been deemed high enough to support a finding that deception exists. In the 1972 *Firestone Tire* case, the FTC concluded that if 10 percent of the audience perceived the claim that the Safety Champion tire was free of any defects and safe under any conditions, that level was substantial.[60]

To develop a guideline as to what level of miscomprehension should be expected in an average ad, the American Association of Advertising Agencies sponsored a study. Respondents were exposed to a set sixty television ads and were asked six true/false questions about each (and a series of editorial messages). A remarkably consistent finding (both using ads and the editorial messages) was that about 30 percent of the content was miscomprehended. The implication is that any baseline under 30 percent is unfair and unrealistic.

Others have concluded that a close examination of the study suggests that any baseline measure should be less than 30 percent. First, the study involved a single exposure to a broad audience in an artificial situation, whereas most advertising involves multiple exposures in natural settings and a target audience.[61] Second, some of the questions were ambiguous, poorly worded, or immaterial. Third, the measure used may not be appropriate. Other measures, based upon unaided recall, for example, might generate much lower levels. In addition, there is a concern that the study focused on literal miscomprehension, whereas much of deception involves claims that are literally true.

Preston and Richards also make the case that some miscomprehension is eradicable and should not be considered a baseline.[62] For example, "I don't have no bananas" is ambiguous but could be easily revised to remove the ambiguity.

There is no question that miscomprehension does occur. The question is: What should the "baseline" level be in a particular context? The standard will surely depend on the context. If health and safety are involved, only very low or even zero levels of misperception might be tolerated. However, if the "danger" in buying the wrong soap or toothpaste is modest, higher levels can be tolerated.

REMEDIES

The FTC has a variety of remedies at its disposal and must select the remedy most appropriate to the situation. Among the remedies are the cease-and-desist order, restitution, affirmative disclosure, and corrective advertising.

Cease-and-Desist Orders

The *cease-and-desist order,* which prohibits the respondent from engaging further in the deceptive practice, is actually the only formal procedure established by the FTC Act for enforcing its prohibition of "deceptive acts and practices." It has been criticized as being a command to "go and sin no more," which has little practical effect. Due to procedural delays, it is not uncommon for several years to elapse between the filing of the complaint and the issuance of the order. In one extreme case, it took sixteen years for the commission to get the "Liver" out of Carter's Little Liver Pills.[63] During the delay, the advertising can go on. By the time the cease-and-desist order is issued, the advertising may have served its purpose and another campaign may be underway anyway.

Restitution

Restitution means that the consumer is compensated for any damage. For example, the FTC required a mail-order company to make restitution in the form of full refunds for its skin cream, diet plans, vitamin supplements, and other products that had advertised claims not adequately substantiated.[64] Restitution is rarely considered because of its severity.

Affirmative Disclosures

If an advertisement has provided insufficient information to the consumer, an *affirmative disclosure* might be issued.[65] Affirmative disclosures require "clear and conspicuous" disclosure of the omitted information. Often the involved information relates to deficiencies or limitations of the product or service relating to matters of health or safety. Kenrec Sports, Inc., was ordered to disclose certain limitations to its swimming aid, such as adding a statement that the device was not a life preserver and should always be used in shallow water.[66] Medi-Hair International was required to devote at least 15 percent of each advertisement for its baldness concealment system to the limitations and drawbacks of the system for one year.

Corrective Advertising

Corrective advertising requires advertisers to rectify past deception by making suitable statements in future commercials.[67] The concept is illustrated by the 1971 Profile Bread case, the first case for which corrective advertising was a part of the remedy.[68] The consent order agreed to by Continental Baking specified that 25 percent of the next year's Profile Bread advertising had to include a FTC-approved message, such as the following:

> *Hi, I'm Julia Meade for Profile Bread. Like all mothers, I'm concerned about nutrition and balanced meals. So, I'd like to clear up any misunderstanding you may have about Profile Bread from its advertising or even its name. Does Profile have fewer calories than any other brands? No. Profile has about the same per ounce as other brands. To be exact, Profile has seven fewer calories per slice. That's because Profile is sliced thinner. But eating Profile will not cause you to lose weight. A reduction of seven calories is insignificant. It's total calories and balanced nutrition that count. And Profile can help you achieve a balanced meal because . . .*[69]

There was some evidence that the sales of Profile Bread suffered as a result of the corrective advertising.

The 1975 FTC corrective advertising order against Warner-Lambert's Listerine is important because it was appealed all the way to the Supreme Court.[70] Listerine had advertised for over fifty years that gargling with Listerine mouthwash helped prevent colds and sore throats by killing germs. The order required them to include the statement, "Listerine will not help prevent colds or sore throats or lessen their severity" in $10 million of advertising, which was equal to the average annual Listerine expenditure during the prior ten-year period.

Listerine implemented the order by embedding the statement in a commercial featuring two couples, each with a husband finding himself having "onion breath." One couple used Scope and the other Listerine. The wife using Scope sniffed her husband's breath and said that she didn't know that "clinical tests prove Listerine fights onion breath better than Scope." The other replied, "We always knew." The corrective disclosure appeared midway in the thirty-second spot as follows: "While Listerine will not help prevent colds or sore throats or lessen their severity, breath tests prove Listerine fights onion breath better than Scope."

Three field studies basically found that the corrective advertising had a modest impact. In day-after recall tests, only 5 percent mentioned the corrective message when asked to describe the ad; it was the fourth most recalled message in the ad.[71] Two studies focused on before-after changes in beliefs about Listerine. One, using four waves of telephone interviews, found a reduction of about 20 percent in overall deceptive beliefs about Listerine's effectiveness.[72] The other, an FTC study, consisted of seven waves of questionnaire mailings which garnered 10,000 returned questionnaires (a 70 percent response rate) from the Market Facts consumer panel.[73] Beliefs that Listerine is effective for colds and sore throats fell about 11 percent (14 percent for Listerine users). The amount of mouthwash used for colds and sore throats dropped 40 percent, but a substantial level of misperception about Listerine effectiveness remained after the campaign.

The Listerine case clearly established the FTC's authority to order corrective advertising, but it also served to raise some important issues. Any remedy should be nonpunitive in nature and should not be burdensome. How do you determine whether the corrective advertising is generating damage to sales or image? Any remedy should preserve First Amendment rights to express ideas. What about those ideas that are counter to the corrective message's claims? Can an advertiser simply decide to stop advertising, thereby avoiding corrective advertising?

One problem with corrective advertising is that it has usually resulted in lawyers writing copy and insisting that it be run some arbitrary length of time. William Wilkie has observed that the much more sensible approach would be to give the advertisers a communication task and let them achieve it any way that they can.[74]

Such an approach was partially applied in the *Hawaiian Punch* case.[75] Hawaiian Punch used a catchy jingle, "Seven Natural Fruit Juices in Hawaiian Punch," together with fruit photos even though it contains only 11 to 15 percent fruit juice. Hawaiian Punch agreed to disclose the actual fruit juice content of the product ("contains not less than 11 percent natural fruit juice"). The disclosure was to run until a specified survey found that 67 percent of fruit drink purchasers are aware that Hawaiian Punch contained less than 20 percent natural fruit juice. A series of seventeen semiannual telephone surveys indicated that relevant perceptions were slow to change.[76] Over the period between 1974 and 1982, the proportion of consumers who believed that Hawaiian Punch had 20 percent or less fruit juice increased from 20 percent (1974) to 40 percent (1975) to 50 percent (1982). The target was reached only after nine years of advertising.

The implementation of the communication objective approach to corrective advertising will always face difficulties. The problem of ascertaining how misperception and its effect are to be measured and the appropriate target level of misperception that should be obtained reappears in this context. Judgments on such questions are required to set communication objectives. Obviously, a zero misperception level is not generally feasible. Yet regulators and the general public to which they must answer have difficulty accepting realistic standards. A key is to know whether the advertiser is making a good faith effort toward the objective. Copy testing could logically be used to address this point, but the parties would have to agree in advance on relevant and suitable tests, a difficult prospect. Another problem is the cost of measuring deception over time. The tracking required to measure the impact of the commercials—no problem for large advertisers, who do that anyway—could be costly for smaller advertisers and may require the government to share some of the costs.

Corrective advertising has only rarely been considered since the Listerine case, largely because of the difficulties in deciding on the target objective. However, it remains an important option and serves to focus attention on the central issues in deception cases.

COMPETITOR LAWSUITS

Another mechanism that inhibits deceptive advertising is the possibility of *competitor lawsuits*, in which firms charge that false advertising has caused them damage. In one case, a suit was successfully brought by Honeywell against a competitor who supplied replacement parts to Honeywell's safety control systems and had incorrectly claimed that its products had comparable quality and ease of replacement to that of Honeywell.

During the last decade, the 1946 Lanham Trademark Act has been broadened to provide the basis for suits in which a competitor has been disparaged in a comparative ad. In one visible case, an automatic rental firm, Jartran, ran a series of ads that were judged to have damaged U-Haul.[77] In one ad, a special introductory Jartran price was compared to U-Haul's usual price, implying a price difference that did not exist. In another, older, smaller U-Haul trucks were compared to new larger Jartran trucks, incorrectly implying a difference between the average truck in the two fleets.

In most cases, the relief is an injunction to stop the offending practice. However, a wide range of remedies exit. In the Jartran case, the firm was ordered to replace $6 million in lost U-Haul profits and another $13.6 million to compensate for U-Haul's corrective advertising outlay. Another $20 million was assessed because the action was judged to be willful and malicious.

SELF-REGULATION

Self-regulation is another vehicle to combat deceptive advertising by national advertisers. In place in the United States since 1971, it is intended to provide a fast, flexible alternative to FTC and the courts. Complaints from consumers or competitors are investigated by the National Advertising Division (NAD), an arm of the Council of Better Business Bureaus (CBBB). In evaluating a complaint, NAD normally requests that the advertiser submit substantiation for the claims made in the challenged advertisements. If the complaint is judged to be justified and substantiation found to be inadequate, the advertiser is requested to modify or withdraw the challenged advertising. The finding can be appealed to a panel drawn mostly from the advertising industry.

The self-regulation process does provide remedies in a meaningful number of cases—perhaps 100 cases each year are brought before the NAD. Although the penalties are relatively minor—a case can generate negative publicity, or bring in the FTC, or suggest to major media that they deny access to the offender—as a practical matter nearly all advertisers comply with NAD findings. The biggest value, however, is probably to provide a forum to establish standards for advertisers and to make visible issues regarding deception in advertising.[78]

In one series of eleven rulings by the NAD, three involved claims that were substantiated.[79] For example, Revlon supplied independent research to support its claim that Colorsilk, a hair-coloring product, promises color that is rich, true, and lasting and hair that feels silkier and looks healthier.

The other eight companies either modified or discontinued their advertising. Curtis Mathes failed to mention that labor charges were not included when advertising its four-year limited warranty on its television sets. Hall of Music in television advertisements offered over eighty of the world's greatest masterpieces in a two-album collection. The NAD was concerned that the consumer might believe that he or she was getting the entire selection instead of excerpts. Louis Marx in television advertisements for Big Wheel, a ride-on toy, used the disclaimer, "assembly required." The children's unit of NAD felt that simpler wording is needed for child-directed advertisements. E. J. Brach advertised that "We still use fresh, natural ingredients, so Brach's tastes better than other candy." The NAD indicated that some clarification was required, since some artificial coloring and flavoring is used.

A useful review and critique of self-regulation programs is given by Herbert Rotfeld.[80] He argues that self-regulation is not sufficient to protect the consumer interest fully, and it is not valid to assert that self-regulation alone makes government programs unnecessary. Because government is the motivating force for business cooperation with self-regulation, the power of self-regulation declines as government enforcement activity is cut back. Without the threat of government action, Rotfeld argues, only the most altruistic of firms would ever pay heed to self-regulation directives. In sum, if you are for stronger self-regulation you must also be for vigilant government activity![81]

SUMMARY

Conceptually, deception exists when an advertisement is input to the perceptual process of some audience and the output of that perceptual process (1) differs from the reality of the situation and (2) affects buying behavior to the detriment of the consumer. The legal definition has been influenced by a formal 1983 FTC position which stated that deception will be found if there is a misrepresentation or omission that is likely to mislead a consumer acting responsibly to the consumers detriment.

A misrepresentation or omission can occur in at least nine situations:

1. **Suggesting that a small difference is important.**
2. **Artificial product demonstrations.**
3. **Using an ambiguous or easily confused phrase.**
4. **Implying a benefit that does not fully or partially exist.**
5. **Implying that a product benefit is unique to a brand.**
6. **Implying that a benefit is needed or that a product will fulfill a benefit when it will not**

7. **Incorrectly implying that an endorser uses or advocates the brand.**
8. **Omitting a needed qualification.**
9. **Making a claim without substantiation.**

Puffing, the subjective statement of opinion concerning a product's quality, using terms such as "best," is permissible. However, the definition of what is puffery and deception has been narrowed over time. The 1983 FTC statement narrowed the definition of deception from "having the capacity to deceive a substantial number of consumers in a material way" to "material and likely to mislead consumers acting 'reasonably' under the circumstances." Thus the "unthinking and credulous" seem no longer to be protected.

