

The ethics of advertising: what does advertising cost?



Unit 3:

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Is advertising ethical?

We are now confronted with the problem of permitting the average American to feel moral even when he is flirting, even when he is taking two vacations a year and buying a second or third car. One of the basic problems of this prosperity, then, is to give people the sanction and justification to enjoy it and to demonstrate the hedonistic approach to his life is a moral, not an immoral one. This permission given to the consumer to enjoy his life freely, the demonstration that he is right in surrounding himself with products that enrich his life and give him pleasure must be one of the central themes of every advertising display and sales promotion plan.

Dr Ernest Dichter (head of one of the biggest U.S.A. advertising agencies in his publication, *Motivations*, in 1956 (quoted in Packard, 1981, p. 113).

Is advertising ethical? What a question! It is a difficult question because a lot depends of how one defines 'advertising' and what one means by 'ethical'.

For the sake of simplicity, it may be necessary to have as starting point a common sense view of advertising as part of the process of selling goods in which information is presented to potential customers about the specifications, quality and usefulness and/or desirability of the goods and which, when done transparently and honestly, is clearly ethical.

Such advertising may become unethical if dishonest or misleadingly partial information on the specifications, quality and usefulness and/or desirability of the goods is presented.

At what stage an advert becomes dishonest or misleading is often difficult to judge, but that sort of difficulty applies to most ethical matters. Is the well known practice of the photographs of interiors of houses and motor cars used in adverts being taken with a wide angle lens, which distorts the visual scale making them seem much larger and roomier than they are in reality, unethical? At what stage does the maxim of "buyer beware" of such tricks get overtaken by a case of fraudulent presentation?

However, when there is no longer any serious attempt to describe the goods at all (or such description is at best very secondary), as in most modern brand related advertisements, a decidedly different approach is needed. When advertising is not simply a matter of giving (relatively) honest information about a product, but is rather a matter of associating the product with something which is decidedly not the product – a desired identity, a sexual longing, an attractive environment, a symbol of status, can one legitimately ask whether the advert is unethical? Certainly this is the approach that the advertising bodies (set-up by advertisers) that purport to control standards in advertising use in their own defence when adverts are criticised – that modern adverts are not descriptive at all and therefore cannot be dishonest. They claim that such non-descriptive adverts are fun or send ups or have been misinterpreted or some other suitable excuse. In 2024 in a court case in the United

States of America the chocolate maker Lindt's own lawyers said its marketing tactics were "exaggerated advertising, blustering, and boasting upon which no reasonable buyer would rely". This astonishing admission refers directly to the very words in its advertisement, that its chocolates were supposedly "expertly crafted with the finest ingredients".

The other area where advertisements could be considered unethical is where coercion or seduction is used to encourage sales, in the sense that the advertising message is deployed against those who are not psychologically or morally strong enough to resist certain proposals (which in themselves may not necessarily be unethical).

In looking at the issue of the ethics of modern advertising one can look at the following types of issues:

- The issue of the economic value of modern advertising
- The issue of the impact on labour
- The issue of its impact on consciousness
- The issue of the exploitation of children
- The issue of the impact on society

The issue of the economic value of modern advertising

Billions are spent each year on advertising and there are estimates that advertising increases total retail prices by between 5 and 6 percent. In 2023 world spending on advertising was estimated at \$733 billion, 82% of it on digital media.

Individual firms spend enormous amounts: McDonald's spend about \$2 billion per year worldwide on advertising and promotions. Nike spent \$3.577 billion in 2018.

However advertisers are only too ready to claim that adverts reduce cost – because industry is thus able to mass produce.

Two questions have to be asked here:

1. Is mass production, even at lower cost, a good thing?

Mass production with mass profitability needs large masses of people who feel more or less similarly about a particular way of life and about the products that fit into it. There is a stress on long runs of few varieties with reduction of real consumer choice – while appearing to maintain, even increase choice. This is particularly true with cars: increasingly the same parts of the innards and exteriors of cars appear in a wide variety of makes and models. Indeed, is uniformity, lack of real choice, even at lower cost, a good thing? Do we live just to consume the products of industry and technology?

2. Is mass production served by advertising really cheaper?

Mass production is cheaper. But it needs huge capital investment. Only a handful of firms can afford it. And these few firms control nearly all the supplies coming onto the market. A typical example in South Africa is the domination of the washing powder market by two firms. There is no real competition, as there would be between a multitude of firms. The manufacturing giants parcel out the market between them, and advertising, not price reduction (of which they seem to have an utter abhorrence), is the way of determining how the consumers will make their few apparent choices. (It must be remembered that for products such as washing powder people will continue to use more or less the same quantity of the product regardless of the brand – though advertising may influence the choice of brand it will not increase use).

