

The act requires that commercial websites that collect personal information from children under 13 obtain prior parental consent before they collect that information. The act only applies to websites, or portions thereof, directed to children or to websites that knowingly collect personal information from children under 13. The act does not apply to nonprofits.

**Notice:** Parents have the right to be notified about data collection and use practices. The parent must be informed about what information will be collected, how it will be used, and to whom and in what form the information will be disclosed to others. The notice must be prominently displayed and unavoidable.

**Prior Parental Consent:** With certain exceptions, information cannot be collected from children, used or disclosed unless the website operator has obtained verifiable parental consent through "reasonable effort."

**Prevention of Further Use:** Parents have the right to prevent further use of already collected personal identifying information and to prevent future collection of information from the child.

**Collection of Personal Information Must Be Limited:** The collection of personal identifying information for a child's participation in a game, prize, offer, or other activity on the website must be limited to what is reasonably necessary for the activity.

**Access to Information:** Parents of children under 13 have the right to access and review a description of the specific types of personal identifying information collected from the child and website operators must provide reasonable means to the parent to obtain the information itself that has been collected from the child.

**TABLE 20-5**

Key Provisions of COPPA

Concern over the invasion of children's privacy prompted Congress to pass the **Children's Online Privacy Protection Act (COPPA)** in October 1998. It authorizes the FTC to develop specific rules to implement the provisions of the act as described in Table 20-5.

Rules based on these guidelines became effective in April 2000. A survey of children-oriented websites a year later reached the following conclusions:

1. Children's commercial websites have modified their data collection practices and limited the amount of data being collected.
2. More children's commercial websites that collect personally identifiable data are posting privacy policy notices informing parents of what they are collecting and how it will be used.
3. A few sites have developed creative solutions to adapt to COPPA and still allow children to have an interactive experience without revealing identifying information such as their e-mail address.
4. A majority of sites do not have a "clear and prominent" link to privacy policies.
5. Children's sites that have a link for feedback, such as e-mail, often overlook this as a data collection point.
6. A majority of sites did not obtain prior parental consent or provide parental notice as required by COPPA.
7. In attempting to restrict children under 13 from entering personal identifying information, some sites use methods that could encourage age falsification.<sup>40</sup>

Clearly COPPA had a positive impact in its first year. CARU recently adopted similar but more detailed rules. Privacy issues now dominate CARU cases:

- The language "tipped off" children that they must be over 13 to use the interactive services offered on the site by stating: "U.S. law prohibits Alta Vista from registering anyone under the age of 13 without parental permission. Please verify your age below." It then asked prospective registrants if they were "less than 13 years old" or "13 or older." Those who registered could access all areas of the site, some of which were clearly inappropriate for children.<sup>41</sup>
- Pinksage, the fan site for the artist Pink, did not contain a privacy statement. In addition, CARU was concerned that a visitor of any age could submit personal identifying information such as an e-mail or street address at the "Fan Club" registration.<sup>42</sup>

- Scan-command.com features online games designed to be played by children ages 8 and up. It recently agreed to cease collecting parents' off-line contact information from children under 13 without prior parental consent. It also agreed to obtain parental consent before allowing children to sign up as a "scan-command.com agent," which, among other things, enables them to participate in a message board.<sup>43</sup>

## REGULATION AND MARKETING TO ADULTS

Regulation of marketing activities aimed at adults focuses on marketing communications, product features, and pricing practices. There is increasing demand for regulation to protect the privacy of adults, particularly on the Internet. Consider the following:

American Express announced plans to sell extensive information on its cardholders to merchants. These data would be combined with data on 175 million Americans compiled by KnowledgeBase. KnowledgeBase has information on age, marital status, family composition, household ownership, and so forth. By combining this demographic data with American Express purchase records, American Express plans to develop mailing lists of customers most likely to buy certain products. It will sell these lists to other firms. Cardholders can keep their names off the list by calling or writing American Express but the company has no plans to explicitly inform its customers of this use of their purchase records.

Many consumers find this use of information about their purchase histories and personal characteristics to be intrusive. Many magazines sell their subscription lists to various firms who use the information for direct marketing campaigns. Some charities sell or otherwise make available their donor lists. While the dissemination of credit card, subscription, and donation data is a concern, most attention is currently focused on the privacy of data collected on the Internet.<sup>44</sup>

One of the reasons the concern about Internet privacy is so strong is that data are often collected without the consumer explicitly providing it. A person visiting a website can have that fact recorded (his or her e-mail address at a minimum) as well as what parts of the site are visited, what information is requested, what links are accessed, and so forth without consent or even knowledge. Other information may be collected in a more direct manner. Information from various sites and sources can be pooled to develop individual profiles. Consumer Insight 20-1 provides the FTC's current approach to regulating Internet privacy practices.

The Better Business Bureau has a Code of Online Business Practices that is "designed to guide ethical business-to-consumer conduct in electronic commerce." It provides three broad requirements, each with substantial details and examples, with respect to information practices:

- Post and adhere to a privacy policy that is open, transparent, and meets generally accepted fair information principles.
- Provide adequate security for the type of information collected, maintained, or transferred to third parties.
- Respect customer's preferences regarding unsolicited e-mail.

## Marketing Communications

There are three major concerns focused on the information that marketers provide to consumers, generally in the form of advertisements—the accuracy of the information provided, the adequacy of the information provided, and the cumulative impact of marketing information on society's values. We will briefly look at advertising's impact on society's values before focusing on the accuracy and adequacy of consumer information.

## Online Privacy and the Federal Trade Commission

In May of 2000, the Federal Trade Commission issued its third report on online privacy issues to Congress.<sup>45</sup> This report concluded that self-regulation was not providing adequate privacy regulation and recommended national legislation. It recommended that consumer-oriented commercial websites that collect personal identifying information from or about consumers comply with four standards.

1. **Notice**—Websites would be required to provide consumers clear and conspicuous notice of their information practices, including what information they collect, how they collect it (e.g., directly or through nonobvious means such as cookies), how they use it, how they provide *choice*, *access*, and *security* to consumers, whether they disclose the information collected to other entities, and whether other entities are collecting information through the site.
2. **Choice**—Websites would be required to offer consumers choices as to how their personal identifying information is used beyond the use for which the information was provided (e.g., to consummate a transaction). Such choice would encompass both internal secondary uses (such as marketing back to consumers) and external secondary uses (such as disclosing data to other entities).
3. **Access**—Websites would be required to offer consumers reasonable access to the information a website has collected about them, including a reasonable opportunity to review information and to correct inaccuracies or delete information.
4. **Security**—Websites would be required to take reasonable steps to protect the security of the information they collect from consumers.

However, in 2001 the new chairman of the FTC concluded that “it is too soon to conclude that we can fashion workable legislation.” At the same time, he did conclude that privacy protection in general and online privacy protection in particular are important issues. He indicated that the FTC was going to increase the resources it devotes to privacy protection by 50 percent.

### Critical Thinking Questions

1. Should there be national legislation such as that proposed above? Why or why not?
2. In the absence of legislation, how should a firm collect and use data from those who visit its website?

**Advertising and Values** We discussed the impact of advertising on values in the previous section on advertising to children. The concern is the same for advertising directed at adults—the long-term effect of a constant flow of messages emphasizing materialistic or narcissistic values may be negative for both individuals and society. For example, an ad for Musk by Alyssa Ashley appeared in a magazine read by teenage females. It consisted of a picture of a teenage girl on the back of a motorcycle driven by a scruffy looking man with long hair, a beard, and a tattoo. The girl’s dress is pulled up to the top of her thigh. The only other content was a picture of the product package and the headline—“Sometimes even good girls want to be bad.” Many would argue that this ad promotes inappropriate values and behaviors.

Most ads for women’s cosmetics and clothing, like the one in Illustration 20-1, emphasize beauty or sex appeal as major benefits. Each individual ad is probably harmless. However, critics charge that when people see such themes repeated thousands of times for hundreds of products, they learn to consider a person’s looks to be more important than other attributes.<sup>46</sup> This can lead to injurious consumption patterns such as excessive tanning or inappropriate dieting despite knowledge of the associated health hazard.<sup>47</sup> These harmful effects may be most severe in younger women.<sup>48</sup> Further, those who cannot afford such products or who are not

**ILLUSTRATION 20-1**

Ads that emphasize beauty and attractiveness are often effective. Some critics charge that the cumulative effect of such ads over time results in too much value being placed on these attributes. Others note that beauty was deemed desirable and actively pursued long before the advent of advertising.



Courtesy JCPenney Co.

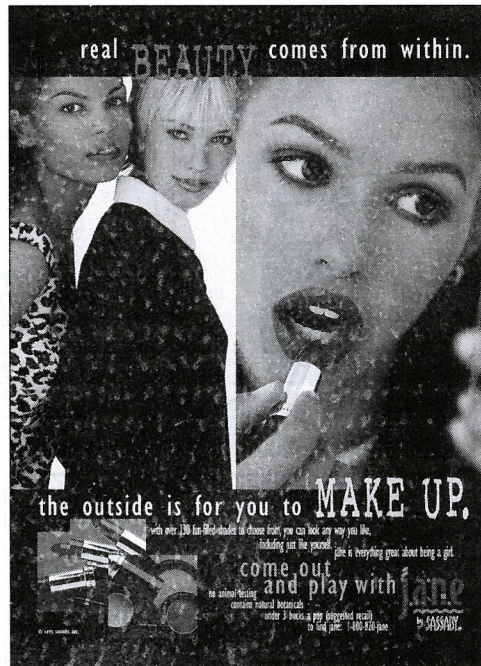
“good-looking” suffer. Others argue that individuals have been concerned with their looks and possessions in virtually all cultures and times. They argue that advertising does not cause a society’s values; it merely reflects them.

Portrayals of beauty and casual attitudes toward sex are not the only ways advertisements are argued to influence values. The portrayal of women in the mass media in general and in advertising in particular often has been limited to stereotypical roles or as decoration.<sup>49</sup> This in turn can influence the concepts girls develop of themselves and their role choices. Of course, many firms now portray females in a more positive, realistic fashion. The ad for Jane, shown in Illustration 20-2, emphasizes positive values while still promoting a beauty enhancement product. A Nike campaign has generated a positive response from many women as well as advertising critics. A television ad in the campaign combines quick camera takes and slow-motion shots of teenage girls on a playground, with images of girls playing on swing sets and monkey bars. The sound portion is a variety of girls’ voices describing the long-term benefits of female participation in sports:

I will like myself more; I will have more self-confidence if you let me play sports. If you let me play, I will be 60 percent less likely to get breast cancer. I will suffer less depression if you let me play sports.