Consumer research was rarely used in deception cases until the 1970s for several reasons. The FTC's subjective judgment was deemed adequate, legal adversaries were not comfortable using advertising research as evidence, there were methodological difficulties and defendants feared that consumer research would be used against them. A key issue is to determine the acceptable level of misperception. The AAAA study based upon single exposures to ads found that around 30 percent of claims made in commercials are misperceived, about the same level found in other television programming. The appropriate level will clearly be a function of the situation and the measure used.

The FTC has several available remedies. Cease-and-desist orders prohibit the defendant from engaging further in the deceptive practice. Restitution provides compensation to those deceived. Affirmative disclosure requires that missing information be disclosed in a clear and conspicuous manner. Corrective advertising seeks to eliminate the effects of prior misleading advertising. Efforts to employ corrective advertising by requiring the insertion of some phrase in the ads generally has had little impact. A more useful remedy would be to demand corrective advertising aimed at some communication objective. The difficulty is to establish that objective.

Deception in advertising can also be controlled by competitor lawsuits and by self-regulation. The Lanham Trademark Act has been used as a vehicle to combat damage when a competitor is disparaged unfairly in a comparative ad. The advertising industry has developed an ambitious program of self-regulation, which rests largely on the support of industry itself. It has provided relatively fast and effective results in comparison to action using the FTC or the courts.

DISCUSSION QUESTIONS

1. In your judgment, are the following deceptive?
   a. Geritol (tired blood).
   b. Wonder Bread (the implied uniqueness issue).
   c. Colgate-Palmolive (the use of simulated sandpaper).
   d. Efficen (implying a benefit that doesn't exist).
2. For the advertisements of the products in question 1, how would you use advertising research to help determine whether deception is present?

3. All advertisements have the capacity to deceive some audience members. For example, if an ad merely showed a picture of a glass of milk, some people would believe that the advertisement was falsely implying that everyone must drink at least one glass of milk a dav because that belief has been ingrained in them. Comment.
4. Evaluate the following proposals:
   a. Advertising for brands that are, for all practical purposes, identical to competitors' should be eliminated.
   b. The use of live models or spokespeople should be eliminated.
   c. Only the product itself, with no background scenes, can be shown in an advertisement.
5. The FTC is concerned about the use of endorsements by celebrities or experts (as opposed to the use of ordinary people or a "slice-of-life" dramatization). What guidelines would you suggest that would help ensure that such advertisements would not be deceptive? Illustrate how your guidelines would apply by considering examples.
6. If a brand is not substantially different from its competitors, should its advertisements state that fact? What would be the effect of such a rule?
7. Pornography, which is protected by free speech guarantees, is judged by whether the average person applying contemporary community standards believes the dominant theme appeals to prurient interests. What is the standard applied to advertising? Is that appropriate? Should the rights of business to inform be specified by the FTC? What guidelines should be used in interpreting surveys designed to measure deception?
8. If the FTC holds that inadequate substantiation exists for an advertising claim, it has held responsible not only the manufacturer but also the agency preparing the advertising, the media running it, and the celebrity used in the advertisement to endorse the product. Comment on this policy.
9. Identify three advertisements that contain claims that should have prior substantiation.
10. In some corrective advertising proposals, a one-year period and 25 percent of advertising budgets were suggested as the extent of the corrective advertising effort. How should the percentage and the time period be determined? How should it vary with products and situation? Give examples.
11. How would you determine if the National Advertising Review Board is effective at resolving complaints concerning deceptive advertising? If its concern is broadened to include issues of taste, how do you think it will perform in that regard? How would you then measure performance?
12. In a survey of 200 people, 90 percent recognized the *Good Housekeeping* Seal, 50 percent relied upon it for purchasing decisions, and 29 percent believed that the product met federal quality and safety standards, but no one interviewed recognized that the seal was given only to advertisers. Should such a seal be continued? What role does it have in consumer decision making?
13. Develop four or five central ideas of an advertising code for children.
14. Some argue that comparative advertisements in which one or more competitors are explicitly named are unfair to competitors and tend to be deceptive

and therefore should be illegal. Such advertisements are, in fact, illegal in France, Belgium, Spain, and Italy. Comment.

15. Comment on the AAAA study of miscomprehension levels. Does 30 percent provide a benchmark level of miscomprehension that should be used in deceptive advertising cases?

NOTES

1. For a review which includes other relevant journals, see Debra A. Laverie and Patrick E. Murphy, "The Marketing and Public Policy Literature: A Look at the Past Ten Years," *Journal of Public Policy and Marketing*, 12, no. 2 (Fall 1993), 258–267.
2. Jef I. Richards, "FTC or NAAG: Who Will Win the Territorial Battle?" *Journal of Public Policy and Marketing*, 10, no. 1 (Spring 1991), 118.
3. *Enforcement of National Advertising Regulations*, CCH Trade Regulation Report No. 97, March 20, 1990, p. 1.
4. Ira N. Millstein, "The Federal Trade Commission and False Advertising," *Columbia Law Review*, 64 (March 1964), 439.
5. *Sears, Roebuck & Co.* v. *FTC*, 258 Fed. 307 (7th Cir. 1919).
6. *FTC* v. *Raladam Co.*, 258 U.S. 643 (1931).
7. Dennis A. Yao and Christa Van Anh Veechi, "Information and Decisionmaking at the Federal Trade Commission," *Journal of Public Policy and Marketing*, 11, no. 2 (Fall 1992), 1–11. For a book-length treatment of advertising legislation, see Ross D. Petty, *The Impact of Advertising Law on Business and Public Policy* (Westport, CT: Quorum Books, 1992).
8. Jef I. Richards, "FTC or NAAG: Who Will Win the Territorial Battle?" *Journal of Public Policy and Marketing*, 10, no. 1 (Spring 1991), 118–132.
9. FTC (1983) at 689–690. For an analysis of this definition, see Gary T. Ford and John E. Calfee, "Recent Developments in FTC Policy on Deception," *Journal of Marketing*, 50 (July 1986), 82–103 and David M. Gardner and Nancy H. Leonard, "Research in Deceptive and Corrective Advertising: Progress to Date and Impact on Public Policy," in *Current Issues and Research in Advertising*, ed., James H. Leigh and Claude R. Martin, Jr. vol. 12, no. 2 (Ann Arbor: University of Michigan Graduate School of Business, 1989), 275–309.
10. Thomas C. Kinnear and Ann R. Root, "The FTC and Deceptive Advertising in the 1980s: Are Consumers Being Adequately Protected?" *Journal of Public Policy & Marketing* (1988), 40–48.
11. Ross D. Petty, "Advertising and the First Amendment: A Practical Test for Distinguishing Commercial Speech from Fully Protected Speech," *Journal of Public Policy & Marketing*, 12, no. 2 (Fall 1993), 170–177.
12. *P. Lorillard Co.* v. *FTC*, 186 F.2d 52 (4th Cir. 1950).
13. *Hutchinson Chem. Corp.*, 55 FTC 1942 (1959).
14. This is a classic case in which product demonstrations were found deceptive and which introduced the term "corrective advertising" into marketing. See "Marbles in the Soup," *Advertising Age*, October 17, 1994, p. 25ff.
15. *Volvo North America Corp. et al., and Scali, McCabe, Sloves, Inc.*, CCH #23,041 (Aug. 1991): BNA ATRR No. 1530 (Aug. 22, 1991), 244.
16. *FTC* v. *Sterling Drug, Inc.*, 215 F.Supp. 327, 330 (S.D.N.Y.) aff'd 317 F.2d 699 (2d Cir. 1963).
17. *Bristol-Myers Co.*, 46 FTC 162 (1949), aff'd 185 F.2d 58 (4th Cir. 1950).
18. *Nestlé Food Co.*, CCH #23,091, FTC File No. 9123160 (Oct. 1991); BNA ATRR No. 1540 (Nov. 7, 1991), 577.
19. *Gary E. Peel* v. *Attorney Registration and Disciplinary Commission of Illinois*, CCH #69,046 (S. Ct., June 1990); BNA ATRR No. 1469 (June 7, 1990), 883.

20. Ivan L. Preston, "Communication Research in the Prosecution of Deceptive Advertising." Lecture given at the University of Texas, May, 1986.
21. *General Electric Co.*, CCH #23,279, FTC Fole No. 912 3366 (Nov. 1992); BNA ATRR No. 1590 (Nov. 12, 1992), 587.
22. *Stouffer Food Corp.*, FTC Dkt. 9250, CCH #23,082 (Oct. 1991).
23. "FTC to Issue Consent in Wonder Case," *Advertising Age*, November 5, 1973, p. 1.
24. *Miller Brewing Co.* v. *Anheuser-Busch, Inc.*; *G. Heilman Brewing Co., Inc.* v. *Anheuser-Busch, Inc.*, CCH #67,881 (DC E WI, Dec. 1987); BNA ATRR No. 1349 (Jan. 21, 1988), 89.
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19 ADVERTISING AND SOCIETY

"[illegible] of advertising is largely [illegible] wrangling as to the relative merits of two [illegible] compounds. In a truly [illegible] society, 90 percent of people employed by advertising would be able to engage in productive occupations."
([illegible] Tragedy of Waste, 1925)

"[illegible] is more than advertisements alone. It is [illegible] part of our society, a social force [illegible] and affected by our style of life."
([illegible] Advertising in America)

[illegible] broad social and economic issues have been raised concerning the role of advertising in society. In 1759, Dr. [illegible] suggested that advertisers had moral and social questions [illegible]:

The trade of advertising is now so near to perfection, it is not easy to propose any improvement. But as every art ought to be exercised in due subordination to the publick good, I cannot but propose it as a moral question to these matters of the publick ear. Whether they do not sometimes play too wantonly with our passions.[1]

Since then, advertising has been studied, analyzed, defended, and attacked by individuals representing a wide spectrum of professional interests, including economists, sociologists, politicians, businessmen, novelists, and historians.

A STRUCTURING OF THE ISSUES

The central issues of advertising and society can be divided into three categories, as depicted in Figure 19–1. The first category represents the nature and content of the advertising to which people are exposed. Is the practice of advertising inherently unethical? Are appeals used that manipulate consumers against their will? There are a variety of issues associated with taste. Is advertising too repetitious, too silly, too preoccupied with sex? Does it irritate or offend the audience member? Finally, there are questions about the fairness of advertising to children, es-

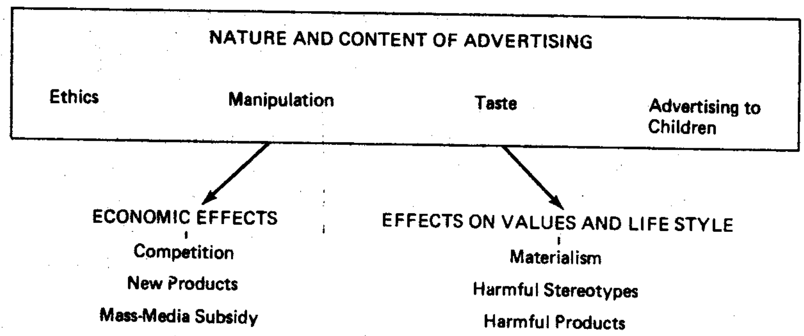

Figure 19–1. Structuring the issues.

pecially when the sugar products involved could adversely affect their health. In essence, this category, the nature and content of advertising, considers the means rather than the ends of advertising, the means being the copy and media tactics used.

The remaining two categories represent the aggregate effects of advertising on society as a whole. These are often called secondary consequences or effects. One of these is the effect on society's values and lifestyles. There are those who believe that advertising competes with or dominates such other socialization agents as literature, plays, music, the church, the home, and the school; that it fosters materialism at the expense of other basic values; that it may serve to reinforce sexual or racial discrimination; or that it promotes harmful products. The second is the effect of advertising on society's economic well-being and on the efficiency of the operation of the economic system. To what extent can the power of advertising lead to the control of the market by a few firms, which will weaken competition and raise consumer prices? What is the economic value of advertising as an efficient mechanism for communicating the existence of new products? To what extent does it subsidize mass media?

NATURE AND CONTENT OF ADVERTISING . . . . . .

Ethics

Is it ethical to advertise cigarettes or to engage in alcohol advertising, which might persuade young people to start smoking and drinking? These and other questions of advertising and marketing *ethics* have become subjects of heated debate in recent years. Two new book-length treatments of marketing ethics have appeared in the early 1990s.[2] Gene Laczniak[3] notes that literature on marketing ethics has moved from nonmainstream into mainstream publications and that a much wider range of ethical issues and concerns are now being addressed such as packaging, professional services advertising by physicians, attorneys, and accountants, and emerging social issues about environmental or "green marketing." In other words, advertising and marketing ethics is being legitimized as a regular subject for teach-ing and research. There are now various normative and descriptive models of ethics. Normative models attempt to assemble the factors that ought to be weighed in reaching ethical decisions. Descriptive models focus on describing the processes marketers use in adjudicating a marketing issue. And, efforts are being made to test empirically some of the propositions from these models.