Modern advertisers generally try to maintain brand loyalty at a pre-determined price. This maintains the non-price character of the competition between semi-monopolies. It also conceals the fact of greater and greater uniformity of products. Thus with washing powders one has a choice between virtually identical products. And there is little to distinguish in the range of powders offered by such firms. Tests commissioned by consumer organisations have repeatedly shown that washing powders, ‘enzyme’ detergents and even dishwashing liquids are equally effective in cleaning stained clothing.

The so-called price reductions do not force manufacturers, as outright price competition does, to pass on to the public the fruits of such competition in the form of permanent price reductions.

The real reasons for any reduction in costs are:

- a) long term trends towards technological improvement;
- b) standardisation;
- c) marginal reduction in what would otherwise be even bigger profits due to semi-monopolistic competition.

To sum up, advertising doesn’t really lower cost, and in many cases, as for instance with cigarettes and petrol, it vastly increases it.

Noam Chomsky aptly sums up why advertising cannot be explained as a way of helping consumers make rational choices when they buy things on the market (Chomsky, 2019):

If you took an economics course, one thing you learned, Econ 101, is that markets are based on informed consumers making rational choices. Okay? Did anybody ever notice that industry in the United States, one of the hugest industries in the country spends billions and billions of dollars trying to create uninformed consumers who make irrational choices. It’s known as the advertising industry, public relations industry. It’s exactly what they do. If we had a market, suppose we had a market, you would turn on the television set and there would be an ad for a car which says “here are the characteristics of the car, here are the critiques of it in Consumer Report”. So now you could make a judgement as an informed consumer. You can

make a rational choice. Is that what you see? No. What you see is some football hero, or model, standing on a car which is going into the air into the stratosphere — anything to make you uninformed and irrational. So what are we talking about? If we want invented worlds, we could talk about markets in which informed consumers make rational choices, but it has almost nothing to do with this world.

The issue of the impact on labour

The screenshot shows the website **nikewages.org** with the title **Educating for Justice**. The navigation menu includes PROJECT INFO, PROJECT TEAM, DAILY JOURNAL, BACKGROUND, RESEARCH, and YOU CAN HELP!. The main content area is titled **What Does Nike Pay Its People?** and features three columns:

Nike Spokesman Tiger Woods	Indonesian Shoe Factory Worker	Nike CEO Phil Knight
		
\$55,555/per day 477.773.000Rp	\$1.25/per day 10,750Rp	\$5.8 Billion net worth 49,880,000,000,000Rp

Below this comparison is a section titled **The Latest** with three news items:

- Staying Put in Indonesia**: "In mid-June, for example, Indonesian workers launched a series of strikes to demand a minimum-wage hike. Mindful that local factories produce 31% of the..."
- McMahon throws in with workers**: **Union Leader Ngadinah Mawardi acquitted of all charges**
- LWP now booking for Fall and Winter Sneaking Towel**

The left sidebar contains navigation links: WE NEED TO ACT NOW!, THE LIVING WAGE PROJECT, PRESS ROOM, PHOTO ARCHIVE, WHAT YOU CAN DO NOW, RELATED SITES, CONTACT US, HOME, a DonateNow! logo, an Indonesia Trip Report, and a Frequently Asked Questions section.

Earlier I described the “new capitalism” trend of the brand leaders outsourcing the manufacture of goods to parts of the world where labour is cheap, human rights are few, and unions are discouraged. Even in rich countries wages for garment workers are low as was seen in a 2022 USA Department of Labour study in California which found that 80% of contractors paid less than the minimum wage, in one case as low as 10% of the minimum wage. Klein (2000, p. 474) reproduces figures from 1998 which provide the average per hour wages of the workers who produce the goods for a number of key firms:

Ralph Lauren	\$0.20 per hour	Nike shoes	\$0.16 to \$0.19
Liz Claiborne	\$0.18	Adidas shoes	\$0.19

Chamberlain reported in 2013 that Primark Jeans were made in Bangladesh at \$0.20 cents an hour and Katy Perry false eyelashes at \$0.48 an hour (this is a labour cost of \$0.13 cents for a pair of Katy Perry false eyelashes sold in the United Kingdom at that time at \$9.80, other brands are made at a cost as low as \$0.02 cents per pair.)

A study published in 2019 by New York University revealed that several of the world's best-known apparel groups, including H&M and brands such as Tommy Hilfiger and Calvin Klein, currently employed thousands of workers in Ethiopia where the minimum monthly wage at that time was the equivalent of R366. In China, by comparison, the minimum wage at the time was R3 820.