I will be more likely to leave a man who beats me. If you let me play, I will be less likely to get pregnant before I want to; I will learn what it means to be strong.<sup>50</sup>

The manner in which ethnic groups, the elderly, and other social groups are portrayed in ads and the mass media can affect the way members of these groups view themselves as well as the way others see them.<sup>51</sup>



Courtesy Sassaby Cosmetics, Inc.

#### ILLUSTRATION 20-2

This ad has been praised for its positive portrayal of young women.

Marketers need to ensure that their ads reflect the diversity of the American society in a manner that is realistic and positive for all the many groups involved. These portrayals should involve both the content of the ads and the shows sponsored by the ads.<sup>52</sup> For example, several Hispanic groups are considering a boycott of the major networks and some of their sponsors because of the virtually complete absence of Hispanic roles and actors on network television.

**Consumer Information Accuracy** The salesperson tells you “My brand is the best there is.” Does he or she need scientific proof to make such a statement? At what point does permissible puffery become misleading and illegal? Does it vary by the situation? The consumer group involved?<sup>53</sup>

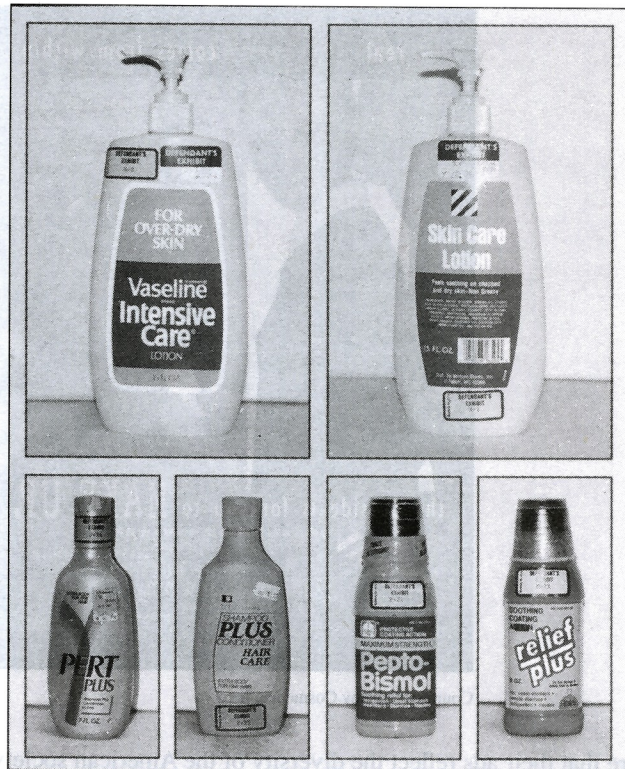
An ad shows a pair of attractive female legs. The headline reads, “Her legs are insured for \$1,000,000. Her policy came with one minor stipulation. Schick Silk Effects.” Schick Silk Effects is a woman’s razor. How do you interpret this ad? Many would assume that the insurance company insisted on her using only this brand as a condition of the policy. This suggests that the insurance company considers this razor to be very good at protecting women’s legs while they shave.

However, in exceedingly fine print at the very bottom of the ad is this disclaimer: “Policy condition included by insurer at the request of Warner-Lambert Co.” Warner-Lambert is the firm that markets Silk Effects. In other words, the firm that owns the razor had the requirement that this razor be used placed in the insurance policy. This leads to a very different interpretation of the ad. *Should this ad be illegal? Is it unethical?*

Suppose you saw a snorkel or swim fins with the National Association of Scuba Diving Schools’ “Seal of Approval” on the package. What would this mean to you? Many of us would interpret it to mean that the product had been tested by the association or was manufactured to conform to a set of standards established by the association. However, the FTC charged that the seal was *used* for use on diving products *without tests or standards*.<sup>54</sup>

**ILLUSTRATION 20-3**

Is imitation the sincerest form of flattery or a source of consumer confusion?



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Research shows that the more baking soda toothpaste contains, the more effective it is in cleaning away plaque and deep stains. How much baking soda should a brand of toothpaste contain before it can be called “baking soda” toothpaste? There is no rule. Arm & Hammer’s contains 65 percent baking soda, but Crest Baking Soda Toothpaste has only 20 percent.<sup>55</sup> *Should there be rules for names such as this or is the required listing of the contents enough?*

Illustration 20-3 shows several major national brands and several competing brands with similar packages. *Are consumers misled by such packages? Or are these legitimate attempts to position competing products as being similar to the brand leaders?*<sup>56</sup>

Because of such problems, various businesses, consumer groups, and regulatory agencies are deeply concerned with the interpretation of marketing messages. However, determining the exact meaning of a marketing message is not a simple process. The National Advertising Division (NAD) of the Council of Better Business Bureaus recently asked Bayer to alter an *accurate* commercial for Aleve. The commercial accurately stated that Aleve provided longer-lasting relief with a smaller dosage than Tylenol (“Just 2 Aleve can stop the pain all day, it would take 8 Tylenol to do that”). The concern was that this would unintentionally convey a message of superior efficacy (it would stop more pain than Tylenol).<sup>57</sup>

Table 20-6 illustrates some of the areas where controversy over the interpretation of various marketing messages has existed.

Obtaining accurate assignments of meaning is made even more difficult by the variation in information-processing skills and motivations among different population groups.<sup>58</sup> For example, this warning was ruled inadequate in a product liability case involving a worker who was injured while inflating a truck tire:

- The 4th U.S. Circuit Court of Appeals ruled that meat from a turkey thigh can be called a “turkey ham” even if it contains no pork. A lower court had reached the opposite conclusion. The ruling appeared to rely heavily on a technical definition of the term *ham*.
- Maximum Strength Anacin’s claim that it is “the maximum strength allowed” was ruled illegal because it “implies that an appropriate authority has authorized the sale of products like Maximum Strength Anacin.” No such authorization exists.
- The Association of Petroleum Re-Refiners petitioned the FTC to reconsider requiring all re-refined oil products to “clearly and conspicuously” label the origin of the product. This has meant that “made from used oil” appears on all labels. The association feels that this disparages the quality of such lubricants, and they want to use the phrase “recycled oil product” instead.
- A court issued an injunction stopping the distribution of a new brand of gloves trademarked Blueberry because of potential confusion with an existing brand trademarked Cranberry. Each trademark contained a picture of the fruit with the name.
- Keebler Company’s claim of “Baked not fried” for Wheatables and Munch’ems snack crackers was challenged before the NAD. While the crackers are baked, they are sprayed with vegetable oil after baking and have a fat content similar to fried products.
- Under the Federal Trademark Dilution Act (FTDA), Hasbro was able to stop the use of the Internet name candyland.com for a sexually explicit website because the site would injure the value of its registered trademark Candy Land (a line of children’s games). Courts have generally held that only the owners of registered trademarks can use them as website addresses.

TABLE 20-6

Regulation and the Interpretation of Marketing Messages

Always inflate tire in safety cage or use a portable lock ring guard. Use a clip-on type air chuck with remote valve so that operator can stand clear during tire inflation.

The court held that (1) “there is a duty to warn *foreseeable* users of all hidden dangers” and (2) “in view of the unskilled or semiskilled nature of the work and the existence of many in the workforce who do not read English, warnings *in the form of symbols* might have been appropriate since the employee’s ability to take care of himself was limited.”<sup>59</sup> Thus, marketers must often go to considerable lengths to provide messages that the relevant audience will interpret correctly.

Fortunately, marketers are developing considerable knowledge on how to effectively present difficult messages about such issues as product risks, nutrition, and affirmative disclosures (see Chapter 8). In addition, consumer research is being used by both marketers and the courts to determine if an ad is misleading.<sup>60</sup>

Regulating the explicit verbal content of ads is difficult. Regulating the more subtle meanings implied by the visual content of ads is much more difficult.<sup>61</sup> For example, some are critical of beer advertisements that portray active young adults in groups having fun and consuming beer. These critics contend that the visual message of these ads is that alcohol consumption is the appropriate way for young adults to be popular and have fun. Recently, both government and business self-regulatory groups have begun regulating visual communications.

- The FTC recently challenged ads for Beck’s beer that featured young adults drinking on a sailing ship. It charged that the ads promoted unsafe marine conduct.
- The NAD required Balance Bar to drop all claims referring to clinical studies and *visuals of physicians* in its advertising after ruling that its formula was not proved to be “clinically effective for the general population.”

**Corrective advertising** is advertising run by a firm to cause consumers to unlearn inaccurate information they acquired as a result of the firm’s earlier advertising. Three examples of corrective advertising messages follow:

- “Do you recall some of our past messages saying that Domino sugar gives you strength, energy, and stamina? Actually, Domino is not a special or unique source of strength, energy, and stamina. No sugar is, because what you need is a balanced diet and plenty of rest and exercise.”
- “If you’ve wondered what some of our earlier advertising meant when we said Ocean Spray cranberry juice cocktail has more food energy than orange juice or tomato juice, let us make it clear: we didn’t mean vitamins and minerals. Food energy means calories. Nothing more.  
 “Food energy is important at breakfast since many of us may not get enough calories, or food energy, to get off to a good start. Ocean Spray cranberry juice cocktail helps because it contains more food energy than most other breakfast drinks.  
 “And Ocean Spray cranberry juice cocktail gives you and your family vitamin C plus a great wake-up taste. It’s . . . the other breakfast drink.”
- Sugar Information, Inc.: “Do you recall the messages we brought you in the past about sugar? How something with sugar in it before meals could help you curb your appetite? We hope you didn’t get the idea that our little diet tip was any magic formula for losing weight. Because there are no tricks or shortcuts; the whole diet subject is very complicated. Research hasn’t established that consuming sugar before meals will contribute to weight reduction or even keep you from gaining weight.”

Although the effectiveness of corrective advertising has been debated, the FTC considers it a useful tool in protecting the public. Likewise, firms injured by the false claims of competitors often request it as a remedy (Power Bar has requested the FTC to require Balance Bar to run corrective ads concerning the clinical claims described earlier). However, a recent court ruling has challenged the conditions under which the FTC can require corrective advertising. Significantly, the challenge centers on how strongly the false impression must be learned before corrective advertising is necessary to erase it.<sup>62</sup>

**Adequacy of Consumer Information** It is important that consumers have not only accurate information but adequate information as well. To ensure information adequacy, a number of laws have been passed, such as the federal truth-in-lending legislation.

Nutritional labeling has been required for years and was significantly revised in 1990. Research findings on the impact of such labels are mixed, but the labels do provide valuable information to many consumers. A consistent stream of consumer behavior research since these rules were enacted has uncovered a number of potential improvements in the manner in which the information should be presented. Unfortunately, as with many such programs, those who are relatively disadvantaged in terms of education and income are least able to use this type of information.<sup>63</sup>

Marketers, consumer groups, and public officials would like consumers to have all the information they need to make sound choices. One approach is to provide all potentially relevant information. This approach is frequently recommended by regulatory agencies and is required for some product categories such as drugs. Problems with this approach can arise, however. For example, a relatively simple, one-page advertisement for Flonase nasal spray required the second full page of small type shown in Illustration 20–4 telling of dosage, precautions, and warnings in order to comply with federal full-disclosure regulations.