Donald Robin and R. Eric Reidenbach[4] argue that the direct adaptation of moral philosophy principles to marketing is unsuitable. Marketing must develop its own philosophy of ethics. Time, history, and context are important considerations that constrain the appropriateness of traditional moral theories. Moral philosophies are designed to prescribe how humans should behave, not how business organizations should behave. Three important constraints on marketing are imposed by society, capitalistic objectives, and human capacities and limitations. The degree to which any of the basic marketing functions are ethical or unethical must be measured within our understanding of their history, the times and context in which they are applied, the expectations of society, the requirements of capitalism, and our best understanding of human nature. For example, it is not appropriate to claim that marketing is unethical because it is profit-oriented or because it distributes utility according to merit rather than some other way. And persuasion should not be considered ethical or unethical until we understand the setting in which it is applied—it could be ethical in a sophisticated advanced society and unethical in a developing country. Puffery is another good example of where the situation is of particular importance in understanding ethical and unethical marketing behavior. Alan Dubinsky and Barbara Loken[5] have developed a model which addresses some of these issues.

Ethics has received increased attention in recent years because of business and government practices which have aroused public ire and indignation such as stock market scandals, insider trading on Wall Street, the collapse of savings and loan associations resulting from unethical (but not necessarily illegal) behavior, junk bonds, defense procurement, and crooked politicians. John Kenneth Galbraith, a famous economist, argues that we are undergoing an economic hangover from a "Binge of Greed " in the 1980s.[6] Donald Kanter[7] argues that events such as these have produced a nation of cynics and that this cynicism spills over into people's views toward advertising. Many are challenging the ethics of agency executives who accept commissions for developing advertising to sell cigarettes, for example. S. D. Hunt and L. B. Chonko[8] found that agency executives are not as concerned about the ethics of their behavior as they are about agency/client/vendor relations and about the effectiveness of the advertising message. Many corporations are making ethical issues a proactive part of the planning process and are creating the position of ethics officer.[9] Martin Marietta created a board game called Gray Matters to alert employees to ethical dilemmas and to teach the company's ethical standards.[10] In response to the increasing attention and concern, many of the nation's leading business schools have incorporated ethics courses into the curriculum.

There is considerable overlap between what many consider to be ethical issues in advertising and the issues of manipulation, taste, and advertising's effects on values and lifestyles reviewed in this chapter. In what follows, we will therefore consider ethics from these various viewpoints. In the next section, for example, we review motivation research in the context of the manipulation issue. Although the motivation research user may not have absolute power over consumers, there are still ethical questions associated with its use. Is the practice of conducting depth interviews to attempt to isolate hidden motives acceptable? It is one thing to probe in an analyst's office for medical reasons but another to do so in the home or laboratory for commercial reasons. Can interviewers be sure that such an experience will not do psychological harm? And, what about the common situation wherein a respondent is not told the actual purpose of the interview? These issues really focus on the research effort itself.

Does Advertising Manipulate?

Perhaps the essence of a free marketplace and a free society is the freedom to make decisions of various kinds, or in this context, the freedom to select or not select a particular brand. There are those who fear that this freedom is circumscribed by the "power" of advertising—that advertising is so effective it can manipulate a buyer into making a decision against his or her will or at least against his or her best interests in allocating his financial resources.

The argument takes several forms. First, there is concern with the use of motivation research, the appeal to motives at the subconscious level. Second, there is the use of indirect emotional appeals. Finally, there is the more general claim of the power of scientific advertising to persuade—to make people believe things and behave in ways that are not in their own or society's best interests.

Motivation Research

Motivation research is an approach that draws on the Freudian psychoanalytic model of consumer decision making. It assumes that important buying motives are subconscious, in that a respondent cannot elucidate them when asked an opinion of a brand or a product class. Thus, a person may dislike prunes because of a subconscious association of prunes with old age or parental authority but may not consciously realize the existence of this association and its relevance to purchasing decisions. A consumer may actually prefer a cake mix that requires the addition of an egg because it subconsciously satisfies the need to contribute to the baking process, although she or he consciously believes that the only reason is that a fresh egg adds quality.

Motivation research made a strong impact on marketing in the 1950s; many saw it as a decisive and powerful marketing tool. Furthermore, it received widespread attention beyond marketing professionals by such books as Vance Packard's The *Hidden Persuaders*.[11] The result was a feeling that advertising could indeed identify subconscious motives and, by playing on these motives, influence an unsuspecting public. The result was an Orwellian specter of the consumer's subconscious being exposed and manipulated without his or her knowledge.

The concept of the consumer being manipulated at the subconscious level reached its zenith with a subliminal 1956 advertising experiment by James Vicary. In a movie theater, he flashed the phrases, "Drink Coke" and "Hungry, Eat popcorn" on the screen every five seconds.[12] The phrases were exposed for 1/3,000th of a second, well below threshold levels. The tests, which covered a six-week period, were reported to have increased cola sales by 57 percent and popcorn sales by 18 percent. The concept of subliminal advertising operating at the subconscious level really suggested manipulation. However, this test lacked even rudimentary controls and has not been replicated. Furthermore, many other tests of subliminal communication in an advertising context have had negative results. There is, therefore, an overwhelming consensus among the advertising professional community that subliminal perception simply does not work.

Joel Saegert,[13] however, has suggested that perhaps this conclusion might be premature. One marketing study did generate significantly greater "thirst ratings" by subjects exposed subliminally to the word *Coke* than other subjects exposed to a nonsense syllable word. Furthermore, psychologists have been able to increase indications of existing traits such as depression, homosexuality, and stuttering by subliminal stimuli, but only where these traits already existed in the subjects.[14] Clearly, these studies only raise the possibility that subliminal communication might be able to bring unconscious motives to the surface, not that it could create or change motives.

We now know that motivation research, for better or worse, was oversold, and that motivation research knowledge does not give an advertiser anything approaching total control over an audience. Motivation research does have a role to play in developing effective advertisements, however. It has been particularly useful in providing insight, in suggesting copy alternatives, and in helping creative people avoid approaches that will precipitate undesirable reactions. Most people probably make choices most of the time for reasons they are aware of, particularly in situations in which real economic risk is involved. Unlike the situation of having the receiver totally under the control of the persuader, popularized in brainwashing experiments, advertising does not control a receiver's options. Although marketing professionals have accepted the reduced scope of motivation research, the layperson is still haunted by the specter of the "hidden persuaders."

Emotional Appeals

The communication of factual information about a product's primary function is usually accepted as being of value to the consumer. However, when advertising utilizes appeals or associations that go beyond such a basic communication task, the charge of manipulation via *emotional appeals* is raised. Tibor Scitovsky declared

> *To the extent that it (advertising) provides information about the existence of available (buyer) alternatives, advertising always renders the market more perfect. If advertising is mainly suggestive and confined to emotional appeal, however, it is likely to impede rational comparison and choice, thus rendering the market less perfect.*[15]

The implication is that consumers will be led to make less than optimal decisions by such emotional appeals. The FTC reviewed several hundred proposed television commercials. FTC Commissioner Mary Gardiner Jones observed that "a typical theme running through these commercials is to hold the product out as the pathway to success and happiness and the antidote to what is otherwise a drab, boring, or lonely life. Thus, dishwashing liquids are advertised as sweeping away the dullness of life. They are the housewife's pathroad to beauty and romantic excitement. Their use will make the whole world soft and gentle. Bath soaps have a similar rejuvenating capacity. Use of these products is associated with cool sophistication, weddings, traveling, entertainment and enjoyment of life at its unhampered best. . . .[16]

These observations are related to issues of deception. The line between artistic license and deception is something hard to draw. Is an advertisement an innocent, entertaining exaggeration that few will take seriously, or is it really capable of deceiving? Jones's observations also involve some definitional issues. How should such basic concepts as product, needs, rationality, and information be defined? Raymond Bauer and Stephen Greyser have noted that different people writing about advertising have radically different perceptions of these key concepts.[17]

Consider the word *product*. The critic views a product as an entity with only one primary identifiable function. Thus, an automobile is a transportation device. The businessperson is concerned with a product's secondary function, because it may represent the dimensions upon which the product differentiation rests. The automobile's appearance might provide a mechanism by which the individual can express his or her personality. High horsepower and superior handling may provide an outlet for an individual's desire for excitement.

Another key concept is *need*. The critic sees consumer needs as corresponding to a product's primary function. Thus, there is a need for transportation, nutrition, and recreation. The businessperson, on the other hand, takes a much broader view of consumer needs, considering any product attribute or appeal on which real product differentiation can be based as reflecting legitimate needs—needs that are strong enough to affect purchase decisions.

Two other central concepts are *rationality* and *information*. The critic sees any decision that results in an efficient matching of product to needs, as he or she defines these terms, as rational. Information that serves to enhance rational decision making is good information. The businessperson contends that any decision a consumer makes to serve his or her own perceived self-interest is rational. Information, then, is any data or argument that will truthfully put forth the attractiveness of a product in the context of a consumer's own buying criteria.

In part, the resolution of these different perspectives will inevitably involve value judgments and honest differences in premises. To some extent, however, they involve assumptions about consumer decision making and utility theory that should be amenable to research. The challenge is to identify clearly, using a common vocabulary, the value judgments that are required and to isolate precisely the empirical questions.

Power of Modern Advertising

There also exists a somewhat more general claim that advertisers have the raw power to manipulate consumers. Many companies have the capacity to generate large numbers of advertisement exposures. Furthermore, some observers believe that these companies can utilize highly sophisticated, scientific techniques to make such advertising effective.

This book has, in fact, attempted to marshal scientific knowledge from theory and practice. The reader should by now be painfully aware of the limitations of the most sophisticated approaches available. The fact is that consumer-choice behavior is determined by many factors in addition to advertising—the advice of friends, decisions and lifestyles of family members, news stories, prices, distribution variables, and on and on. Advertising is but one of many variables, and it has a limited role. It can communicate the existence of a new automobile and perhaps induce a visit to a dealer, but it can rarely make the final sale. It can explain the advantages of a toothpaste and perhaps be influential in getting some people to try the brand, but it has little impact on their decision to repurchase it. There is an inexhaustible number of examples of huge promotional efforts for products that failed. If advertising had the power that some attribute to it, many of these products would still be with us.

Taste

Some critics feel that advertising is objectionable because the creative effort behind it is not in good taste. This type of objection was explored in a massive study conducted in the mid-1960s.[18] More than 1,500 people were asked to list those advertisements that they found annoying, enjoyable, informative, or offensive. Of the more than 9,000 advertisements involved, 23 percent were labeled as annoying and 5 percent as offensive. Although a portion of these advertisements irritated respondents because they were considered deceptive, the majority were so categorized for reasons related to questions of taste.

Advertising may not be omnipotent, but many contend that it is too omnipresent or intrusive. More than 42 percent of the annoying advertisements in the foregoing study were considered too loud, too long, too repetitious, or involved unpleasant voices, music, or people. Another 31 percent had content that was considered silly, unreal, boring, or depressing. Nearly one-fourth of the offensive advertisements were considered inappropriate for children. More than one-fourth of the offensive advertisements involved such products as liquor or cigarettes. A study by David Aaker and Donald Bruzzone found that of 524 prime-time television commercials, the top 8 most irritating commercials were the 8 commercials for feminine hygiene products like tampons.[19] Commercials for women's undergarments and hemorrhoid products were close behind. Clearly there is a strong product-class effect with respect to irritation with television advertising.

The Appeal

In an open letter to the *Detroit News* entitled, "You Dirty Old Ad Men Make Me Sick," a reader took issue with the use of sex in advertising. In making her case, she described several advertisements:

> *A love goddess runs down the beach, waves nibbling at her toes, her blond streaked hair sweeping back behind wide, expectant eyes. A flimsy garment clings to every supple curve. She runs faster, arms open, until finally she*

> *throws herself breathlessly into HIS arms. . . . Where's this scene? Right in your living room, that's where. Wild and passionately aroused, she can't stop herself. She runs her fingers through his hair, knocks his glasses off, and kisses him and kisses him again. . . . Who's watching? Your nine-year-old daughter as she sits on her stuffed panda bear and wipes jelly off her face.*[20]

The letter received considerable response from advertising professionals. Some argued that advertisements, as long as they are not obscene, reflect society and its collective lifestyles. They observed that nudity and the risqué are part of the contemporary world in which advertising is embedded. Others agreed that sex is overused and suggested that effective advertising can be created without titillating.

One problem is that television commercials have to create attention and communicate a message—and accomplish all this in thirty or even fifteen seconds—a demanding task, indeed. Another problem is that television reaches large, broad audiences. It is one thing to use a risqué approach in *Playboy* magazine and quite another to use it on prime-time television when the likelihood of offending is much greater.