Benefits for the workers are usually absent, forced overtime at normal pay rates is common, as is arbitrary fining for various misdemeanours (including of women who fall pregnant). Union rights are usually nonexistent. Understandably this exploitation of labour is not in the interests of the working class in First World countries whose long struggle over the last two hundred years to gain full rights for workers is now undercut.

In 2012 Jim Keady published a documentary, *Behind the Swoosh*, on Nike's labour practices. He estimated that \$300 million was needed to give their factory workers around the world a dignified life. "It's a company with over £30 billion in profits. Instead they set up a task team of 120 people that cost \$30 million to convince people that everything was fine." More recently in 2018 American football player Colin Kaepernick who had been sacked for becoming a "black lives matter" activist became the lead figure in a new Nike advertising campaign (previously, when playing he had a \$22 million deal with Nike).

I have also already mentioned the casualisation of labour in the retail and service sectors that sell the branded goods in the malls and hypermarkets of the richer countries.



The issue of the impact on consciousness

The question has also been raised about the legitimacy of advertisers deliberately manipulating our irrational tendencies and our unconscious desires for the material profit of themselves and the business corporations they serve.

Sydney Carter expressed it well in his ironic song:

Feeling sad and lonely?
Drink a pint of milk a day
Love is sure to come your way
Drink a pint of milk a day.

We don't want your money,
Honey,
We just want to do you
Good.

Feeling sad and lonely?
Why not buy a racing car?
Pretty girls are never far
If you've got a racing car.

Feeling sad and lonely?
Smoke this sexy cigarette!
Girls are not so hard to get
If you smoke this cigarette.

Feeling sad and lonely?
Wash your feet in scented soap;
Or you haven't got a hope.
Wash your feet in scented soap.

Feeling sad and lonely?
Why not start a bank account?
See the way your stock will mount
If you have a bank account.

Feeling sad and lonely?
Get a hat and get ahead.
In the board room or in bed
Get a hat and get ahead.

Feeling sad and lonely?
Why not set all hearts awhirl
With this shirt made for a man
Which looks better on a girl?

Feeling sad and lonely?
It's the truth we're telling you
It is not pork sausages
It is love we're selling you.

We don't want your money,
Honey,
We just want to do you
Good.

Advertising power exists, it is used, and it has harmful social and ethical effects, however good it is for business. Yet much advertising is basically irresponsible. It has no interest in the lasting social effects of its persuasions. Is it right that people, who are not responsible in the way that religious or political leaders (at least in theory) were, should have so much power to mould and prejudge what the consumer should want?

Summarised below are some of the questions that critics such as Glaser (1967) and others have suggested should be asked of the marketing and advertising world:

1. Is the manipulation of people justified in the service of increasing the wealth of the business sector?
2. Should people be persuaded to value life only in terms of buying and owning things?

3. Should people be persuaded to order their lives so that they will be able “to afford” buying luxuries.
4. What ethical standards are implied in the use of emotional, non-rational methods to suggest that one product is better than another, when for all practical purposes they are identical?
5. What is their attitude to such socially wasteful and hypocritical competition between near identical products?
6. What is the morality of encouraging people to be non-rational and impulsive in buying the family food?
7. Is it right to develop in the public an attitude of wastefulness towards national resources by encouraging the ‘psychological obsolescence’ of products already in use?
8. If advertising builds a climate in which it is alright to tell people anything so long as you make money and get away with it, what point is there in teaching children not to lie?
9. Is it edifying to suggest that everybody has his or her price - for who really believes those ecstatic endorsements by film stars and celebrities of various soaps and perfumes?
10. What is the morality of playing upon hidden weaknesses and frailties – such as our anxieties, aggressive feelings, dread of non-conformity, and infantile hangovers – to sell products?
11. What is the morality of employing our deepest sexual sensitivities and yearnings for commercial purposes?
12. What is the morality of manipulating small children even before they reach an age where they are legally responsible for their actions?

The issue of the exploitation of children

Whilst one can cynically argue that adults are fair game for exploitation, coercion and seduction (its is tough world out there!), children are usually considered worth protecting.

However, under the assault of the advertising media there is a steadily changing relationship between childhood, schooling and consumer culture. One can ask oneself how contemporary children and young people are ‘constructed’ in media-consumer culture and in relation to adult cultures in particular? How are the issues of pleasure, power and agency (that is, their ability to act as a subject rather than an object) communicated and ‘taught’ in this media-consumer culture and in the corporatised global community?