The assumption behind the full-disclosure approach is that each consumer will utilize those specific information items required for the particular decision. Unfortunately, consumers frequently do not react in this manner, particularly for low-involvement purchases. Instead, they may experience *information overload* (see Chapter 8, page 288) and ignore all or most of the available data. For example,



**ILLUSTRATION 20-4**

Do consumers benefit from this level of required information, or does information overload set in?

**FLONASE® (fluticasone propionate) Nasal Spray, 0.05% w/w**

**BRIEF SUMMARY**

**FLONASE® (fluticasone propionate) Nasal Spray, 0.05%**

No evidence of impairment of fertility was observed in reproductive studies conducted in rats dosed subcutaneously with doses up to 50 mcg/kg (200 mcg/kg in males and females). However, anovulatory weight was significantly reduced in rats.

**Pregnancy: Teratogenic Effects: Pregnancy Category C:** Subcutaneous studies in the mouse and rat at 45 and 100 mcg/kg, respectively (150 and 300 mcg/kg respectively as calculated on a surface area basis), revealed fetal toxicity characteristic of potent glucocorticoid compounds, including embryonic growth retardation, epiphyseal dysplasia, and retarded cranial ossification. In the rabbit, fetal weight reduction and cleft palate were observed following subcutaneous doses of 4 mcg/kg (160 mcg/kg in rats). However, following oral administration of up to 500 mcg/kg (3.0 mg/kg) of fluticasone propionate to the rabbit, there were no maternal effects nor increased incidence of external, internal, or skeletal fetal defects. No fluticasone propionate is detected in the plasma in this study, consistent with the established low bioavailability following oral administration (see CLINICAL PHARMACOLOGY section of full prescribing information).

Less than 0.004% of the dose crosses the placenta following oral administration to rats (100 mcg/kg (500 mcg/kg) or rabbits (500 mcg/kg, 3.6 mg/kg).

There are no animal and well-controlled studies in pregnant women. Fluticasone propionate should be used during pregnancy only if the potential benefit justifies the potential risk to the fetus. Experience with oral glucocorticoids since their introduction in pharmacology, as opposed to physiologic, doses suggests that rodents are more prone to teratogenic effects from glucocorticoids than humans. In addition, because there is a natural increase in glucocorticoid production during pregnancy, most women will require a lower exogenous glucocorticoid dose and many will not need glucocorticoid treatment during pregnancy.

**Warning: Mothers:** It is not known whether fluticasone propionate is excreted in human breast milk. Subcutaneous administration of fluticasone propionate to lactating rats (10 mcg/kg, 50 mcg/kg) resulted in measurable concentrations in both plasma and milk. Because other glucocorticoids are excreted in human milk, caution should be exercised when FLONASE Nasal Spray is administered to a nursing woman.

**Pediatric Use:** The safety and effectiveness of FLONASE Nasal Spray in children has not been established. Oral glucocorticoids have been shown to cause growth suppression in children and teenagers with asthma and in a child or teenager on any glucocorticoid appears to have growth suppression, the possibility that they are particularly susceptible to the effect of glucocorticoids should be considered (see PRECAUTIONS).

**Geriatric Use:** A limited number of patients above 60 years of age (n=120) have been treated with FLONASE Nasal Spray in 13- and non-US clinical trials. While the number of patients is too small to permit separate analysis of efficacy and safety, the adverse reactions reported in this population were similar to those reported by younger patients.

**ADVERSE REACTIONS:** In controlled US studies, 2,427 patients received treatment with intranasal fluticasone propionate. In general, adverse reactions in clinical studies have been primarily associated with irritation of the nasal mucous membranes, and the adverse reactions were reported with approximately the same frequency by patients treated with the vehicle itself. The complaints did not usually interfere with treatment. Less than 1% of patients in clinical trials discontinued because of adverse events; this rate was similar for vehicle and active comparators. Systemic glucocorticoid side effects were not reported during controlled clinical studies up to 12 months duration with FLONASE Nasal Spray. If recommended doses are exceeded, however, or if individuals are particularly sensitive or in conjunction with systemically administered glucocorticoids, symptoms of hypercorticism, e.g., Cushing's syndrome, could occur.

The following incidences of common adverse reactions is based upon seven controlled clinical trials in which 536 patients (317 girls and 100 boys aged 4 to 11 years, 157 female and 234 male adolescents and adults) were treated with FLONASE Nasal Spray 100 mcg once daily over 2 to 4 weeks and two controlled clinical trials in which 246 patients (119 female and 127 male adolescents and adults) were treated with FLONASE Nasal Spray 200 mcg once daily over 6 months.

**Incidence Greater than 1% (Cause Relationship Possible):**  
**Respiratory:** Epistaxis, nasal burning (incidence 3% to 15%), blood in nasal mucus, rhinitis, nasal irritation (incidence 1% to 3%).  
**Allergic/Idiosyncratic (incidence 1% to 3%):**  
**Incidence Less Than 1% (Cause Relationship Possible):** Respiratory: Soreness, runny nose, nasal dryness, sneezing, nasal congestion, bronchitis, cough, cold.  
**Neurological/Drugs:**  
**Special Senses:** Eye disorder, unpleasant taste.  
**Gastrointestinal:** Nausea and vomiting, anorexia.  
**Skin and Appendages:** Vitreous.  
**Postmarketing Experience:** In addition to the events from clinical trials, the following have been reported during postmarketing experience: hypercortisimile reactions, including acne, hirsutism, amenorrhea, edema of the face and tongue, pruritus, urticaria, erythema, wheezing, and angioedema/angioedema reactions, black and blue discoloration of the skin, and loss of consciousness.

**OVERDOSAGE:** There are no data available on the effects of acute or chronic overdosage with FLONASE Nasal Spray. Intranasal administration of 2 mg (10 times the recommended dose) of fluticasone propionate twice daily for 7 days to healthy human volunteers was well tolerated. Single oral doses up to 10 mg have been studied in human volunteers with no acute toxic effects reported. Repeat oral doses up to 50 mg daily for 10 days in volunteers and repeat oral doses up to 10 mg daily for 14 days in patients were well tolerated. Adverse reactions were of mild or moderate severity, and incidences were similar to active and placebo treatment groups. Acute overdosage with the dosage form in use since since one bottle of FLONASE Nasal Spray contains approximately 8 mg of fluticasone propionate. Chronic overdosage results in signs/symptoms of hypercorticism (see PRECAUTIONS).

**CONTRAINDICATIONS:** FLONASE Nasal Spray is contraindicated in patients with a hypersensitivity to any of its ingredients.

**WARNINGS:** The replacement of a systemic glucocorticoid with a topical glucocorticoid can be accompanied by signs of adrenal insufficiency, and in addition, some patients may experience symptoms of withdrawal, e.g., joint and/or muscular pain, headache, and depression. Patients previously treated for prolonged periods with systemic glucocorticoids and transferred to topical glucocorticoids should be carefully monitored for acute adrenal insufficiency in response to stress. In those patients who have taken or other clinical indications regarding long-term systemic glucocorticoid treatment, too rapid a decrease in systemic glucocorticoids may cause a severe exacerbation of their symptoms.

The use of FLONASE Nasal Spray with alternate-day systemic prednisone could increase the likelihood of hypothalamic-pituitary-adrenal (HPA) axis suppression compared with the use of alternate-day prednisone. Therefore, FLONASE Nasal Spray should be used with caution in patients already receiving alternate-day prednisone treatment for any disease. In addition, the concomitant use of FLONASE Nasal Spray with other inhaled glucocorticoids could increase the risk of signs or symptoms of hypercorticism and/or suppression of the HPA axis.

Patients who are on immunosuppressant drugs are more susceptible to infections than healthy individuals. Chickenpox and measles, for example, can have a more serious or even fatal course in patients on immunosuppressant doses of corticosteroids. In such patients who have not had these diseases, particular care should be taken to avoid exposure. If the disease occurs, or exposure to chickenpox is suspected, patients should be treated with a disseminated infection is not known. The combination of the underlying disease and/or prior corticosteroid treatment to the risk is also not known. If exposed to chickenpox, prophylaxis with varicella zoster immune globulin (VZIG) may be indicated. If exposed to measles, prophylaxis with intramuscular immunoglobulin G (IG) may be indicated. (See the respective package inserts for complete VZIG and IG prescribing information. If chickenpox develops, treatment with antiviral agents may be considered.

**PRECAUTIONS:**

**General:** Rarely, immediate hypersensitivity reactions or contact dermatitis may occur after the intranasal administration of fluticasone propionate. Rare instances of wheezing, nasal septum perforation, catarrh, glaucoma, and increased intraocular pressure have been reported following the intranasal application of glucocorticoids.

Use of inactive doses of glucocorticoids may lead to signs or symptoms of hypercorticism, suppression of HPA function, and/or suppression of growth in children or teenagers. Laboratory studies in juvenile children on orally inhaled glucocorticoids showed inhibitory effects on short-term growth rate. The relationship between short-term changes in growth rate and long-term effects on growth at the end of life. Physicians should closely follow the growth of adolescents taking glucocorticoids, by any route, and weigh the benefits of glucocorticoid therapy against the possibility of growth suppression if an adolescent's growth appears abnormally slow.

Although adverse effects have been minimal with recommended doses of FLONASE Nasal Spray, potential risk increases with larger doses. Therefore, large but recommended doses of FLONASE Nasal Spray should be avoided.

When used at large doses, systemic glucocorticoid effects such as hypercorticism and adrenal suppression may appear. If such changes occur, the dosage of FLONASE Nasal Spray should be discontinued slowly consistent with accepted procedures for discontinuing oral glucocorticoid therapy.

In clinical studies with fluticasone propionate administered intranasally, the development of localized infections of the nose and sinuses with *Candida albicans* has occurred only rarely. When such an infection develops, it may require treatment with appropriate local therapy. The discontinuation of treatment with FLONASE Nasal Spray. Patients using FLONASE Nasal Spray over several months or longer should be examined periodically for evidence of *Candida* infection or other signs of adverse effects of the nasal mucosa.

FLONASE Nasal Spray should be used with caution, if at all, in patients with active or quiescent tuberculosis infections, untreated fungal, bacterial, or systemic viral infections, or ocular herpes simplex. Because of the inhibitory effect of glucocorticoids on wound healing, patients who have experienced recent nasal septal ulcers, nasal surgery, or nasal trauma should not use a nasal glucocorticoid until healing has occurred.