Fear appeals have also been criticized. The intent of the fear appeal is to create anxiety that can supposedly be alleviated by an available product (insurance against a fire or a safe tire to prevent accidents) or action (stop smoking). There exists the possibility that such appeals may create emotional disturbances or a long-run anxiety condition in some audience members. The cumulative effects of such advertising may be highly undesirable to some, although it can also be argued that they quickly cease to have any significant degree of emotional impact and that the audience soon becomes immune to the messages.

Intrusiveness

To some people, advertising, especially television advertising, is often like a visitor who has overstayed his welcome. It becomes an intrusion. Greyser postulates a life cycle wherein an advertising campaign moves with repetition from a period of effectiveness, and presumably audience acceptance, to a period of irritation.[21] The cycle contains the following stages:

1. **Exposure to the message on several occasions prior to serious attention (given some basic interest in the product).**
2. **Interest in the advertisement on either substantive (informative) or stimulus (enjoyment) grounds.**
3. **Continued but declining attention to the advertisement on such grounds.**
4. **Mental tune-out of the advertisement on grounds of familiarity.**
5. **Increasing reawareness of the advertisement, now as a negative stimulus (an irritant).**
6. **Growing irritation.**

The number of exposures between the start of a campaign and the stage of growing irritation is obviously a key variable. On what factors will it depend? An important factor, of course, is the intensity of the campaign itself. Bursts of advertising that generate many exposures over a short time period will undoubtedly run a high risk of irritation. A second factor involves other advertising to which the audience is exposed. The cycle will be shorter if different brands and even different product classes use similar approaches. Advertisements involving similar demonstrations, spokespeople, jingles, or animation may be difficult to separate in the mind of an audience member. Campaigns for beer, soda, and menthol cigarettes, for example, have been perceived as being highly similar. Product usage and brand preferences are two additional factors affecting the cycle time period. Greyser noted that:

> *Consumers dislike only 21 percent of the advertisements for products used (19 percent annoying, 2 percent offensive), whereas they dislike 37 percent of advertisements for products they don't use (29 percent annoying, 8 percent offensive). For brand preferrers the tendency is even more marked: only 7 percent of advertisements for one's favorite brand are disliked compared with 76 percent of the advertisements for "brands wouldn't buy" (only product users included).*[22]

Still another factor is the entertainment value of the advertisement. Campaigns using advertisements with high entertainment value have demonstrated their ability to survive heavy repetition. An important issue is the determination of the link between liking and effectiveness. There is some evidence that the very pleasant and the very unpleasant advertisements are more effective than those in between. A disliked commercial may attract attention and communicate better than a bland commercial. Further, the negative feeling toward the ad may not get attached to the brand. The nature of the relationship will undoubtedly depend on the audience, the product, and other variables. Furthermore, there are several definitional and measurement problems involved.

The result is a decrease in the long-run effectiveness of advertising. It is in the best interests of advertisers to be concerned not only with the irritation caused by specific campaigns, but also with that caused by the impression of advertising in general. Twenty- or thirty-second television spots may be cost-effective for the brand but less so when the total impression of a cluttered media is considered.

Political advertising associated with elections to government offices has become increasingly vitriolic and the focus of much consumer and voter criticism. It is characterized by advertising in which one opponent launches a vicious and degrading attack on the ethics, morals, or law-breaking behavior of the other, followed by a counterattack by his or her opponent of a similar kind. This type of political advertising is often used as a very visible example of bad taste in mass communications, almost analogous to pornography, and adding further to the general cynicsm of voter attitudes towards politicians and government. The problem, of course, is that advocates of the negative advertising strategy have shown that in many instances it works and wins votes. As we have discussed in other parts of the book, negative advertising can be very effective in accomplishing a primary objective like wining an election, but can also result in undesireable secondary side-effects such as increasing cynical attitudes about politics and politicians.

Advertising to Children

Advertising to children has been a major focus of public policy and concern for many years. Groups such as ACT (Action for Children's Television) and CARU (Children's Advertising Review Unit) have been particularly active. CARU was established in 1974 by the National Advertising Division of the Council of Better Business Bureaus for the purpose of: (1) monitoring children's advertising for truth and accuracy, (2) evaluating proposed children's advertising, (3) promoting research into children's advertising, and (4) disseminating information to the public.[23]

In 1977, an FTC staff report recommended that: (1) all television advertising be banned for any product that is directed to or seen by audiences composed of a significant proportion of children who are too young to understand the selling purpose of the advertising, and (2) either balance televised advertising for sugared food products directed to or seen by audiences composed of a significant proportion of older children with nutritional and or health disclosures funded by advertisers or ban it completely. These proposals, which were intensely debated, were ultimately defeated in part because of changes in the political environment in the early 1980s.[24]

The proposals were based upon several facts and judgments. First, children between the ages of two and eleven spend about 25 hours per week watching television and see approximately 20,000 ads per year. About 7,000 of these ads are for highly sugared products. Second, there is evidence that some preschool children cannot differentiate between commercials and programming, cannot understand the selling intent of commercials, and cannot distinguish between fantasy and reality. Third, children between the ages of seven and twelve have difficulty balancing appeals of highly sugared products with long-term health risks—by age two, about one-half of children have diseased gums and decayed teeth. Fourth, there are no counterads for fruit and vegetables. Fifth, much of children's advertising is deceptive in that it omits significant information, such as the complexity and safety of operating toys.

Opponents of the proposals marshaled their own facts and judgments. First, banning television advertising to protect those children who do not understand the selling intent of commercials will deny advertisers the right of free speech to communicate with other audience members, who, in fact, constitute the great majority of the audience for most children's programs. Second, the FTC does not have the professional competence to serve as a "national nanny" deciding what children should be exposed to. Parents are generally both more competent and involved to help children interpret information and make decisions. Third, there is no evidence of a relationship between television exposure and the incidence of tooth decay. Further, there is very little evidence that eating the most heavily advertised products will cause tooth decay. Fourth, there is evidence that children are aware that fruits and vegetables are more nutritious than highly sugared foods. David Boush et al.,[25] in an experiment with middle schoolers, found that adolescents showed discernible patterns of beliefs about advertising tactics by grade 6.

Advertising skepticism appeared to be multidimensional, with components of disbelief in advertiser claims and mistrust of advertiser motives. Higher levels of knowledge about advertising tactics were positively related to increased skepticism of advertising.

In 1984, the decision of the Federal Communicaitons Commission (FCC) to lift guidelines limiting commercial time for children's advertising on TV was met with much criticism from public interest groups, and legislators. Later, in 1987, the Commission launched a review on whether limits should be reimposed and whether "children's programs based on toys are actually program-length commercials and, if so, whether they should be banned." Before the Commission acts against such programs, opponents have to prove that they cause more harm to children than good. The major issues are whether TV advertising to children is inherently unfair, whether it causes children to make poor product decisions, whether it increases parent-child conflict, and whether it results in undesirable socialization of children. The broader issues, particularly associated with toys and games that involve violence, are whether advertising of such games, or the games themselves, should be disallowed. A related question is whether advertising, even though it does not contain violent material, should be sponsoring television programs that do depict violent scenes that can be seen by children.

The controversy has generated an ongoing stream of research on the effects of children's advertising. Marvin Goldberg and Gerald Gorn[26] in a series of experiments generally confirm that advertising can influence children to select the advertised product (highly sugared cereals, candy, etc.) over more nutritious products. In one experiment,[27] for example, children who viewed candy commercials picked significantly more candy over fruit as snacks. Eliminating the candy commercials proved as effective in encouraging selection of fruit as did exposing the children to fruit commercials or nutritional public service announcements. M. Carole Macklin,[28] in studies of preschoolers, found in contrast to some widely held beliefs, that some were able to comprehend the informational role of TV advertising. Merrie Brucks, Gary Armstrong, and Marvin Goldberg[29] had nine- to ten-year-olds verbalize their thoughts while watching commercials, reasoning that the number of counterarguments produced would indicate the child's use of cognitive defenses. It was found that counterarguing occurred, but only when a cue was present to activate the process.

Deborah Roedder[30] identified three types of child information processing: (1) *strategic*—for ages ten to eleven years old and older, (2) *cued*—six to ten years old, and (3) *limited*—under six years old. Strategic processors can evaluate a product's appeal with greater sophistication because they can store information about the selling intent, other products, and past experiences. Prompts can be used to encourage use of storage and retrieval strategies by cued processors but would not benefit limited processors very much. Thomas Barry[31] developed the following set of guidelines for determining when children's advertising can be considered deceptive: (1) preexamination of questioned advertisements, (2) sample selection to obtain relevant and representative children, (3) determination of the understanding level of the children, (4) measurement of appropriate responses, (5) determination of whether deception does exist, (6) determination of the impact of the deception, (7) making a final decision concerning continuation of the ad campaign or a cease and desist order with or without corrective advertising. The Children's TV Act of 1990 requires broadcasters to provide programming that serves the educational and informational needs of children and must limit the amount of advertising for any programming aimed at children.[32] One criticism is that the Act is to general in specifying what content is "educational and informational." Some stations have attempted to use public service announcements and programs such as the Flintstones and G.I. Joe to satisfy the regulations. In Europe, a Broadcast Commission Directive on advertising was adopted in 1989 that banned subliminal techniques, banned tobacco and prescription medicine ads, and set conditions for advertising alcohol and ads aimed at children.[33]

EFFECTS ON VALUES AND LIFESTYLES . . . .

Advertising by its very nature receives wide exposure. Furthermore, it presumably has an effect on what people buy and thus on their activities. Because of this exposure and because of its role as a persuasive vehicle, it is argued that it has an impact on the values and lifestyles of society and that this impact has its negative as well as positive side. Richard Pollay,[34] in an article titled, "Quality of Life in the Padded Sell . . . ," for example, states that appeals to mass markets tend to promote conformity; appeals to status promote envy, pride and social competitiveness; appeals to fears promote anxiety; appeals to newness promote disrespect for tradition, durability, experience, or history; appeals to youth promote reduced family authority; and appeals to sexuality promote promiscuity.[35]

The key issues are which values and lifestyles are to be encouraged as healthy, which are to be avoided, and what relative impact or influence advertising has on them. Despite their difficulty and their relationship to deep philosophical questions, they are well worth addressing to illuminate judgments and assumptions about our market system and society that are too often glossed over.[36]

It is interesting that the issues are hotly debated at the international level, and that countries, particularly third world countries, are vitally interested in them.. The United Nations' UNESCO organization, for example, put together a sixteen-member commission to study the "totality of communication problems in modern society."[37] The commission's report, which became known as the *MacBride Report* (named after the Irish diplomat Sean MacBride who headed the commission), produced eighty-two recommendations directed largely at the potential dangers of advertising and the needs for controls on advertising practices. As might be expected, reactions to the report were highly polarized with support largely coming from third world countries and opposition coming from industry representatives in developed countries.

Three issues that have attracted particular attention are (1) the relationship of advertising to materialism, (2) the role that advertising has played in creating harmful stereotypes of women and ethnic minorities, and (3) the possible contribution of advertising in promoting harmful products.

Materialism

Materialism is defined as the tendency to give undue importance to material interests. Presumably, there is a corresponding lessening of importance to nonmaterial interests such as love, freedom, and intellectual pursuits.

Bauer and Greyser argue, however, that although people do spend their resources on material things, they do so in the pursuit of nonmaterial goals.[38] They buy camping equipment to achieve a communion with nature, music systems to understand the classic composers, and an automobile for social status. The distinctive aspect of our society is not the possession of material goods, but the extent to which material goods are used to attain nonmaterial goals. Bauer and Greyser thus raise the issue of whether material goods are a means to an end rather than an end in themselves. In making such an evaluation it is useful to consider how people in other cultures fulfill nonmaterial goals. The leader in a primitive culture may satisfy a need for status in a different way from someone in our culture, but is the means used really that relevant? Russell Belk and others[39] have begun a systematic series of studies into materialism in American society showing its manifestations in advertising, comic books, television programming, swap meets, and the role of consuming and consumption in many facets of life generally. Belk has developed a materialism scale based on measures of possessiveness, nongenerosity, and envy. It was tested using three generations of family members. Middle-generation members showed the highest acceptance of materialism values. Materialism tends to be negatively related to happiness.

Does advertising create or foster materialism or merely reflect values and attitudes that are created by more significant sociological forces? Mary Gardiner Jones develops the argument that advertising, especially television advertising, is a contributing force:

> *The conscious appeal in the television commercial . . . is essentially materialistic. Central to the message of the television commercial is the premise that it is the acquisition of things which will gratify our basic and inner needs and aspirations. It is the message of the commercial that all of the major problems confronting an individual can be instantly eliminated by the application of some external force—the use of a product. Externally derived solutions are thus made the prescription for life's difficulties. . . . In the world of the television commercial all of life's problems and difficulties, all of our individual yearnings, hopes—and fears—can yield instantly to a material solution and one which can work instantly without any effort, skill or trouble on our part.*[40]

Associating advertising with materialism, of course, does not demonstrate a causal link, as Commissioner Jones would be the first to recognize. In fact, such a link is impossible to prove or disprove. It is true that advertising and the products advertised are a part of our culture and thus contribute to it in some way. It is also true, however, that advertising does not have the power to dominate other forces (family, church, literature, and so on) that contribute to the values of society.