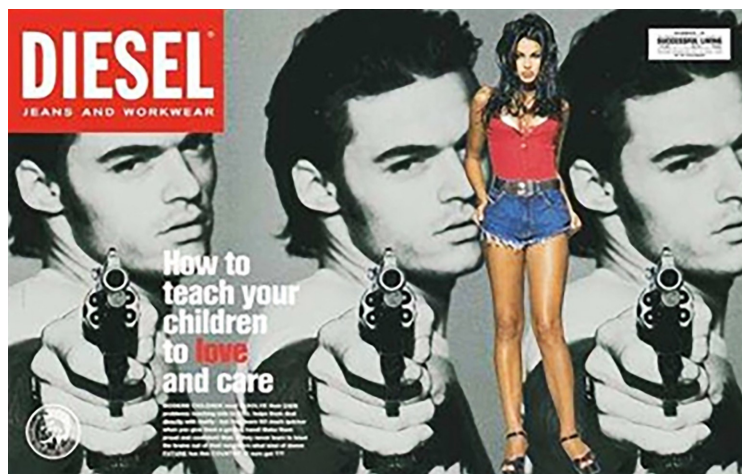
That advertisers aim to influence children is well known. Indeed, in the famous Mclibel trial, the judgement found that McDonald's did indeed deliberately target children. The Defendants won this section of the case outright, with the Judge ruling as a fact that "[The criticism in] the leaflet to the effect that [McDonald's] exploit children by using them, as more susceptible subjects of advertising, to pressurise their parents into going to McDonald's is justified. It is true". He also ruled "In my judgment McDonald's advertising and marketing makes considerable use of susceptible young children to bring in custom, both their own and that of their parents who must accompany them, by pestering their parents."

The Judgement was not surprising in the light of damaging revelations of company strategy in court, such as when the corporation's official and confidential *Operations Manual* was read out: "Ronald loves McDonald's and McDonald's food. And so do children, because they love Ronald. Remember, children exert a phenomenal influence when it comes to restaurant selection. This means you should do everything you can to appeal to children's love for Ronald and McDonald's." (Day 42, p.62, line 32). The Corporation's Head Of Marketing considered that children were 'virgin ground as far as marketing is concerned' (Day 45, p.56, ln 11).

It would not be far fetched to describe the following as the broad message that media-consumer culture sends to young people:

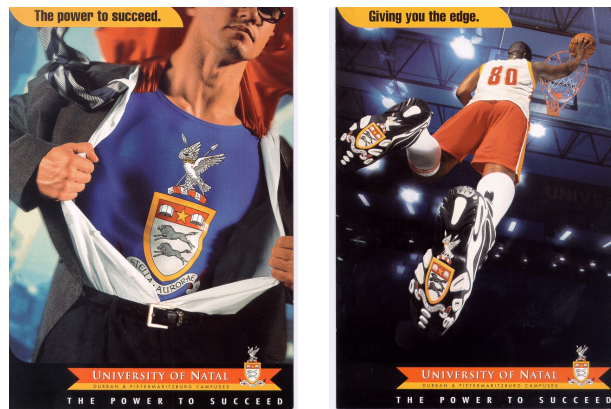
Greed, covetousness, envy and lust are good
Buy delight
Young people rule
Adults are dim
Education is dull

Increasingly, anything goes: look at the Diesel advertisement, "How to teach your children to love and care" that (obviously ironically) encourages parents to teach their children to kill others. In the small print text at the bottom it says: "How to teach your children to love and care. Modern children need to solve their own problems: teaching kids to KILL helps them deal directly with reality".



(See Taylor and Willis (1999, p. 53, 55-56), for their discussion of advertisers' depiction of *Youth-as-trouble-as-fun* and of this Diesel advertisement that, though constructing the reader (who will generally of course not be a parent at all but a young person) as knowing, cynical, tough, and sexy, actually encourages thoroughly conservative and conventional ideas about white masculinity and sexuality.

In the places where young people, commodities and images meet, education, entertainment and advertising merge. Indeed, the boundaries between education, entertainment and advertising are collapsing. Now education is itself becoming a commodity and educational institutions are on the market, as the classy University of Natal advertisements are happy to prove.



Young people consume this corporate abundance greedily.

The issue of the impact on society

Clearly all the above issues impact, together on society as whole, on its economy, its standards of treating employees, the respect individuals have for each other, the gender relationships and balances of power between men and women, and the long term costs of encouraging irresponsible hedonistic behaviour.

To take one very simple and obvious example: would you think that, given the messages about sexuality and sexual behaviour presented in the popular magazines and television adverts that we are all exposed to, that South Africa was still in a HIV/AIDS crisis from which millions of people in the population are going to die, whatever the mitigating help of retro-virals?



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