**Information for Patients:** Patients being treated with FLONASE Nasal Spray should receive the following information and instructions. The information is intended to aid them in the safe and effective use of this medication. It is not a disclosure of all possible adverse or intended effects.

Patients should be warned to avoid exposure to chickenpox or measles and, if exposed, to consult their physician without delay. Patients should use FLONASE Nasal Spray at regular intervals as directed since its effectiveness depends on its regular use. A decrease in nasal symptoms may occur as soon as 12 hours after starting therapy with FLONASE Nasal Spray. Results in several clinical trials indicate statistically significant improvement within the first day or two of treatment; however, the full benefit of FLONASE Nasal Spray may not be achieved until treatment has been administered for several days. The patient should not increase the prescribed dosage but should consult the physician if symptoms do not improve or if the condition worsens. For the proper use of the nasal spray and to obtain maximum improvement, the patient should read and follow carefully the patient's instructions accompanying the product.

**Concomitant Medication, Impairment of Fertility:** Fluticasone propionate demonstrated no pharmacologic potential in studies of oral doses up to 1.0 mg/kg (5 mg/kg in males and 3 mg/kg in females) for 75 weeks in the mouse or inhalation of up to 57 mcg/kg (230 mcg/m<sup>3</sup>) for 104 weeks in the rat.

Fluticasone propionate did not induce gene mutation in prokaryotic or eukaryotic cells *in vitro*. No significant clastogenic effect was seen in cultured human peripheral lymphocytes *in vitro* or in the mouse micronucleus test when administered at high doses by the oral or subcutaneous routes. Furthermore, the compound did not delay embryonic division in bone marrow.

**GlaxoWellcome**

Glaxo Wellcome Inc. October 1996  
 Research Triangle Park, NC 27709 RL 387  
 Made in England GLA-01-038M

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 Printed in USA. FLN51 TR0 July 1997

Courtesy Glaxo-Wellcome, Inc.

A federal act required banks belonging to the Federal Reserve to explain to their customers the detailed protections built into money transfer systems available in electronic banking. Thus, Northwestern National Bank of Minneapolis was forced to create and mail a pamphlet explaining Amended Regulation E to its 120,000 customers. At a cost of \$69,000 the bank created and mailed the 4,500-word pamphlet.

In 100 of the pamphlets, the bank placed a special paragraph that offered the reader \$10 just for finding that paragraph. The pamphlets were mailed in May and June. As of August, not one person had claimed the money!<sup>64</sup>

Examine Illustration 20-4 carefully. Would you read this ad? Many marketers claim that such ads add to the costs of advertising and therefore reduce the available consumer information without an offset in

consumer benefit.<sup>65</sup> Many consumer advocates agree that the current approach is not meeting the needs of consumers.

A new issue confronting marketers and regulators is disclosure in Internet advertising. Disclosure involves providing relevant qualifiers to advertising claims such as “limited to stock on hand,” or “available at participating outlets only.” The FTC requires disclosures to be “clear and conspicuous” and this standard has been translated into clear guidelines for print, television, and radio ads. What constitutes “clear and conspicuous” on the Internet. Is it a banner? A pop-up? Does it need a frame around it? This is yet another area where knowledge of consumer information processing and consumer research can help produce effective regulatory guidelines.

## Product Issues

Consumer groups have two major concerns with products—*Are they safe?* and *Are they environmentally sound?* A variety of federal and state agencies are involved in ensuring that products are safe to use. The most important are the Food and Drug Administration and the Consumer Product Safety Commission. Product safety is generally not a controversial issue. However, it is impossible to remove all risk from products.

Should tricycles be banned? Accidents involving tricycles are a major cause of injury to young children. Manufacturers, consumer groups, and individuals differ on where the line should be drawn and who should draw it. Some feel that tricycles should indeed be banned. Others feel that parents should decide if their children should ride tricycles. However, both would agree that information on both the risks of tricycle riding and ways of reducing the risk should be made available to purchasers, though there is disagreement on who should make the information available and how it should be made available. Of course, tricycles represent only one of many products subject to such a debate.

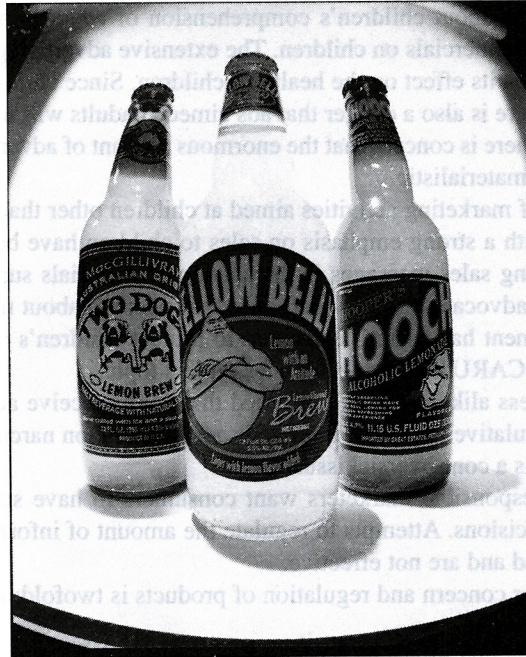
We examined consumers’ desires for environmentally sound products in some detail in Chapter 3. As indicated there, many consumers want products whose production, use, and disposition produce minimal environmental harm. Many marketers are striving to produce such products. Nonetheless, many consumer groups want regulations requiring faster movement in this area and required, rather than voluntary, compliance with environmental standards.

Potentially injurious products such as guns, tobacco products, and alcoholic beverages are subject to a wide variety of regulations at the federal, state, and even city level. A recent controversy in this area is the introduction of “alcoholic lemonades.” These beverages are bottled like beer or soft drinks, often have cartoon character labels, contain about the same amount of alcohol as beer, but are flavored like lemonade, which almost completely masks the alcohol taste (see Illustration 20–5).

Critics contend that the drinks are designed to hook teenagers on alcohol. According to one 16-year-old girl,

They taste just like lemonade. That’s why we drink them. You can drink them so fast. They just go right down.<sup>66</sup>

Should such products be banned? Attempts are being made to restrict the types of labels they can have as well as the way they can be advertised. *How would you deal with this issue?*



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**ILLUSTRATION 20-5**

What regulations, if any, are appropriate for this controversial product category?

## Pricing Issues

Consumer groups want prices that are fair (generally defined as competitively determined) and accurately stated (contain no hidden charges). The FTC is the primary federal agency involved in regulating pricing activities.

Perhaps the most controversial pricing area today is the use of reference prices. An **external reference price** is a price provided by the manufacturer or retailer in addition to the actual current price of the product. Such terms as “compare at \$X,” “usually \$X,” “suggested retail price \$Y—our price only \$X” are common ways of presenting reference prices (see Chapter 17, page 602). The concern arises when the reference price is one at which no or few sales actually occur. Most states and the federal government have regulations concerning the use of reference prices, but they are difficult to enforce. Given the history of abuse of reference prices, it is not surprising that many consumers are skeptical of them.

### SUMMARY

Marketing to children is a major concern to regulators and consumer groups. A major reason for this concern is evidence based on Piaget’s theory of cognitive development that children are not able to fully comprehend commercial messages. This had led to rules issued by both the Federal Trade Commission and the Children’s Advertising Review Unit (CARU) of the National Advertising Division of the Council of Better Business Bureaus. These rules focus mainly on being sure that commercials are clearly separated from the program content and that the words and pictures in the commercials do not mislead children having limited cognitive skills.

In addition to concerns about children's comprehension of advertisements, there is concern about the effect of the content of commercials on children. The extensive advertising of high-fat and high-sugar products raises a concern about its effect on the health of children. Since children watch a substantial amount of prime-time television, there is also a danger that ads aimed at adults will inspire children to take inappropriate actions. In addition, there is concern that the enormous amount of advertising that children view will lead to values that are overly materialistic.

There are a number of marketing activities aimed at children other than television advertising that cause concerns. Kids' clubs with a strong emphasis on sales to children have been strongly criticized. Corporate programs that place strong sales messages in "educational" materials supplied to schools have also come under attack. Children's advocates are now particularly concerned about marketing to children on the Internet. The federal government has passed legislation to protect children's online privacy (Children's Online Privacy Protection Act). CARU also has guidelines on this topic.

Regulators and business alike are also concerned that adults receive accurate and adequate information about products. The cumulative impact of numerous ads focusing on narcissistic values and product ownership on society's values is a controversial issue.

The regulators and responsible marketers want consumers to have sufficient, adequate information to make sound purchase decisions. Attempts to regulate the amount of information provided sometimes overlook information overload and are not effective.

The focus of consumer concern and regulation of products is twofold: Are they safe? and Are they environmentally sound?

Concern with pricing is that prices be fair and accurately presented in a manner that allows comparison across brands.

## KEY TERMS

Children's Advertising Review Unit (CARU)	Corrective advertising	Kids' clubs
Children's Online Privacy Protection Act (COPPA)	External reference price	

## INTERNET EXERCISES

1. Visit the Federal Trade Commission website ([www.ftc.gov](http://www.ftc.gov)). Describe the issues and concerns the FTC is concerned with in terms of consumer protection and marketing.
2. Visit the CARU website ([www.caru.org](http://www.caru.org)). Examine the past six months' news releases. Place each case in a category (such as privacy protection). What do you conclude?
3. Visit the Center for Media Education website ([www.cme.org/cme](http://www.cme.org/cme)). What are its current concerns with respect to marketing and the following?
  - a. Children
  - b. Adults
4. Visit the TrustE website ([www.truste.com](http://www.truste.com)). Evaluate its approach to privacy. Will such a seal increase consumer confidence in a site? Justify your response.

5. Visit one of the sites listed below. Evaluate the effectiveness of the site in terms of marketing to children and the degree to which it meets the requirements of COPPA (Table 20–5).
  - a. www.disney.com
  - b. www.barbie.com
  - c. www.oscar-mayer.com
  - d. www.gijoe.com
6. Visit three companies' websites. Evaluate their privacy statements and policy.
7. Visit the Better Business Bureau website (www.bbb.org). Describe the issues the FTC is concerned with in terms of consumer protection and marketing to adults.
8. Visit an adult site such as Playboy.com. How hard would it be for a 10-year-old to access inappropriate content on this site?

### DDB NEEDHAM LIFESTYLE DATA ANALYSES

1. What characterizes individuals who feel there is too much sex in advertising? What are the marketing implications of this? What are the regulatory implications of this?
2. What characterizes individuals who refuse to buy a brand whose advertising they dislike? What are the marketing implications of this? What are the regulatory implications of this?
3. What characterizes individuals who feel that big companies are just out for themselves? What are the marketing implications of this? What are the regulatory implications of this?