Rebecca Quarles and Leo Jeffres,[41] in a study of fifty-three countries found little support for John Kenneth Galbraith's view that advertising is a pervasive force in altering consumer spending and savings habits. The authors conclude that income appears to lead to consumption, which, in turn, leads to advertising. Susan Spiggle,[42] in a content-analysis study of underground comics, found that, contrary to expectations, even counterculturists adopt materialistic values. Underground comics were dominated by materialistic concerns and more positively depicted materialistic pursuits than Sunday comic strips. Counterculturalists do not reject materialism but simply adapt it to their lifestyles.

Thomas Lipscomb,[43] in a study of boys and girls in the first, third, fifth, and seventh grades, found that materialism tends to develop earlier in boys than girls and that older children talk about consumer products to a substantially greater degree than younger children. Michael Jacobson founded a Washington nonprofit organization called the Center for the Study of Commercialism to "oppose the excess of marketing messages that crowd out socially beneficial messages."[44] Jacobson believes that advertising, even if scrupulously honest, promotes materialism, envy, insecurity, greed, and selfishness, and that marketing expenses should be taxed to reduce the volume of ad messages. Kim Corfman, Donald Lehmann, and Sunder Narayanan,[45] in a study of 735 adults and their purchases of consumer durables, found that the most important values determining the utility for durables were social values, stimulation, and materialism. Self-oriented values and warm relations with others had smaller effects. Materialism significantly increased the utility of 79 percent of the durables studied. Richard Pollay and Bonwari Mittal,[46] in a study of 188 students and 195 heads of households, found that most experienced conflict in evaluating advertising—a conflict between its personal uses and economic value and its potential for cultural degradation.

The issues to which we now turn concern the role of advertising in creating harmful stereotypes and in promoting harmful products.

Promoting Stereotypes

The accusation that advertising has contributed to the role stereotyping of women and ethnic minorities has been supported by several studies. In 729 advertisements appearing in 1970, none showed women in a professional capacity, whereas 35 of them so portrayed men.[47] The authors concluded that the advertisements reflected the stereotype that women do not do important things, are dependent on men, are regarded by men primarily as sex objects, and should be in the home. Harold Kassarjian, a UCLA psychologist, examined print advertising in 1946, 1956, and 1965 and found that only one-third of 1 percent of the advertisements contained African Americans, that the African Americans in the ads of the 1940s were in low-status roles, that the African Americans of the 1960s tended to be entertainers, and that the appearance of African Americans as true peers was sparse.[48]

A host of questions are raised. Does role stereotyping continue in advertising? What negative impact does advertising have in creating stereotypes, or what positive force does it have in breaking them down? In the absence of definitive answers to these questions, what should the advertisers' position be? Should countering role stereotypes be one objective of advertising? It is known that role portrayals of women in advertising which are consistent with the roles played by women in the viewing audience is more effective than when the roles are inconsistent. Thus, advertising showing women in traditional roles is less effective with an audience of professional women, and vice versa.[49]

Promoting Harmful Products

There is a national concern with the problems of alcohol and cigarettes. Local legislators have increased taxes to around 45 percent of total alcohol sales and toughened drunk-driving laws. Happy Hours have been banned in several states. Twenty-three states have complied with a federal law to increase the drinking age to twenty-one or lose highway funds. The Surgeon General's report on tobacco and lung cancer has led to a wave of calls for increased legislation and proposals to ban cigarette advertising.

Concerning alcohol, a group calling itself SMART (Stop Merchandising Alcohol on Radio and Television) has proposed a ban on wine and beer advertising. There have been other less severe proposals as well. Some have suggested counterads which would dramatically "advertise" the health disadvantages of drinking. Similar movements against cigarettes were effective and led to the banning of cigarette advertising on television. Others have proposed that beer advertising (like wine advertising) stop using sports figures in their advertising. There is already a ban on the use of active athletes and actual drinking in beer commercials.

The basic argument is that alcohol, like cigarettes, is a "harmful" product. Alcohol is unhealthy for the individual and is indirectly responsible for injuries and deaths resulting from drunk drivers. Why encourage people to use alcohol via advertising? The use of sports stars whom kids admire suggests that alcohol is not only harmless but that it is associated with fun-loving, healthy people.

There are a variety of counterarguments. First, there is no evidence that advertising, which is geared toward brand choice rather than increasing consumption, affects total alcohol consumption.[50] Multicountry studies do not indicate that those countries, such as Finland and Norway, which already ban alcohol advertising on television, have lower consumption than other countries, such as the United Kingdom, which do not. Over time, observations are similar. Beer advertising has increased substantially in the first half of the 1980s, while sales dropped around 12 percent during the same period. On the other hand, per capita alcohol consumption has risen during the past thirty years at the same rate as in western Europe, without, of course, any advertising. In addition to this basic counterargument, there is also the suggestion that

- A ban of advertising would prohibit product innovation that may be helpful. For example, firms have introduced products such as the wine coolers and the low-alcohol beers.
- The real goal is to return to alcohol prohibition, which did not work—it only created a revenue source for gangsters and made lawbreakers of the rank and file of America.
- Many other products could be criticized on similar grounds. Should advertising for automobiles be banned when high performance and sportiness is stressed since that could contribute to reckless driving?

An interesting study by Camille Schuster and Christine Powell[51] showed that the Sloan-Kettering Report linking cancer and smoking, warning labels on cigarettes, and implementation of the Fairness Doctrine, which gave equal time to antismoking messages in the 1950s and 1960s, all resulted in declines in cigarette consumption. However, in all cases, the declines were short-lived and consumption would generally recover and continue upward a year or so after the announcements. In contrast, the outright banning of cigarette advertising on radio and television in 1970 had little negative impact on cigarette consumption. In fact, consumption increased after the ban was put into effect. Thus, outlawing advertising in the case of either cigarettes or alcohol may not be the most effective way of handling the problem.

The Special Case of Cigarettes

There is little question that health and cigarette industry officials disagree on the effects of cigarette smoking on public health and that there is a significant battle going on in the United States surrounding the issue of cigarettes and smoking. It is a battle of gargantuan proportions, involving what appears to be the decline of a huge tobacco products industry, many government departments, a large and newly aggressive health care industry, and all forms of mass media. It is in reality an enormous social science experiment involving competitive forces attempting to influence a specific kind of consumer behavior. On one side, there are dozens of government and nonprofit organization agencies and groups trying to stop smoking behavior, and on the other giant corporations trying to maintain and encourage it. This section briefly reviews some of the claims and counterclaims and the forces at work in this interesting national debate. In particular, the focus is on the tools and strategies that have been used in the fight to reduce or eliminate smoking in the United States.

Actually, the fight over tobacco and cigarette advertising has been going on in one form or another for many years. An array of tools and strategies, arrayed on a contiuum of regulatory severity ranging from minor to major impact, have been used in attempting to decrease tobacco consumption. They include: (1) legislation prohibiting use of the product in public places, (2) antismoking campaigns, (3) taxation, (4) lawsuits against tobacco companies, (5) warning labels in packaging and advertising, and (6) legislation prohibiting various forms of cigarette advertising and promotion. All may be considered factors contributing to a decrease in, or cessation of, consumption. Not included is the industry that has evolved to serve those who want to quit smoking using products such as nicotine patches, gums, candies, and prescription drugs as well as organizations and clinics engaged in the business of smoking cessation.

Tobacco companies obviously want to maintain or increase cigarette consumption. Apart from their normal use of advertising to promote specific cigarette brands (there is very little primary demand advertising in the cigarette industry per se), the industry has invested heavily in lobbying efforts and educational and promotional campaigns to counter the tide of negative publicity. In an article titled, "Tobacco Money Lights Up Congress," Dan Coughlin maintains that African

Americans are a particularly important segment for tobacco companies and that African American delegations continue to take money from the companies. He also cites an example of a congressman who was able to earmark $200 million from federal cigarette taxes to prop up the tobacco price-support system while, at the same time, strongly opposing excise taxes.[52] William Beaver[53] maintains that as the domestic market continues to shrink, tobacco companies will increase overseas operations, particularly in western Europe and the former Soviet Union. Whereas the old socialist regimes severely restricted marketing U.S. tobacco products, that is not the case today. Thomas Hopkins, an economist at the Rochester Institute of Technology, claims that regulation (not just tobacco regulation) is costing business nearly $400 billion per year, and there is certainly much antiregulation sentiment both in business and among the population generally.[54]

The beginnings of the decline of the tobacco industry have been traced to the 1964 Surgeon General's report linking smoking to lung cancer. Warning labels on cigarette packages followed, and, by the early 1970s, cigarette advertising was banned from broadcast media. Although 47 percent of the adult population smoked in 1967, by the late 1980s, it has declined to 32 percent. Many companies have begun to limit or ban smoking on the job as more and more attention is directed to the harmful effects of "secondhand" smoke. Corporate costs attributed to smoking have been identified as associated with sick leave, higher insurance premiums, greater legal liability, and worker morale. A new industry has developed to help smokers kick the habit. One estimate is that smokers spent about $250 million in efforts to quit smoking in 1991.[55] The evidence that smoking is addictive and causes serious health problems is very strong, although industry executives have publically denied these allegations. Lonnie Bristow[56] maintains that smoking kills nearly one-half million Americans each year, more than all the other preventable causes of death combined. A large portion of the $4 billion spent on tobacco advertising in 1994 was directed to children, and some 3,000 children start smoking every day. Smoking has been implicated in heart disease, lung and other cancers, miscarriage, and numerous other types of ailments. Based on a National Center for Health Statistics Report of adolescent smokers, boys are more likely to smoke than girls, white teenagers more likely than minorities, and teens from troubled families smoke the most.[57]

Perhaps the most significant factor in decreasing the incidence of smoking has been state legislation which bans smoking in public places. Industries such as the airlines have taken the lead in creating smoke-free airplane flights, but the most significant actions have occurred via legislation which bans smoking in government buildings and eating establishments, airports, and so on. Much legislative activity also focuses on restricting smoking in workplaces and whether companies have the right to deny employment to workers who smoke. Peter Jacobson et al.,[58] in a study of tobacco control initiatives in New York, Minnesota, Florida, Illinois, Texas, and Arizona, concluded that it is very difficult to enact strong statewide tobacco control legislation because of the manner in which the legislative debate is framed, the relative dearth of leadership by medical and health organizations and the complex interaction between statewide antismoking legislation and local smoking ordinances.

Bruce Samuels et al.[59] report on the campaign for passage and implementation of Pittsburgh's Smoking Control Ordinance, in which proponents at first sought to keep it noncontroversial. The tobacco industry attempted to defeat the ordinance by generating controversy. After a year of implementation, each side tried exactly the opposite tactic! As of 1991, James Coil and Charles Rice[60] reported that although most states have statutes governing the practice of smoking in public or private workplaces, none imposes an absolute ban on smoking while at work. However, some employers have adopted a policy of employing a smoke-free workforce. In response, fifteen states have enacted statutes protecting workers from being hired or discharged based on their off-the-job use of tobacco. David Ludington[61] argues that businesses that permit smoking in the workplace are acting unethically because tobacco is the number one cause of premature death. And, nonsmokers who are exposed to tobacco smoke are adversely affected. He states that 36 percent of all organizations have a restrictive smoking policy but that the majority of businesses do not ban smoking. William Weis[62] reported that consumer surveys have shown that a majority of employees, including a majority of smokers, want stronger smoking restrictions at work. The tobacco companies have fought the efforts by commissioning studies to ridicule companies that have chosen to implement clean-air policies.

In recent years, national, regional, and local antismoking advertising campaigns have been mounted by a variety of public health and medical groups such as the American Medical Association, The American Heart Association, the American Lung Association, The American Cancer Society, and many others. Former Surgeon General C. Everett Koop and Attorney General Janet Reno have been vocal antismoking advocates. Senator Edward Kennedy introduced the Tobacco Product Education and Health Protection Act in November 1989. The bill would have established a Center for Tobacco Products to organize federal education efforts aimed at convincing people to stop smoking. The bill would have also granted authority to states, counties, and cities to regulate tobacco ads or warning statements on cigarette packages.[63] The heightened amount of antismoking advertising and publicity has probably contributed significantly to a decrease in smoking, but relatively little well-designed empirical research has been done on this important question. In terms of resources, it is not clear how much has been spent by antismoking agencies to decrease smoking demand. On the other hand, we know fairly well what industry spends on advertising cigarette brands. We turn to this next.

Table 19–1 shows sales and earnings data on leading cigarette manufacturers for 1992 and 1993. Sales and earnings are shown for the parent companies to provide perspective. Philip Morris, the parent of Philip Morris USA tobacco, had sales of almost $61 billion in 1993 and about $26 billion of this total was generated by its tobacco subsidiary, Philip Morris USA. Philip Morris also owns Kraft General Foods, and food sales make up most of the remainder. Unlike all of the other major tobacco manufacturers, Philip Morris USA actually increased sales by 1.2 percent from 1992 to 1993. Marlboro, PM's flagship brand, holds about 23 percent of the market and dominates all others.[64] Much of the 1993 sales increase was the result of the success of the low-priced brand, Basic, which had gained a 5.3 percent market share by 1993. Table 19–2 shows advertising expenditures for brands of five

Table 19–1. Sales and Earnings of Leading Tobacco Companies, 1992–1993 (millions of dollars).

Parent	1992	1993	% Change	Tobacco subsidiary	1992	1993	% Change
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Table 19–2. Advertising Expenditures of Leading Cigarette Brands, 1992–1993 (thousandsof dollars).

	1992	1993	% Change
Phillip Morris USA			
Marlboro	85,899	75,650	−11.9
Virginia Slims	19,025	17,388	−8.6
Merit	31,233	10,159	−67.5
Basic	0	7,817	NA
R.J. Reynolds Tobacco Co.			
Camel	22,987	42,912	86.7
Winston	14,279	17,604	23.3
Now	0	5,919	NA
Lorillard, Inc.			
Newport	35,948	34,536	−3.9
Kent	5,320	8,353	57.0
Lorillard	3,465	7,060	105.8
Brown & Williamson Tobacco Co.			
Kool	5,712	20,532	259.4
Capri	13,698	15,175	10.8
Viceroy	12	10,576	NA
Raleigh	4,827	5,418	12.2
American Tobacco Co.			
Misty	14,887	8,974	−39.7
Carlton	18,359	8,632	−53.0

Adapted from Advertising Age, *September 19, 1994.*

companies. About $75.7 million was spent on Marlboro advertising in 1993, down from about $85.9 million in 1992. Philip Morris also reduced advertising for Virginia Slims and Merit, as did American Tobacco for its Misty and Carlton brands. In contrast, R. J. Reynolds, Lorillard, and Brown & Williamson increased their advertising expenditures for most of their brands. The ad investment in Kool jumped 259 percent, to over $20 million, and Camel was increased 86.7 percent, to about $43 million.[65]

Another antismoking tool has been taxation and so-called "sin taxes." A tobacco tax, Proposition 99, for example was approved in California and tobacco taxation has been proposed as a major source of revenue in redesigning the nation's health care system. Congressman Fortney Stark proposed two bills, one to make tobacco growers repay $7.2 billion Stark claims they cost Medicare and Medicaid each year for treatment of lung cancer and emphysema, and the other to eliminate the deductibility of advertising expenses for tobacco products. Neither bill made it out of the House Ways and Means Committee.[66]

Lawsuits in which private citizens or government bodies bring suits against tobacco companies have been another antismoking force. Maria Mallory[67] reports that tobacco cases are now attracting well-heeled plaintiffs' lawyers who are bringing class action lawsuits alleging that millions of people have been hurt by addiction and that states are now becoming involved. In early 1994, Florida Governor Lawton Chiles successfully introduced legislation described as the toughest ever aimed at the tobacco industry. The law authorized the state of Florida to sue cigarette makers for reimbursement of about $300 million a year in Medicaid expenses for smoking-related illnesses.

An interesting case concerns "Joe Camel," a cartoon character used by R. J. Reynolds in advertising Camel cigarettes. The issue was whether the character would entice minors to smoke. Even though the Camel campaign did not feature children and did not run in media that were oriented to children under eighteen, the Federal Trade Commission expressed concern over the possibility of "spillover" exposure that would reach young children. The case raised fundamental issues of how the FTC should attempt to prove whether the Joe Camel advertising did target minors. R. J. Reynolds admitted trying to appeal to younger smokers, but only those of legal age. Many of the issues reviewed in the last chapter about the meaning of deception, materiality, and numbers of consumers deceived were raised in this case.[68] New nonprofit organizations in the business of opposing the cigarette industry have proliferated. For example, an organization called Stop Teenage Addiction to Tobacco (STAT) publishes a quarterly called *Tobacco and Youth Reporter*, which chronicles industry techniques for targeting children.[69]

One of the most striking antismoking ideas is to regulate tobacco as a controlled substance like marijuana and bring it under the purview of the Federal Drug Administration. It implies virtual prohibition of tobacco products if the regulations make it illegal to smoke cigarettes under normal circumstances.

Rising cigarette prices pushed by increases in federal, state, and local taxes can be considered another antismoking factor. Very little published research appears to have been done on the topic; for example, is there a price at which smokers would reduce smoking drastically or "disadopt" the product by breaking the habit altogether?

Warning labels pointing out the health risks of smoking have been included on cigarette packages and in cigarette advertising since the Federal Cigarette Labeling and Advertising Act of 1965 and the Public Health Cigarette Smoking Act of 1969. The effects of warning labels are difficult to trace and the growing literature on the topic tends to show mixed results. Stewart and Martin[70] reviewed the large literature on warning messages (over 130 articles on the subject were cited) and concluded that warnings inform rather than persuade consumers and that consumers selectively attend to them. Like advertisements, warning labels can experience wear-out and possible negative consumer reactions. Caution is needed in designing warning labels because of the multiple effects and because of varying responses from different groups of consumers. Michael Hilton[71] focused on alcohol warning labels and concluded that awareness of the warning label was only moderately high. Consumers knew the hazards described by the label but the evidence that labels changed perceptions of risk is mixed. There is little or no evidence that risk-related behaviors such as heavy drinking were changed by labels. However, label designs can probably be significantly improved.

Banning cigarette advertising rather than banning the product is a final strategy that characterizes antismoking efforts. Cigarette advertising is prohibited over broadcast media (television and radio) but is permitted in print media (magazines and newspapers). Lester Johnson and Robert McAuliffe[72] reviewed the subject. As early as 1986, prominent health organizations and a professional medical association were calling for a ban on all types of tobacco product promotion. But opponents of a ban argued as follows. First, there is a failure to show a link between advertising and aggregate cigarette demand. Second, there is a possible violation of First Amendment rights in not being allowed to advertise a legal product. Third, there is protection afforded commercial speech. On the other hand, ban proponents argued that the consequences of tobacco's use may persuade some legislators to focus on the ethics of promoting the nation's leading cause of avoidable premature death.[73] Whether you are a dedicated smoker more interested in living for the day than in extending your lifespan or a nonsmoker worried about your own lungs or those of a loved one, this debate is one of the most interesting and important in recent advertising and marketing history. How it plays out will affect many people and organizations over the coming decade.

Green Marketing

The environmental movement has spawned a number of new issues about advertising and its effects on values and lifestyles that are briefly reviewed in this section. Advertising has been a part of the Environmental Protection Agency (EPA) and other profit and nonprofit organization efforts to encourage recycling, energy conservation, and many ecologically positive behaviors. It has been the vehicle through which the nation has received a great deal of information and education from cleaning up waste dumps to preserving spotted owls. Many corporations have recognized the importance of social responsibility and have taken appropriate steps to become more environmentally responsible. A recent trend has been for corporations to begin using environment appeals in marketing regular products. This so-called *green marketing* has been challenged on a number of grounds.

Thomas Hemphill[74] reports that by 1995, consumers will spend $8.8 billion on environmentally friendly, "green" products, nearly five times more than the $1.8 billion spent in 1990. One problem is that advertisers have seized on environmental advertising claims as an effective way to sell products and services. In addition, puffery and exaggeration are often considered appropriate strategies. Such strategies have lead to a rise in regulatory attention and activity. For example, the Environmental Protection Agency has attempted to establish environmental labeling standards and has supplied voluntary guidelines on the use of terms such as "recycled" and "recyclable." Companies such as Procter & Gamble have developed product and packaging labeling programs to increase consistency and make it easier for consumers to locate and understand environmental information. Many of the issues are definitional. What does *natural* mean? Harold Takooshian and Richard Tashjian[75] point out that natural products appeal to consumers who equate terms such as *synthetic* and *artificial* with bad, unhealthy, and undesirable. The result is the danger of rejection of important new products and scientific discoveries, new forms of plastics for example, that might be viewed as "unnatural."

A comprehensive review of legal standards for environmental marketing claims was done by Jason Gray-Lee, Debra Scammon, and Robert Mayer.[76] Environmental claims such as shaving creams that "contain no CFCs", laundry detergents that are "biodegradable," and disposable diapers that are "degradable," require special scrutiny because they are especially likely to confuse consumers. How could a consumer verify that a brand's packaging contained recycled materials? A seller may not be able to control recycling in a particular community for which recycling claims are being made. What does "environmentally friendly" really mean? One result is that, in 1992, the FTC published a set of guidelines, *Guides for the Use of Environmental Marketing Claims*, to address some of the definition problems. Between 1990 and 1992, forty-eight cases were brought against marketers making environmental claims. In the first ten months of 1993, the FTC issued an additional sixteen consent orders relating to environmental claims. The claims that have been the focus of attention are: general claims such as "safe" pesticides or "environmental" formula, solid waste claims—Hefty trash bags are "degradable," ozone-related claims such as "ozone-friendly" and "ozone-safe," recyclability claims, and others. Independent organizations such as Scientific Certification Systems and Green Seal grant environmental seals of approval and evaluate products on attributes such as recycled content. One reaction is that advertisers have become much more cautious in using environmental appeals. California has proposed stringent definitions of terms such as *ozone-friendly, biodegradable, photodegradable, recycled*, and *recyclable*.[77] Use of the terms outside the boundaries of the state-written definitions carries criminal sanctions. If the ruling stays in effect, national advertisers must either fashion separate environmental appeals for California, ignore California, or let the California statute dictate the advertising to be used in all other states. What happens in this case may well determine much about the future of green marketing.

Health Claims and Food Marketing

Another area of controversy that has stirred much attention and national debate about advertising and marketing practices is the use of *health claims*, particularly in food advertising. Americans have become much more health-conscious, and companies have moved forcefully to produce food and other products that can lead to healthier lives. As in the case of green marketing, the public policy problem is that some claims may be considered deceptive and mislead consumers.

Special attention has been given to the use of seals of approval for food[78] and of in-ad disclosure of health warnings.[79] Pauline Ippolito and Alan Mathios[80] studied the ready-to-eat cereal market when producers were prohibited from advertising cereals' health benefits but were later permitted to make health claims. Results showed that health claims led to significant increases in consumer knowledge of the fiber-cancer relationship, in fiber-cereal consumption, and in product innovation. In contrast, government and general information sources had limited impact on fiber-cereal choices. The authors conclude that policies governing producer use of health claims should be evaluated not only on how well they control deceptive or misleading claims, but also on how well they encourage producers to disseminate evolving health information to consumers.[81] The Nutrition Labeling and Education Act (NLEA) was passed in 1990 and requires the Food and Drug Administration to implement major changes in regulations governing food labeling. For example, with some exceptions for small firms and raw produce and fish products, all product labels must contain a nutrition panel showing the nutritional values of the contents.[82]

All the foregoing issues in one way or another deal with the nature and content of advertising and its effects on values and lifestyles. We turn now to a look at advertising and society from the viewpoint of advertising's economic effects.

ECONOMIC EFFECTS OF ADVERTISING . . . .

It is unreasonable to separate the economic and social impact of advertising. The social issues, by themselves, tend to focus on the negative aspects of advertising—its intrusiveness, content that is in bad taste, and the possibly undesirable impact on values and lifestyles. If advertising were regarded solely on these grounds, it would be difficult to defend, despite the fact that much advertising is entertaining, some may even be of real artistic value, and some is directed toward supporting causes that are universally praised. Advertising is basically an economic institution. It performs an economic function for an advertiser, affects economic decisions of the audience, and is an integral part of the whole economic system. Thus an economic evaluation should accompany other types of appraisal of advertising. Here are some of the economic benefits of advertising:

1. **Advertising provides informational utility.**
2. **Maintains or enhances brand equity.**
3. **Supports the media.**
4. **Provides employment.**
5. **Reduces distribution costs.**
6. **Provides product utility.**
7. **Stimulates introduction of new products.**

Advertising provides information to consumers and can help them make better economic decisions than they would otherwise. The other side of the coin in many nutrition-related deceptive advertising cases is that banning the advertising would eliminate the increased awareness of nutrition issues that such advertising generates.

A study by David Aaker and Donald Norris of 524 prime-time television commercials suggests that even television advertising is perceived as informative by substantial groups of people.[83] On the average 18.1 percent of respondents (approximately 500 per commercial) checked the word *informative* from a list of twenty adjectives when asked to describe a commercial. The percentage was over 20 when snack and beverage items were excluded.