### REVIEW QUESTIONS

1. What are the major concerns in marketing to children?
2. What are the two main issues concerning children's ability to comprehend advertising messages?
3. What is *CARU*? What does it do? What are some of its rules?
4. What are the major concerns about the *content* of commercial messages targeting children?
5. What are the issues concerning the impact of advertising on children's health and safety?
6. What are the issues concerning the impact of advertising on children's values?
7. What are the concerns associated with kids' clubs sponsored by commercial firms?
8. How do firms advertise in the classroom? What issues does this raise? What is Consumers Union's recommendation concerning advertising in the classroom?
9. Why are consumer advocates worried about marketing to kids on the Internet?
10. Describe the key provisions of *COPPA*.
11. How effective was *COPPA* in its first year?
12. What are the major concerns with marketing communications targeting adults?
13. What are the issues concerning the impact of advertising on adults' *values*?
14. What are the concerns with *consumer information accuracy*?
15. What are the concerns with *consumer information adequacy*?
16. What is *information overload*?

17. What is *corrective advertising*?
18. What are the major consumerism issues with respect to products?
19. What are the major consumerism issues with respect to prices?
20. What is *unit pricing*?
21. What is a *reference price*? What is the concern with reference prices?

### DISCUSSION QUESTIONS

22. A television advertisement for General Mills' Total cereal made the following claim: "It would take 16 ounces of the leading natural cereal to equal the vitamins in 1 ounce of fortified Total." The Center for Science in the Public Interest filed a petition against General Mills claiming that the advertisement is deceptive. It was the center's position that the claim overstated Total's nutritional benefits because the cereal is not 16 times higher in other factors important to nutrition.
  - a. Is the claim misleading? Justify your answer.
  - b. How should the FTC proceed in cases such as this?
  - c. What are the implications of cases such as this for marketing management?
23. Turkey ham looks like ham and tastes like ham but it contains no pork; it is all turkey. A nationwide survey of consumers showed that most believed the meat product contained both turkey and ham. The USDA approved this label based on a dictionary definition for the term *ham*: the thigh cut of meat from the hind leg of any animal. Discuss how consumers processed information concerning this product and used this information in purchasing this product. (One court ruled the label to be misleading but was overruled by a higher court.)
  - a. Is the label misleading?
  - b. How should the FTC proceed in such cases?
24. How much and what type, if any, advertising should be allowed on television programs aimed at children of the following ages?
  - a. Under 6
  - b. 6 to 9
  - c. 10 to 12
25. Should there be special rules governing the advertising of food and snack products to children?
26. Does advertising influence children's values? What can the FTC or CARU do to ensure that positive values are promoted? Be precise in your response.
27. What rules, if any, should govern kids' clubs?
28. What rules, if any, should govern marketing to kids on the Internet?
29. What rules, if any, should govern advertising and promotional messages presented in the classroom?
30. Does advertising influence or reflect a society's values?
31. Do you agree that beer advertisements portraying groups of active young adults having fun while consuming beer teach people that the way to be popular and have fun is to consume alcohol?
32. Respond to the questions in Consumer Insight 20–1.
33. Do you think corrective advertising works? Evaluate the three corrective messages described in the text.

34. "Since riding tricycles is a major cause of accidental injury to young children, the product should be banned." State and defend your position on this issue (the first part of the statement is true).
35. How, if at all, would you regulate the new lemonade-flavored alcoholic beverages?
36. To what extent, if at all, do you use nutrition labels to guide your purchases? Why?
37. Do you believe reference prices generally reflect prices at which substantial amounts of the product are normally sold? Does this vary by store, season, or other circumstances?

### APPLICATION ACTIVITIES

38. Watch two hours of Saturday morning children's programming on a commercial channel (not public broadcasting). Note how many commercials are run. What products are involved? What are the major themes? Would hundreds of hours of viewing these commercials over the course of several years have any impact on children's values or behaviors?
39. Interview a child 2 to 4 years of age, one between 5 and 7, and one between 8 and 10. Determine their understanding of the selling intent and techniques of television commercials.
40. Interview a child who belongs to one or more kids' clubs. Describe the club and the child's reactions to it. Determine the extent to which the club is successful in selling things to the child.
41. Interview two grade school teachers and get their responses to material provided by corporations and Consumers Union's proposed rules for such materials.
42. Repeat Question 38 for prime-time television and adults.
43. Find and copy or describe an ad that you feel is misleading. Explain why.
44. Visit a large supermarket. Identify the best and worst breakfast cereal focused on children considering both cost and nutrition. What do you conclude?

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## PART 6

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### Cases

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#### 6-1 Walt Disney Internet Group Privacy Policy for Kids under 13

Below is Walt Disney Internet Group's (WDIG) privacy policy for children under 13 years old.

##### **1. What types of information are WDIG sites collecting about kids who are 12 and younger?**

Children can surf Disney.com or other WDIG sites, view content, and play some games without any personally identifiable information being collected. In addition, we occasionally do host some moderated chat rooms where no personally identifiable information is collected or posted. However, in some areas it is necessary to collect personally identifiable information from kids to allow participation in an activity (like entering a contest) or to communicate with our community (via e-mail or message boards).

WDIG believes it is good policy not to collect more personally identifiable information from kids 12 and younger than is necessary for them to participate in our online activities. In addition, be aware that all sites that are targeted to children 12 and younger are prohibited by law from collecting more information than they need.

The only personally identifiable information we collect from kids is first name, parent's e-mail address, and child's birth date. We collect birth date to validate a Guest's age. We may also collect personal information, like a pet's name, to help Guests remember their Log-in Name and Password if they forget them.

We also allow parents to request at any time that the information collected about their child be removed from our database. If you would like to deactivate your child's account, please send an e-mail message to [ms\\_support@help.go.com](mailto:ms_support@help.go.com) with your child's Log-in Name and Password requesting that the account be cancelled.

##### **2. How does WDIG use and share the personally identifiable information that has been collected?**

No information collected from Guests 12 and younger is used for any marketing or promotional purposes whatsoever, either inside or outside Walt Disney Internet Group's family of sites.

The information collected about kids 12 and younger is used only by WDIG websites to provide services (such as calendars) or to conduct some games or contests. Although Guests 12 and younger may be allowed to participate in some contests where information is collected, notification and prizes are sent to the parents' or guardians' e-mail address provided during the initial registration process. Publication of contest winners' full names, ages, or images for individuals 12 and younger require parental or guardian

consent. Sometimes a nonidentifiable version of a child's name will be published. In those circumstances, parents may not be contacted again for permission.

We do not allow kids 12 and younger to participate in unmoderated chat rooms.

We will give out personal information about kids if required by law, for example, to comply with a court order or subpoena; to enforce our Terms of Service, or site or game rules; or to protect the safety and security of Guests and our sites.

### **3. Does WDIG notify parents about the collection of information on kids 12 and younger?**

Any time children 12 and younger register with us, we send an e-mail notification to their parent or guardian. In addition, we require parents to give express permission before we will allow their children to use e-mail, message boards, and other features where personally identifiable information can be made public to the Internet and shared with users of all ages.

We also give parents 48 hours to refuse any registrations kids make in order to play games and contests. If we don't hear back, we assume it's OK for a child to be registered with us. Once a child has registered, he or she will be allowed to enter any future registration-based games and contests, and parents aren't notified again. In this instance, we use the information collected only to notify parents when a child has won a game or contest. We don't use this information for any other purpose.

### **4. How do parents access information about their kids?**

Here are three methods to review the information that has been collected about children who are 12 and younger.

1. When parents give their children access to interactive features like message boards, they are required to establish a family account. Once a family account is established, the primary account holder can review the personally identifiable information of all family member accounts including a child's. You can access this information by logging in to your family account at the Your Account home page.
2. If you are not already a member of any of the WDIG sites, you can review your child's personally identifiable information by logging in to your child's account at the Member Services home page. You will need to have your child's member name and password. There are instructions on the Your Account home page to help you recover your child's password if they've forgotten it.

You can also contact Customer Service to view the information that has been collected from or about your child by sending an e-mail to [ms\\_support@help.go.com](mailto:ms_support@help.go.com). If you have not yet established a family account, you will need to have your child's user name and password. Please include information (child's member name, parent e-mail address) in the e-mail that will help us identify your child's account so we can assist you with your inquiry or request.

### **5. What type of security does WDIG provide?**

The importance of security for all personally identifiable information associated with our guests is of utmost concern to us. WDIG takes technical, contractual, administrative, and physical security steps to protect all visitors' information. When you provide credit card information, we use secure socket layer (SSL) encryption to protect it. There are some things that you can do to help protect the security of your information as well. For instance, never give out your Password, since this is what is used to access all of your account information. Also remember to sign out of your account and close your browser window when you finish surfing the Web so that other people using the same computer won't have access to your information.

### **6. How will WDIG notify parents if this privacy policy changes?**

If WDIG changes this privacy policy, we will notify parents via e-mail.

## 7. Whom do I contact with questions or concerns about this privacy policy?

If you need further assistance, please send an e-mail with your questions or comments to [ms\\_support@help.go.com](mailto:ms_support@help.go.com) write us at:

Member Services  
Walt Disney Internet Group  
506 2nd Avenue  
Suite 2100  
Seattle, WA 98104  
or call us at (509) 742-4698\*

Walt Disney Internet Group is a licensee of the TRUSTe Privacy Program. If you believe that WDIG has not responded to your inquiry or your inquiry has not been satisfactorily addressed, please contact TRUSTe [www.truste.org/users/users\\_watchdog.html](http://www.truste.org/users/users_watchdog.html).

### Discussion Question

1. Evaluate this privacy policy.

\*You must be 18 or have the permission of your parent or guardian to dial this number.

## 6-2 Safer Cigarettes?

In November 2001, Brown & Williamson Tobacco placed Advance cigarettes into Indianapolis stores for a sales test. Ads supporting the brand feature part of a man or woman's face focusing on one clear eye. The headline is "New ADVANCE . . . A step in the right direction." The tagline is "All of the taste . . . Less of the toxins." The text credits the toxin reduction to a "revolutionary new filter design," and a "patented new method for growing tobacco." The text again states "Less toxins and great taste." In addition to the required Surgeon General's warning, the ads contain a boxed statement: "There is no such thing as a safe cigarette, nor is there enough medical information to know if Advance with less toxins will lower health risks." This statement is also on the back of the package.

There are four views of the likely impact of this product and its message. Brown & Williamson obviously feels it meets a market need. It uses the "less toxins" claim because

It seems to be the clearest and most impactful statement we could make of the facts that are behind Advance and the product itself. We did not want to get into polysyllabic chemical names.

One analyst feels that the tagline will backfire and remind smokers of the harmful effects of smoking:

People are aware of the fact that when they purchase cigarettes, there are significant adverse health consequences, but it doesn't seem to be a winning proposition to remind them every time.

Mathew Myers, president of the Campaign for Tobacco-Free Kids, feels it is unethical and misleading:

People It's always a good thing to remove a known carcinogen from cigarettes, but it is irresponsible to make statements in marketing that will lead consumers to believe that the product is safer. And that's exactly what happens when a manufacturer touts a product as having fewer toxins, no matter how many disclaimers they put on it.

A final view is expressed by an analyst who sees very little demand for a safer or less toxic cigarette:

Cigarette smokers are risk-takers. If they're truly concerned about health, they quit.

### Discussion Questions

1. Which of the four positions described before is (are) most likely accurate? Why?
2. Why would consumers believe that Advance is safer if not a safe cigarette despite the disclaimer?
3. What are the ethical issues Brown & Williamson should have considered before launching this product?
4. What regulations, if any, should be applied to pro-moting toxin reduction in cigarettes?
5. Less educated individuals are much more likely to smoke and smoke heavily (if 100 equals an average rate of heavy smoking within a group; college grad-uates score 48, those who attended college are 86, those with high school degrees are 120, and those who did not graduate from high school are 151). Does this fact impose additional ethical or regula-tory requirements concerning how Brown & Williamson communicates about Advance?

Source: C. B. DiPasquale, "B&W Smoke Boasts Fewer Toxins," Advertising Age, November 5, 2001, p. 3; "Blowing Smoke," Advertising Age, November 12, 2001, p. 26; B. Garfield, "Softly Lit or Blunt, 'Less Toxic' Cigarette Ads Hint at Health," Advertising Age, November 12, 2001; and C. B. DiPasquale, "B&W Leads Lower-Toxin Pitch," Advertising Age, June 24, 2002, p. S22.

## Appendix A

# Consumer Research Methods

In this appendix, we want to provide you with some general guidelines for conducting research on consumer behavior. While these guidelines will help you get started, a good marketing research text is indispensable if you need to conduct a consumer research project or evaluate a consumer research proposal.

## SECONDARY DATA

Any research project should begin with a thorough search for existing information relevant to the project at hand. Internal data such as past studies, sales reports, and accounting records should be consulted. External data, including reports, magazines, government organizations, trade associations, marketing research firms, advertising agencies, academic journals, trade journals, and books, should be thoroughly researched.

Computer searches are fast, economical means of conducting such searches. Most university and large public libraries have computer search capabilities, as do most large firms. However, computer searches will often miss reports by trade associations and magazines. Therefore, magazines that deal with the product category or that are read by members of the relevant market should be contacted. The same is true for associations (for names and addresses, see *Encyclopedia of Associations*, Gale Research Inc.).

## SAMPLING

If the specific information required is not available from secondary sources, we must gather primary data. This generally involves talking to or observing consumers. However, it could involve asking knowledgeable others, such as sales personnel, about the consumers. In either case, time and cost constraints generally preclude us from contacting every single potential consumer. Therefore, most consumer research projects require a sample—a deliberately selected portion of the larger group. This requires a number of critical decisions, as described below. Mistakes made at this point are difficult to correct later in the study. The key decisions are briefly described below.

### Define the Population

The first step is to define the consumers in which we are interested. Do we want to talk to current brand users, current product-category users, or potential product-category users? Do we want to talk with the purchasers, the users, or everyone involved in the purchase process? The population as we define it must reflect the behavior on which our marketing decision will be based.

## Specify the Sampling Frame

A sampling frame is a list or grouping of individuals or households that reflects the population of interest. A phone book and shoppers at a given shopping mall can each serve as a sampling frame. Perfect sampling frames contain every member of the population one time. Phone books do not have households with unlisted numbers; many people do not visit shopping malls, while others visit them frequently. This is an area in which we generally must do the best we can without expecting a perfect frame. However, we must be very alert for biases that may be introduced by imperfections in our sampling frame.

## Select a Sampling Method

The major decision at this point is between a random (probability) sample and a nonrandom sample. Nonrandom samples, particularly judgment samples, can provide good results. A judgment sample involves the deliberate selection of knowledgeable consumers or individuals. For example, a firm might decide to interview the social activity officers of fraternities and sororities to estimate campus attitudes toward a carbonated wine drink aimed at the campus market. Such a sample might provide useful insights. However, it might also be biased, since such individuals are likely to have a higher level of income and be more socially active than the average student.

The most common nonrandom sample, the convenience sample, involves selecting sample members in the manner most convenient for the researcher. It is subject to many types of bias and should generally be avoided.

Random or probability samples allow some form of a random process to select members from a sample frame. It may be every third person who passes a point-of-purchase display, house addresses selected by using a table of random numbers, or telephone numbers generated randomly by a computer. If random procedures are used, we can calculate the likelihood that our sample is not representative within specified limits.

## Determine Sample Size

Finally, we must determine how large a sample to talk to. If we are using random sampling, there are formulas that can help us make this decision. In general, the more diverse our population is and the more certain we want to be that we have the correct answer, the more people we will need to interview.

## SURVEYS

Surveys are systematic ways of gathering information from a large number of people. They generally involve the use of a structured or semistructured questionnaire. Surveys can be administered by mail, telephone, or in person. Personal interviews generally take place in shopping malls and are referred to as mall intercept interviews.

Each approach has advantages and disadvantages. Personal interviews allow the use of complex questionnaires, product demonstrations, and the collection of large amounts of data. They can be completed in a relatively short period of time. However, they are very expensive and are subject to interviewer bias. Telephone surveys can be completed rapidly, provide good sample control (who answers the questions), and are relatively inexpensive. Substantial amounts of data can be collected, but it must be relatively simple. Interviewer bias is possible. Mail surveys take the longest to complete and must generally be rather short. They can be used to collect modestly complex data, and they are very economical. Interviewer bias is not a problem.



A major concern in survey research is nonresponse bias. In most surveys, fewer than 50 percent of those selected to participate in the study actually do participate. In telephone and personal interviews, many people are not at home or refuse to cooperate. In mail surveys, many people refuse or forget to respond.

We can increase the response rate by callbacks in telephone and home personal surveys. The callbacks should be made at different times and on different days. Monetary inducements (enclosing 25 cents or \$1) increase the response rate to mail surveys, as do prenotification (a card saying that a questionnaire is coming) and reminder postcards.

If less than a 100 percent response rate is obtained, we must be concerned that those who did not respond differ from those who did. A variety of techniques are available to help us estimate the likelihood and nature of nonresponse error.

## EXPERIMENTATION

Experimentation involves changing one or more variables (product features, package color, advertising theme) and observing the effect this change has on another variable (consumer attitude, repeat purchase behavior, learning). The variable(s) that is changed is called an *independent variable*. The variable(s) that may be affected is called a *dependent variable*. The objective in experimental design is to structure the situation so that any change in the dependent variable is very likely to have been caused by a change in the independent variable.

The basic tool in designing experimental studies is the use of control and treatment groups. A *treatment group* is one in which an independent variable is changed (or introduced) and the change (or lack of) in the dependent variable is noted. A *control group* is a group similar to the treatment group except that the independent variable is not altered. There are a variety of ways in which treatment and control groups can be combined to produce differing experimental designs.

In addition to selecting an appropriate experimental design, we must also develop an experimental environment. In a laboratory experiment, we carefully control for all outside influences. This generally means that we will get similar results every time we repeat a study. Thus, if we have people taste several versions of a salad dressing in our laboratory, we will probably get similar preference ratings each time the study is repeated with similar consumers (internal validity). However, this does not necessarily mean that consumers will prefer the same version at home or in a restaurant (external validity).

In a field experiment, we conduct our study in the most relevant environment possible. This often means that unusual outside influences will distort our results. However, if our results are not distorted, they should hold true in the actual market application. Thus, if we have consumers use several versions of our salad dressing in their homes, competitor actions, unusual weather, or product availability might influence their response (internal validity). However, in the absence of such unusual effects, the preferred version should be preferred if actually sold on the market.

## QUESTIONNAIRE DESIGN

All surveys and many experiments use questionnaires as data collection devices. A questionnaire is simply a formalized set of questions for eliciting information. It can measure (1) behavior—past, present, or intended; (2) demographic characteristics—age, gender, income, education, occupation; (3) level of knowledge; and (4) attitudes and opinions. The process of questionnaire design is outlined in Table A-1.

**TABLE A-1**

Questionnaire  
Design Process

1. *Preliminary decisions*  
Exactly what information is required?  
Exactly who are the target respondents?  
What method of communication will be used to reach these respondents?
2. *Decisions about question content*  
Is this question really needed?  
Is this question sufficient to generate the needed information?  
Can the respondent answer the question correctly?  
Will the respondent answer the question correctly?  
Are there any external events that might bias the response to the question?
3. *Decisions about the response format*  
Can this question best be asked as an open-ended, multiple-choice, or dichotomous question?
4. *Decisions concerning question phrasing*  
Do the words used have but one meaning to all the respondents?  
Are any of the words or phrases loaded or leading in any way?  
Are there any implied alternatives in the question?  
Are there any unstated assumptions related to the question?  
Will the respondents approach the question from the frame of reference desired by the researcher?
5. *Decisions concerning the question sequence*  
Are the questions organized in a logical manner that avoids introducing errors?
6. *Decisions on the layout of the questionnaire*  
Is the questionnaire designed in a manner to avoid confusion and minimize recording errors?
7. *Pretest and revise*  
Has the final questionnaire been subjected to a thorough pretest, using respondents similar to those who will be included in the final survey?

## ATTITUDE SCALES

Attitudes are frequently measured on specialized scales.

Noncomparative rating scales require the consumer to evaluate an object or an attribute of the object without directly comparing it to another object. Comparative rating scales provide a direct comparison point (a named competitor, "your favorite brand," "the ideal brand"). An example of each follows:

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### Noncomparative Rating Scale

*How do you like the taste of Diet Pepsi?*

Like it very much      Like it      Dislike it      Strongly dislike it

\_\_\_\_\_

### Comparative Rating Scale

*How do you like the taste of Tom's of Maine compared to Ultra Bright?*

Like it much more      Like it more      Like it about the same      Like it less      Like it much less

\_\_\_\_\_

---

Paired comparisons involve presenting the consumer with two objects (brands, packages) at a time and requiring the selection of one of the two according to some criterion such as overall preference, taste, or color. Rank order scales require the consumer to rank a set of brands, advertisements, or features in terms of overall preference, taste, or importance. The constant sum scale is similar except it also requires the respondent to allocate 100 points among the objects. The allocation is to be done in a manner that reflects the relative preference

or importance assigned each object. The semantic differential scale requires the consumer to rate an item on a number of scales bounded at each end by one of two bipolar adjectives. For example:

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<b>Honda Accord</b>		
Fast	_____ <u>  X  </u> _____ _____ _____ _____ _____ _____ _____ _____	Slow
Fancy	_____ _____ _____ _____ _____ _____ _____ _____	Plain
Large	_____ _____ _____ _____ _____ _____ _____ _____	Small
Inexpensive	_____ _____ _____ _____ _____ _____ _____ _____	Expensive

---

The instructions indicate that the consumer is to mark the blank that best indicates how accurately one or the other term describes or fits the attitude object. The end positions indicate “extremely,” the next pair in from the ends indicates “very,” the middlemost pair indicates “somewhat,” and the middle position indicates “neither/nor.” Thus, the consumer in the example rates the Honda Accord as extremely fast, very plain, somewhat expensive, and neither large nor small.