Advertising plays an important role in establishing and maintaining brand names.[84] A brand name identifies the source of a product and provides a construct by which a buyer can store information about that source. A buyer can reasonably assume that a manufacturer willing to risk large sums of money to tell about a product is not likely to let poor product quality damage the investment. The concept of *brand equity* was introduced in Chapter 10 to highlight the value of branding and brand names. Brand equity implies that brand names can add value to a product independent of any other production or marketing activities. Just adding the name Coca-Cola, for example, to a new soda drink adds value to the drink. The measurement of the value of the equity in a brand name is a challenging task which has become of particular importance for corporate mergers and acquisitions.

Advertising provides more than 60 percent of the cost of magazines, more than 70 percent of the cost of newspapers, and nearly 100 percent of the cost of radio and television.[85] For their support of the commercial television stations, advertisers receive approximately 15 percent of the airtime.[86] Although some broadcast media such as cable or pay television are, like magazines and newspapers, subscriber-supported, financial support from advertising is still dominant. Public radio and television is an alternative which is supported by donations and/or taxation.

In his 1925 book on the tragedy of waste, Stuart Chase stated that, in a truly functional society, 90 percent of the people employed by advertising would be able to engage in "productive occupations." There are many who would disagree. The proposition assumes that only *production* (or form utility) and not *marketing* (time, place, and possession utility) is productive. There are few in today's world that would argue that marketing has no role to play or does not add value. Advertising provides employment for significant numbers of people in both the United States and in other advanced industrialized countries. A million or more jobs are probably associated with the creation, production, and delivery of advertising in the United States alone.

As noted in Chapter 3, advertising is part of a total marketing program. Without advertising, the communication function would still remain but would probably have to be accomplished in some other way by retailers, salespeople, and so on. The alternative in many situations could cost significantly more. In 1964, cookie companies spent only 2.2 percent of sales on advertising, whereas cereal companies spent 14.9 percent.[87] However, the cookie companies spent 22.1 percent of sales on other selling and distribution costs, compared with 12.1 percent of sales for cereal companies. Cookie companies employed routemen to deliver goods and service the shelves. Cereal companies, however, had created sufficient consumer demand so that the retailer found it worthwhile to monitor the stock and the firms were relieved of this marketing expense. Cookie companies in effect shifted marketing cost from advertising to other marketing activities.

Advertising, by generating associations between products and moods, lifestyles, and activities, can add to the utility a buyer receives from the product. Most people do not buy cars solely to move from one point to another, but to achieve a feeling of independence, to express a personality, or to establish a certain mood or feeling. Evaluating the amount of utility, if any, that advertising adds to a product returns us to the fundamental issue raised earlier of the definition of such terms as "need" and "product." In a recent study of the contributions of advertising to productivity, the American Association of Advertising Agencies argues that innovation and high technology, as a primary source of productivity, should not be focused solely on cost reduction, but rather on "innovation for higher value."[88] The focus is on considering the total product. The argument is that the consumer's conceptual perception of the product is as significant as the physical characteristics and should be considered a product ingredient.

Advertising encourages new product development by providing an economical way to inform potential buyers of the resulting new products or product improvements. In many situations, innovation requires large research and development expenditures and substantial investments in production facilities. Advertising contributes by informing consumers about the existence of the innovation and encourages competition.

The development of new products and the improvement of existing products can mean an expanding economy with more jobs and investment opportunities and a product selection that is continually improving in breadth and quality.

Effect on Business Cycles

Advertising could theoretically be a tool to alleviate the economic pain arising from extreme swings in the business cycle. A knowledgeable businessperson, anticipating a booming economy and capacity production, should reduce advertising expenditures. Conversely, when the economy is weak and orders are needed, many firms should increase their advertising. Since the extremes of a business cycle cause inflation or unemployment, any mechanism to stabilize conditions would be an economic benefit. The problem is that many advertisers, especially those who tend to set their advertising budgets at a fixed percentage of sales, actually increase advertising when times are good and decrease it when sales are weak. These firms may thus actually increase the extremes of the business cycle instead of decreasing them. Julian Simon concluded that this tendency actually dominates and advertising expenditures generally follow the same course as the business cycle.[89] He also concluded that the potential of advertising to affect the business cycle is small, since decisions such as inventory investment are much stronger determinants of the nature of economic cycles. The evidence to date is that advertising has a negative though small impact in reducing the extremes of the business cycle.

ADVERTISING AND COMPETITION . . . .

The existence of vigorous competition is important to a market economy. Competitive forces lead to real product innovation, the efficient distribution of goods, and the absence of inflated prices. The question is: What impact does advertising have on competition?[90] There have been hypotheses put forth indicating that advertising can actually decrease the level of competition. For example, it is argued that heavy advertising expenditures in many industries generate strong brand loyalty that tends to create barriers to potential competitors. The hypothesized result is fewer competitors, less competition, and higher prices.

One measure of competition within an industry is the degree to which the sales of the industry are concentrated in the hands of a few firms. The specific construct is the concentration ratio; that is, the share of industry sales held by the four largest firms. When the concentration ratio exceeds 50 percent, price competition is theorized to be less vigorous and high prices result. Among the many industries that would qualify under this criterion are automobiles, aircraft, electric lamps, flat glass, primary aluminum, and household refrigerators and freezers.[91]

The concentration ratio as an indicator of market concentration and competition has intuitive appeal and is convenient, but there are conceptual and theoretical problems. The main problem is in defining the industry meaningfully. Theoretically, an industry should include all brands from which buyer choice is made. Does the cereal industry include instant breakfast, breakfast squares, and "pop tarts"? Do aluminum companies compete only with one another, or do they also compete with copper and steel companies? Should import competition be included? Another problem is that it does not reflect the distribution of market shares among firms. It is thus now largely replaced with HHI (the Herfindahl-Hirschman Index), which is the sum of the squares of the market shares of all the competitors. For example, the HHI of a four-firm industry would be 2,500 if all had 25 percent shares but would be twice as much if one firm had a 70 percent market share. George Milne[92] has developed a marketing approach to the measurement of industry concentration.

A Causal Model

Figure 19–2 provides a simplified causal model that summarizes various hypotheses suggesting that advertising contributes to a reduction of competition in the marketplace. The model introduces several crucial constructs such as market concentration, barriers to entry, and product differentiation. The arrows represent hypothesized causal relationships among these constructs. After presenting these hypotheses, some counterarguments will be raised and several relevant empirical studies will be examined.

The central construct in the model is market concentration. The basic argument is that when concentration exists, there is little incentive to engage in vigorous price competition and higher prices and profits are generated. With price competition inhibited, there is a hypothesized incentive to engage in heavy, non-informative advertising, the cost of which is passed on to the buyer in the form of higher prices. The reduced price of private-label brands is cited as evidence of such higher prices.

Another hypothesized effect is the attempt to differentiate products that are essentially identical with respect to their primary function. Differentiated products can generate brand loyalty and thus escape vigorous price competition. The

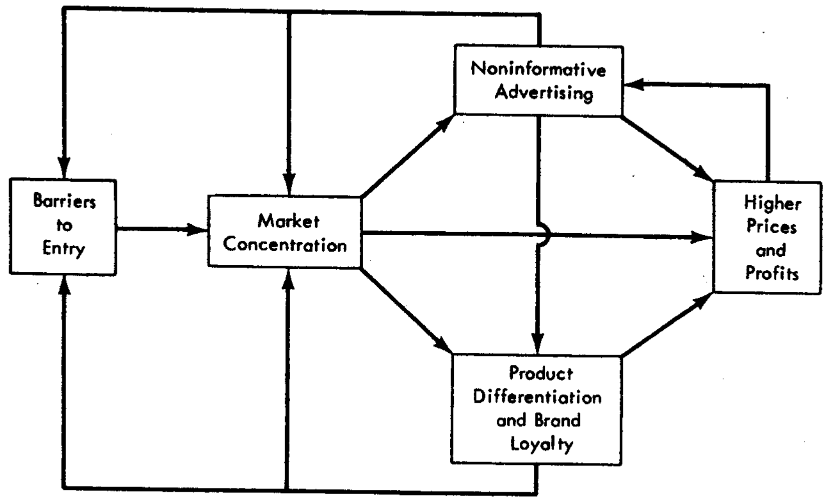

Figure 19–2. Market concentration: some hypothesized causes and effects.

result is another link to higher prices and profits. The higher profits are not considered earned rewards of product innovation but the result of market power. The issue of the definition of a product is, of course, central (recall the earlier discussion on the definition of product and related terms).

Concentration is said to be perpetuated and increased by the existence of barriers to entry. Advertising is thought by some to generate entry barriers directly and through the product differentiation it generates. The purpose of product differentiation is presumably to develop a reason for a buyer to buy one brand over another and generate brand loyalty. This brand loyalty is hypothesized to be a barrier to entry.[93]

Advertising is also hypothesized to give larger advertisers two kinds of advantages. First, the large advertiser is thought to receive preferential treatment by the media with respect to the cost and selection of advertising space. Second, a threshold level of advertising is hypothesized to exist, below which advertising would be ineffective. When this threshold level is high, the cost of entering a market and the attendant risk becomes excessive.[94]

One additional feature of Figure 19–2 should be emphasized. The existence of higher prices and margins tends to generate advertising since it "pays" to advertise high-margin products. Thus, the feedback from higher prices to advertising. The result is an ever-increasing cycle of concentration-profitability-advertising-concentration.

J. N. Kessides,[95] in a cross-industry study of the entry-deterring effects of advertising concludes that there are two countervailing effects of advertising on entry. On the one hand, advertising impedes entry because it gives rise to a sunk cost barrier. On the other hand, it reduces the perceived risk of entry. Industries with high advertising intensities are more prone to entry than lower-intensity industries. The reduction in perceived risk of entry with advertising present appears to outweigh the other effects. Advertising promotes entry in the large majority of industries, but can retard it in a few.

The advertising of physician services has become the focus of studies of advertising and entry in recent years. Advertising in this industry was banned prior to 1982. The FTC played the major role in forbidding the ban on advertising by the American Medical Association. The result has been that advertising of physician services has increased from about 5 percent in 1982 to about 20 percent by 1987. John Rizzo and Richard Zeckhauser[96] surveyed almost 2,000 physicians who answered questions about their advertising policies and concluded that advertising inhibited entry into the physician market. However, it was also found that experienced physicians for which advertising would have the greatest benefit advertised less. In general, they were reluctant to have themselves or their practices associated with advertising. Thus, to this point in the evolution of the industry, advertising may have facilitated entry. The authors conclude that advertising will be more of a barrier to entry when advertising acceptance increases among well-established physicians.

The Cereal Industry

The cereal industry provides a good vehicle to illustrate the argument. Paul Scanlon[97] pointed out that the three largest firms in the industry—Kellogg, General Foods, and General Mills—account for about 85 percent of industry sales, and all but about 2 percent of the balance is held by the next three largest firms. Thus, the concentration level is indeed high. Scanlon further suggested that the concentration is caused by advertising levels that have operated at approximately 15 percent of sales for the three largest firms. Turning to market performance, he observed that the industry profits are high and that product quality is low, as evidenced by the nutritional shortcomings of breakfast cereal, particularly of the more popular, heavily advertised brands. Scanlon estimated that cereal prices were 25 percent higher than they would be if the industry were not concentrated.

These arguments have not gone unchallenged. Stern and Dunfee found that the four largest cereal brands (as opposed to firms) controlled only 29.7 percent of the market in 1964, down from 37.5 percent in 1954.[98] And, two other indexes of competition had increased over time. One, total cereal consumption, increased 10 percent between 1960 and 1970, despite rises in cereal prices that exceeded the inflation rate. The other was new product introductions. Of course, a question arises whether the new brands represented real consumer benefits or whether they were instead only minor variations of existing products designed to replace competitive brands.[99]

Ippolito and Mathios[100] focused on the cereal market in a period in which information developed about the health benefits of fiber. Advertising of fiber health claims was banned until Kellogg succeeded in challenging the restrictions in 1984 even though the health effect of fiber were well known from about the mid-1970s. The authors argued that advertising should contribute a large portion to the public stock of information about the relations between fiber and health. They conclude that consumers react to new relevant information, but that there are considerable costs in acquiring and processing the information. Advertising plays a role in both providing relevant information and in reducing costs to the consumer of acquiring and processing it.

A viable level of competition and relatively low prices might exist with high levels of concentration in at least two situations. The first is when it is feasible to enter the market on a local or regional scale. Brands that dominate the market nationally may be vulnerable in a local market where buyer tastes and needs may be somewhat unique. Furthermore, while the cost of a national entry may be large, the cost of reaching a small geographic segment may be more modest.

The second type of situation is where there exists what Galbraith termed countervailing power on the industrial buyer side.[101] If concentration exists on the buyer side, it can counter the market power of a few sellers. Thus, Sears Roebuck, Montgomery Ward, and the major automobile companies can extract price concessions from the tire companies. A&P, Safeway, and the other large grocery chains are in a position to gain price reductions from grocery manufacturers.

Empirical Studies

Several of the hypotheses imbedded in the model represented in Figure 19–2 have been explored empirically. Some associations have been found, but the associations often have alternative explanations.

Advertising and Prices

A very basic question is what impact advertising has upon prices. Robert Buzzell and Paul Farris found that firms with higher relative prices advertise their products more intensively than do those with lower prices.[102] They controlled for product quality by using judgments of perceived quality made by the managers of the involved products. Paul Farris and Mark Albion review this study and several others and conclude that there is a relationship between advertising and pricing.[103] However, they caution that several factors need to be considered in making interpretations. First, a higher price could simply reflect higher quality, and the controls for quality are difficult to make. Second, consumers would probably demand lower prices for a nonadvertised product as it is not obvious how unadvertised products could compete in the same market with a lack of advertising being their sole distinguishing feature. Finally, the relative prices of advertised and unadvertised brands are less important than the absolute or average price level of a product category that would prevail in the absence of advertising. It is by no means clear that the average price is higher when some brands are heavily advertised. The argument that advertising can support the entry of new low-cost brands is supported by research on eyeglass retailing. Lee Benham found that eyeglass prices were 25 to 30 percent higher in states with total advertising bans presumably because the entry of high-volume, low-priced retailers is inhibited.[104] Lakshman Krishnamurthi and S. P. Raj using data from a split-cable AdTel television test concluded that increased advertising lowers price sensitivity. Effects were examined by segment. The effect was stronger in the high price sensitivity segment than in the low-price segment.[105]

The relation between price advertising and product quality has also been studied. W. P. Rogersen[106] developed a model of the welfare implications of price advertising of professional services. Professional services have a high content of intangible attributes, one of which is quality. Price advertising of professional services may thus increase welfare by giving firms incentives to differentiate through choosing different qualities and providing consumers with a signal of product quality.[107]

Advertising and Profitability

The evidence of an association between advertising and profitability is stronger. Economists William Comanor and Thomas Wilson, in an influential study, attempted to explain interindustry differences in profit rates.[108] They examined the return on equity after taxes of forty-one consumer-goods industries, using both the advertising-sales (A/S) ratio and the average advertising expenditures of the major firms as indicators of advertising intensity. Although they did not find high correlation (only 0.10) between four-firm concentration ratios and the A/S ratio, they did determine, using a regression model, that both advertising measures were significantly related to profitability. They concluded that industries with high advertising outlays earned approximately 50 percent more than other industries. They further attributed much of the profitability differential to entry barriers created by advertising expenditures, arguing that such a cross-sectional study (as contrasted with a time-series study) tends to emphasize the long-run difference among industries and thus should reflect basic structural characteristics like concentration. At least for manufacturing industries, this basic finding has been consistently found in several studies using different samples and measures.[109] L. G. Thomas argues that there are three bases for large, above-normal profits of firms in industries with heavy advertising: advertising durability, economies of scale, and heterogeneity (best selling brands have lower per unit marketing costs). Heterogeneity is found to be the most important explanation of supranormal profits, whereas both durability of advertising and economies of scale were found to have little effect. Thomas thus suggests that high profits constitute rent to brands of high quality.[110]

However, such speculation on causal explanations for the association is less than definitive. There are industry characteristics that could jointly cause profits and a tendency to rely on advertising. Or, it may be that advertising in some industries is often a more economically efficient means of marketing than any other marketing alternative. From this perspective, the finding that firms in an industry who use advertising compared with those that do not (or use it less) are more profitable is not surprising. In such instances, the nature of the causal link might be quite different from what is implied by Comanor and Wilson.

Advertising and Brand Stability

Brand loyalty, created in part by advertising, is hypothesized to be a barrier to entry and thus to competition.[111] If such a hypothesis holds, relatively stable brand shares might be expected in industries with extensive advertising. In an early study, Lester Telser examined the leading brands of various product categories in 1948 and 1959 and found an inverse relationship between product class advertising intensity and the stability of the market share of the leading brands.[112] He suggested that the advertising helped to encourage new brand introductions, which, in turn, contributed to the lack of brand stability. New brand introductions, of course, are far different from the entry of new competitors.

REMEDIES

If the argument represented by Figure 19–2 is accepted, what should be done about it? In particular, are additional restrictions on advertising appropriate? Assume, for example, that some advertising actually does encourage concentration and results in anticompetitive effects and that therefore some restraints could be justified. The problem is: Which part of whose advertising results in anticompetitive effects? Should restrictions be placed on the cereal industry or only on its largest firms? Or should any restraints apply to the entire food industry? What kinds of restraints? Should advertising actually be banned in some industries? What impact would that have on new product development?

There are restraints on some advertising now. Certain services like legal and medical services are restricted in the way they can be advertised. In most states, the prices of prescription drugs cannot be advertised. There are restraints with respect to certain media. Liquor and cigarettes cannot be advertised on television. It is instructive to review these situations and to consider whether the reasons for the restrictions are defensible and whether they have had undesirable, unanticipated consequences. B. J. Sheldon and K. Doroodian[113] studied the effects of cigarette advertising on demand and the reaction of consumers and industry to government health warnings during the 1952–1984 period. It was concluded that industry advertising increased consumption, that the cigarette industry increased advertising in response to health warnings, and that when an advertising medium is removed (through a ban) total industry advertising is reduced. Susan Holak and Srinivas Reddy,[114], using the cigarette industry's advertising ban of 1970 as a natural experiment, found substantial differences in elasticity and inertia between pre- and postban periods. Demand becomes more inelastic with respect to advertising fluctuations if television and radio can no longer be used as media vehicles. Thus, a ban on advertising can have both positive and negative effects. The consumption of products such as cigarettes may be reduced overall or for certain segments (even this conclusion, however, is controversial[115]). But because brand loyalty levels increase after a ban is imposed, a ban may serve as a barrier to entry. In other words, simply banning advertising in an attempt to reduce demand for products like cigarettes may be ineffective.

It might be possible for the government to restrict advertising levels in certain industries. Restrictions could take the form of mandatory controls on the rates at which firms could increase their advertising budgets. It could even include a provision for firms to decrease their level of advertising. A problem with any such proposal is that it would work to the disadvantage of the small, vigorous firm that is trying to compete with larger organizations and of the innovative firm that must announce new product developments. If the absolute level of advertising were controlled, the smaller firms would not be inhibited, but the large firms would be penalized simply because of their size. Furthermore, there is the sticky issue of determining the exact level of advertising expenditures that would be desirable in any given context. There is precedent for such a move, however. In 1966, the Monopolies Commission in Great Britain recommended a 40 percent cut in advertising expenditures of the leading detergent companies and a 20 percent reduction in wholesale prices. However, partly because of threats to move some of their operations to the European continent, an alternative proposal was adopted. The two involved companies agreed to introduce new, less promoted detergents, priced 20 percent below existing brands.[116]

There have been proposals made to place a tax on advertising or to reduce the tax deduction allowed for advertising over a certain amount.[117] It presumably would not affect the small competitor who would not be advertising at the affected level. Of course, the determination of the amount of reduction and the level at which the reduction would be applicable would be difficult to fix. Furthermore, companies could alter their marketing mix in ways to shift the advertising dollar to other forms of promotion that might have an impact similar to that of advertising. And, any such plan would discriminate against those companies that tend to rely on advertising in favor of companies like Avon, for example, that rely mainly on direct selling.

SUMMARY

Advertising plays a very important role in society, particularly in industrialized countries that have well developed mass communications infastructures. There are three categories of issues concerning advertising and society. Two of them represent the aggregate effects of advertising on society's value and lifestyles and on society's economic well-being. The third focuses on the nature and content of advertising. It involves issues of ethics, manipulation, taste, advertising to children, cigarette and environmental, or green, marketing, and health claims in food marketing.

There has been considerable interest in the question of advertising and ethics in the past decade because of many questionable business and government practices which have been brought to public attention generally. Whether it is ethical to participate in advertising cigarettes in view of new medical findings on the link between cigarette smoking and cancer is an example. It is clear that advertising ethics and other social and economic issues of advertising are heavily intertwined. Consider the argument that advertising manipulates consumers. First, there is concern that advertisers, using subconscious motives uncovered by motivation research, can manipulate an unwilling consumer. Although it is now recognized by professionals that the power of motivation research is limited, some ethical questions about its use still remain. Second, there is a concern with the use of emotional appeals. The key issue is the definition of a product. Is a product an entity with one or more primary functions or does it involve any dimension relevant to the consumer when she or he makes a purchase decision? Finally, there is the more general concern with the power represented by the volume of advertising and the skill of the people who create it. Some advertising is criticized on the basis of taste—that it uses appeals that are offensive, that the content is annoying, or that it is simply too intrusive. Some critics object to the use of sex appeals, especially when children may be exposed to the advertising. Others are concerned with the use of fear appeals. The irritation life cycle is conceptualized to help understand the intrusive quality of advertising. An FTC proposal to ban all television advertising to preschool children and all sugar product television advertising to older children was seriously and vigorously debated.

It is unreasonable to separate the economic and social effects of advertising. Advertising is basically an economic institution, and any overall appraisal of advertising should include an analysis of its economic impact. Advertising provides economic value to society in many ways. It enhances buyer decision making by providing information and by supporting brand names. It provides an efficient means for firms to communicate with their customers. Such a function is particularly important in the introduction of new products. By generating various product associations, advertising can add to the utility a buyer receives from a product. It provides employment, supports the various media, and has the potential to reduce extremes in the levels of consumer buying.

A central issue is the impact that advertising has on competition. It is argued that heavy advertising expenditures in some industries generate product differentiation among products that are essentially identical. This product differentiation provides the basis for brand loyalties that represent a significant barrier to potential competitors. It is also hypothesized that in these industries, heavy advertising expenditures are needed for successful competition. Such large expenditure levels represent another barrier to entry of new competitors. With the entry of new competitors inhibited, there is a tendency for industries to become more concentrated over time—to have fewer competitors. The result is a reduction in vigorous competition, higher prices, and excessive profits. Advertising in such industries is regarded as noninformative; its role is to shift buyers around among "identical" products and is thus largely an economic waste.

The implications of these hypotheses have been studied by economists. They have found evidence of association between advertising and concentration, but, on balance, the association is weaker than might be expected. The evidence of association between advertising and profitability is somewhat stronger. There is considerable controversy concerning the macroeconomic effects of advertising, and scholars can be found who vigorously defend one side or the other. Issues are both theoretical, concerning questions of causation and inference, and methodological involving measurement of difficult constructs such as concentration and market boundaries.

The practical question is what remedies are appropriate? Among the proposed remedies are that advertising in some industries be limited or prohibited or that a tax be applied to advertising. Remedies that are defensible and will not cause more problems than they solve are not easy to develop. Many studies have been done on the effects of eliminating cigarette advertising without a definitive conclusion being reached that such a public policy will result in more harm or more good.

DISCUSSION QUESTIONS

1. Suppose that a motivation research study found that homemakers disliked a certain transparent, clinging, wrapping material because of their basic dislike of cooking, which was subconsciously transferred to the material. As a result, nonkitchen uses were emphasized in the advertising. Is this manipulation? In the research, the housewives were told only that the aim of the study was to determine their attitudes toward housekeeping in general. Was such a guise ethical?
2. Define the terms *need*, *product*, *information*, and *rationality*. Does a commercial showing a group of people enjoying a cola drink communicate information? Is it an appropriate appeal? Consider other examples. Is manipulation involved?
3. Richard Avedon, a photographer and consultant to agencies and clients, helped develop for Calvin Klein jeans a very controversial set of television commercials. They featured the fifteen-year-old actress-model Brooke Shields in a variety of sultry, sophisticated, suggestive commercials. In one, Brooke Shields says in a suggestive manner, "Nothing comes between me and my Calvins." In another controversial television commercial for a men's fragrance, a man wearing a pajama bottom is seen getting out of bed and discussing the previous night by phone with a woman who had slept with him.
   a. Do you feel that such advertising is effective? In what way?
   b. Would you run such advertising on network television if you felt it was effective if you were an advertiser? If you were an agency whose client had insisted on it?
   c. If you were a CBS censor, would you allow it on your network?
4. Suppose you are the president of a major consumer food company. A church group claiming to represent 2.5 million members is attempting to reduce the "excessive violence, sex, and profanity" on television. The members have informed you that they are boycotting all products advertised on eight programs, including *Miami Vice* and *Dallas*, and expect that their boycott will cost you $20 million in sales. What would your response be? Do you feel that you should have a policy concerning such programming? Would you screen episodes of such programs and selectively avoid episodes that are particularly objectionable?
5. Take a position on the FTC proposals regarding television advertising to children. What about banning the advertising of sugar products directed at children under twelve? Would you prefer that food advertisers to children fund "counterads" geared to promote nutrition? What about cutting back Saturday morning kids' advertising to four minutes per hour? Would you alter or add to