Likert scales ask consumers to indicate a degree of agreement or disagreement with each of a series of statements related to the attitude object, such as the following:

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1. *Macy's is one of the most attractive stores in town.*

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
_____	_____	_____	_____	_____

2. *The service at Macy's is not satisfactory.*

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
_____	_____	_____	_____	_____

3. *The service at a retail store is very important to me.*

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
_____	_____	_____	_____	_____

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To analyze responses to a Likert scale, each response category is assigned a numerical value. These examples could be assigned values such as Strongly agree = 1 through Strongly disagree = 5; the scoring could be reversed, or a +2 through -2 system could be used.

## DEPTH INTERVIEWS

Depth interviews can involve one respondent and one interviewer, or they may involve a small group (8 to 15 respondents) and an interviewer. The latter are called focus group interviews, and the former are termed

individual depth interviews or one-on-ones. Groups of four or five are often referred to as minigroup interviews. Depth interviews in general are commonly referred to as qualitative research. Individual depth interviews involve a one-to-one relationship between the interviewer and the respondent. The interviewer does not have a specific set of prespecified questions that must be asked according to the order imposed by a questionnaire. Instead, there is freedom to create questions, to probe those responses that appear relevant, and generally to try to develop the best set of data in any way practical. However, the interviewer must follow one rule: He or she must not consciously try to affect the content of the answers given by the respondent. The respondent must feel free to reply to the various questions, probes, and other, more subtle ways of encouraging responses in the manner deemed most appropriate.

Individual depth interviews are appropriate in six situations:

1. Detailed probing of an individual's behavior, attitudes, or needs is required.
2. The subject matter under discussion is likely to be of a highly confidential nature (e.g., personal investments).
3. The subject matter is of an emotionally charged or embarrassing nature.
4. Certain strong, socially acceptable norms exist (e.g., child-care) and the need to conform in a group discussion may influence responses.
5. A highly detailed (step-by-step) understanding of complicated behavior or decision-making patterns (e.g., planning the family holiday) is required.
6. The interviews are with professional people or with people on the subject of their jobs (e.g., finance directors).

Focus group interviews can be applied to (1) basic need studies for product ideas creation, (2) new-product ideas or concept exploration, (3) product-positioning studies, (4) advertising and communications research, (5) background studies on consumers' frames of reference, (6) establishment of consumer vocabulary as a preliminary step in questionnaire development, and (7) determination of attitudes and behaviors.

The standard focus group interview involves 8 to 12 individuals. Normally, the group is designed to reflect the characteristics of a particular market segment. The respondents are selected according to the relevant sampling plan and meet at a central location that generally has facilities for taping or filming the interviews. The discussion itself is led by a moderator. The competent moderator attempts to develop three clear stages in the one- to three-hour interview: (1) establish rapport with the group, structure the rules of group interaction, and set objectives; (2) attempt to provoke intense discussion in the relevant areas; and (3) attempt to summarize the group's responses to determine the extent of agreement. In general, either the moderator or a second person prepares a summary of each session after analyzing the session's transcript.

## PROJECTIVE TECHNIQUES

Projective techniques are designed to measure feelings, attitudes, and motivations that consumers are unable or unwilling to reveal otherwise. They are based on the theory that the description of vague objects requires interpretation, and this interpretation can only be based on the individual's own attitudes, values, and motives.

Table 10-2 provides descriptions and examples of the more common projective techniques.

## OBSERVATION

Observation can be used when (1) the behaviors of interest are public; (2) they are repetitive, frequent, or predictable; and (3) they cover a relatively brief time span. An observational study requires five decisions:

1. *Natural versus contrived situation.* Do we wait for a behavior to occur in its natural environment, or do we create an artificial situation in which it will occur?
2. *Open versus disguised observation.* To what extent are the consumers aware that we are observing their behavior?
3. *Structured versus unstructured observation.* Will we limit our observations to predetermined behaviors, or will we note whatever occurs?
4. *Direct or indirect observations.* Will we observe the behaviors themselves or merely the outcomes of the behaviors?
5. *Human or mechanical observations.* Will the observations be made mechanically or by people?

## PHYSIOLOGICAL MEASURES

Physiological measures are direct observations of physical responses to a stimulus such as an advertisement. These responses may be controllable, such as eye movements, or uncontrollable, such as the galvanic skin response. Eye-tracking cameras allow researchers to determine how long a consumer looks at each element in a stimulus, such as a point-of-purchase display, ad, or package, and the sequence in which they are examined. Galvanic skin response can be measured (via a lie detector) to detect the intensity of emotional responses to ads or packages.

## CONJOINT ANALYSIS

In conjoint analysis, the consumer is presented with a set of products or product descriptions in which the potential evaluative criteria vary. For example, they may be presented with the description of 24 different notebook computers that vary on four criteria. Two might be

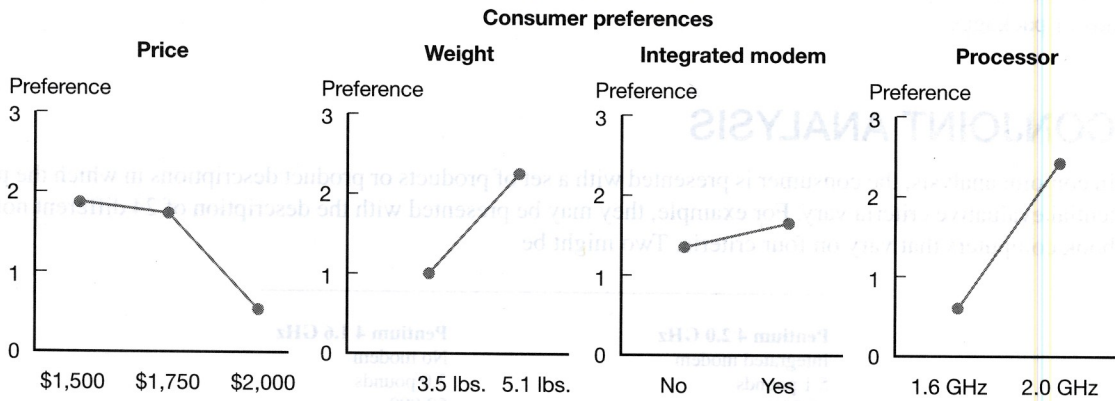
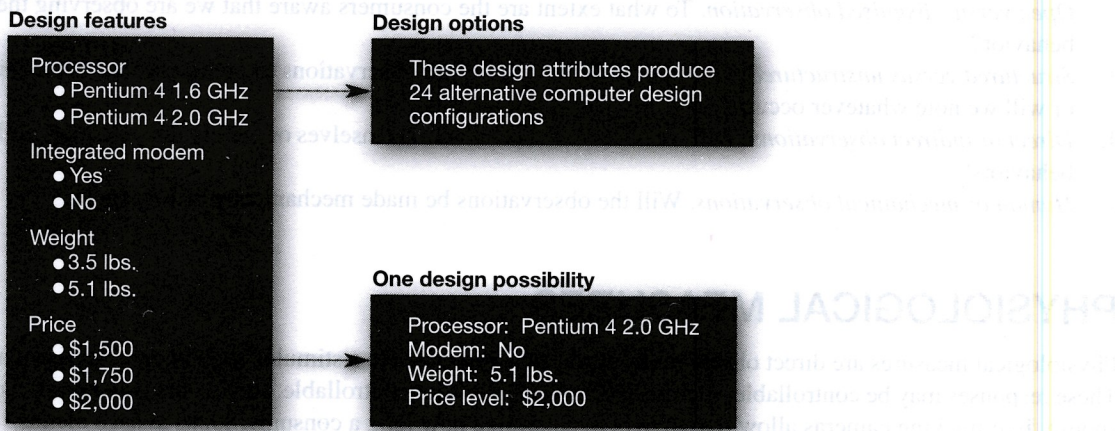
<b>Pentium 4 2.0 GHz</b>	<b>Pentium 4 1.6 GHz</b>
Integrated modem	No modem
5.1 pounds	3.0 pounds
\$2,500	\$2,000

The consumer ranks all 24 such descriptions in terms of his or her preference for those combinations of features. Based on these preference ranks, sophisticated computer programs derive the relative importance consumers assign to each level of each attribute tested.

For example, in Figure A-1, a consumer was asked to rank in terms of overall preference 24 different computer designs featuring different levels of four key evaluative criteria. The preferences were then analyzed in light of the variations in the attributes. The result is a preference curve for each evaluative criterion that reflects the importance of that attribute. For example, processor is a particularly important evaluative criterion for this consumer while an integrated modem is of almost no importance.

Conjoint analysis is limited to the attributes listed by the researcher. Thus, a conjoint analysis of soft-drink attributes would not indicate anything about calorie content unless the researcher listed it as a feature. The Sunbeam study did not test such attributes as brand name, color, weight, or safety features. If an important attribute is omitted, incorrect market share predictions are likely to result. In addition, conjoint

**FIGURE A-1** Using Conjoint Analysis to Determine the Importance of Evaluative Criteria for a Computer



Evaluative criteria	Importance
Processor	45%
Modem	5
Weight	25
Price	25

- Processor is the most important feature in this example, and Pentium 4 2.0 GHz is the preferred option.
- While price and weight are also important, price becomes important only between \$1,750 and \$2,000.

analysis is not well suited for measuring the importance of emotional or feeling-based product choices. For example, what types of attributes would you use to perform a conjoint analysis of perfumes?

## Appendix B

# Consumer Behavior Audit\*

In this appendix, we provide a list of key questions to guide you in developing marketing strategy from a consumer behavior perspective. This audit is no more than a checklist to minimize the chance of overlooking a critical behavioral dimension. It does not guarantee a successful strategy. However, thorough and insightful answers to these questions should greatly enhance the likelihood of a successful marketing program.

Our audit is organized around the key decisions that marketing managers must make. The first key decision is the selection of the target market(s) to be served. This is followed by the determination of a viable product position for each target market. Finally, the marketing mix elements—product, place, price, and promotion—must be structured in a manner consistent with the desired product position. This process is illustrated in Figure B-1.

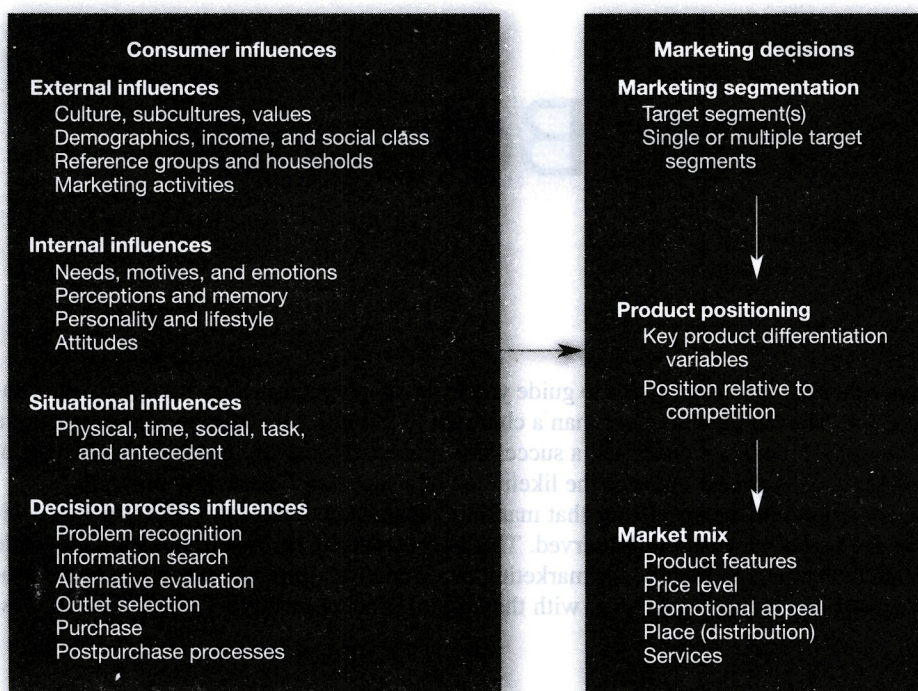
## MARKET SEGMENTATION

Market segmentation is the process of dividing all possible users of a product into groups that have similar needs the products might satisfy. Market segmentation should be done prior to the final development of a new product. In addition, a complete market segmentation analysis should be performed periodically for existing products. The reason for continuing segmentation analyses is the dynamic nature of consumer needs.

### A. External influences

1. Are there cultures or subcultures whose value system is particularly consistent (or inconsistent) with the consumption of our product?
2. Is our product appropriate for male or female consumption? Will ongoing gender-role changes affect who consumes our product or how it is consumed?
3. Do ethnic, social, regional, or religious subcultures have different consumption patterns relevant to our product?
4. Do various demographic or social-strata groups (age, gender, urban/suburban/ rural, occupation, income, education) differ in their consumption of our product?
5. Is our product particularly appropriate for consumers with relatively high (or low) incomes compared to others in their occupational group (ROCI)?
6. Can our product be particularly appropriate for specific roles, such as students or professional women?
7. Would it be useful to focus on specific adopter categories?

\*Revised by Richard Pomazal of Wheeling Jesuit College.

**FIGURE B-1** Consumer Influences Drive Marketing Decisions

8. Do groups in different stages of the household life cycle have different consumption patterns for our product? Who in the household is involved in the purchase process?
- B. Internal influences
1. Can our product satisfy different needs or motives in different people? What needs are involved? What characterizes individuals with differing motives?
  2. Is our product uniquely suited for particular personality types? Self-concepts?
  3. What emotions, if any, are affected by the purchase and/or consumption of this product?
  4. Is our product appropriate for one or more distinct lifestyles?
  5. Do different groups have different attitudes about an ideal version of our product?
- C. Situational influences
1. Can our product be appropriate for specific types of situations instead of (or in addition to) specific types of people?
- D. Decision process influences
1. Do different individuals use different evaluative criteria in selecting the product?
  2. Do potential customers differ in their loyalty to existing products/brands?

## PRODUCT POSITION

A product position is the way the consumer thinks of a given product/brand relative to competing products/brands. A manager must determine what a desirable product position would be for each market segment



of interest. This determination is generally based on the answers to the same questions used to segment a market, with the addition of the consumer's perceptions of competing products/brands. Of course, the capabilities and motivations of existing and potential competitors must also be considered.

- A. Internal influences
  - 1. What is the general semantic memory structure for this product category in each market segment?
  - 2. What is the ideal version of this product in each market segment for the situations the firm wants to serve?
- B. Decision process influences
  - 1. Which evaluative criteria are used in the purchase decision? Which decision rules and importance weights are used?

## PRICING

The manager must set a pricing policy that is consistent with the desired product position. Price must be broadly conceived as everything a consumer must surrender to obtain a product. This includes time and psychological costs as well as monetary costs.

- A. External influences
  - 1. Does the segment hold any values relating to any aspect of pricing, such as the use of credit or conspicuous consumption?
  - 2. Does the segment have sufficient income, after covering living expenses, to afford the product?
  - 3. Is it necessary to lower price to obtain a sufficient relative advantage to ensure diffusion? Will temporary price reductions induce product trial?
  - 4. Who in the household evaluates the price of the product?
- B. Internal influences
  - 1. Will price be perceived as an indicator of status?
  - 2. Is economy in purchasing this type of product relevant to the lifestyle(s) of the segment?
  - 3. Is price an important aspect of the segment's attitude toward the brands in the product category?
  - 4. What is the segment's perception of a fair or reasonable price for this product?
- C. Situational influences
  - 1. Does the role of price vary with the type of situation?
- D. Decision process factors
  - 1. Can a low price be used to trigger problem recognition?
  - 2. Is price an important evaluative criterion? What decision rule is applied to the evaluative criteria used? Is price likely to serve as a surrogate indicator of quality?
  - 3. Are consumers likely to respond to in-store price reductions?

## DISTRIBUTION STRATEGY

The manager must develop a distribution strategy that is consistent with the selected product position. This involves the selection of outlets if the item is a physical product, or the location of the outlets if the product is a service.

- A. External influences
  - 1. What values do the segments have that relate to distribution?
  - 2. Do the male and female members of the segments have differing requirements of the distribution system? Do working couples, single individuals, or single parents within the segment have unique needs relating to product distribution?

3. Can the distribution system capitalize on reference groups by serving as a means for individuals with common interests to get together?
  4. Is the product complex such that a high-service channel is required to ensure its diffusion?
- B. Internal influences
1. Will the selected outlets be perceived in a manner that enhances the desired product position?
  2. What type of distribution system is consistent with the lifestyle(s) of each segment?
  3. What attitudes does each segment hold with respect to the various distribution alternatives?
- C. Situational influences
1. Do the desired features of the distribution system vary with the situation?
- D. Decision process factors
1. What outlets are in the segment's evoked set? Will consumers in this segment seek information in this type of outlet?
  2. Which evaluative criteria does this segment use to evaluate outlets? Which decision rule?
  3. Is the outlet selected before, after, or simultaneously with the product/brand? To what extent are product decisions made in the retail outlet?

## PROMOTION STRATEGY

The manager must develop a promotion strategy, including advertising, nonfunctional package design features, publicity, promotions, and sales force activities that are consistent with the product position.

- A. External factors
1. What values does the segment hold that can be used in our communications? Which should be avoided?
  2. How can we communicate to our chosen segments in a manner consistent with the emerging gender-role perceptions of each segment?
  3. What is the nonverbal communication system of each segment?
  4. How, if at all, can we use reference groups in our advertisements?
  5. Can our advertisements help make the product part of one or more role-related product clusters?
  6. Can we reach and influence opinion leaders?
  7. If our product is an innovation, are there diffusion inhibitors that can be overcome by promotion?
  8. Who in the household should receive what types of information concerning our product?
- B. Internal factors
1. Have we structured our promotional campaign such that each segment will be exposed to it, attend to it, and interpret it in the manner we desire?
  2. Have we made use of the appropriate learning principles so that our meaning will be remembered?
  3. Do our messages relate to the purchase motives held by the segment? Do they help reduce motivational conflict if necessary?
  4. Are we considering the emotional implications of the ad and/or the use of our product?
  5. Is the lifestyle portrayed in our advertisements consistent with the desired lifestyle of the selected segments?
  6. If we need to change attitudes via our promotion mix, have we selected and properly used the most appropriate attitude-change techniques?
- C. Situational influences
1. Does our campaign illustrate the full range of appropriate usage situations for the product?

**D. Decision process influences**

1. Will problem recognition occur naturally, or must it be activated by advertising? Should generic or selective problem recognition be generated?
2. Will the segment seek out or attend to information on the product prior to problem recognition, or must we reach them when they are not seeking our information? Can we use low-involvement learning processes effectively? What information sources are used?
3. After problem recognition, will the segment seek out information on the product/ brand, or will we need to intervene in the purchase decision process? If they do seek information, what sources do they use?
4. What types of information are used to make a decision?
5. How much and what types of information are acquired at the point of purchase?
6. Is postpurchase dissonance likely? Can we reduce it through our promotional campaign?
7. Have we given sufficient information to ensure proper product use?
8. Are the expectations generated by our promotional campaign consistent with the product's performance?
9. Are our messages designed to encourage repeat purchases, brand loyal purchases, or neither?

## PRODUCT

The marketing manager must be certain that the physical product, service, or idea has the characteristics required to achieve the desired product position in each market segment.

**A. External influences**

1. Is the product designed appropriately for all members of the segment under consideration, including males, females, and various age groups?
2. If the product is an innovation, does it have the required relative advantage and lack of complexity to diffuse rapidly?
3. Is the product designed to meet the varying needs of different household members?

**B. Internal influences**

1. Will the product be perceived in a manner consistent with the desired image?
2. Will the product satisfy the key purchase motives of the segment?
3. Is the product consistent with the segment's attitude toward an ideal product?

**C. Situational influences**

1. Is the product appropriate for the various potential usage situations?

**D. Decision process influences**

1. Does the product/brand perform better than the alternatives on the key set of evaluative criteria used by this segment?
2. Will the product perform effectively in the foreseeable uses to which this segment may subject it?
3. Will the product perform as well or better than expected by this segment?

## CUSTOMER SATISFACTION AND COMMITMENT

Marketers must produce satisfied customers to be successful in the long run. It is often to a firm's advantage to go beyond satisfaction and create committed or loyal customers.

1. What factors lead to satisfaction with our product?
2. What factors could cause customer commitment to our brand or firm?

- D. Decision process influences
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  2. Will the segment seek out or attend to information on the product prior to problem recognition, or must we reach them when they are not seeking our information? Can we use low-involvement learning processes effectively? What information sources are used?
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