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## Bauer & Greyser: Advertising in America: The Consumer View

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ADVERTISING IN AMERICA: THE CONSUMER VIEW. By *Raymond A. Bauer* and *Stephen A. Greyser*. Boston: Division of Research, Graduate School of Business Administration, Harvard University. 1968. Pp. xxvi, 474. \$9, cloth; \$5, paper.

Domestic advertising costs, expected to exceed 17.5 billion dollars in 1968, have more than tripled in the past twenty years. They

currently absorb approximately 2.25 per cent of the gross national product and 3.5 per cent of personal consumption expenditures. Promotional outlays consume a large proportion of sales revenue in the toiletries, soap and detergent, and drug industries; Bristol-Myers Company, an exceptional case, reinvested twenty-eight per cent of its revenue in advertising in 1966. In 1967, cigarette companies spent 232 million dollars in television campaigns alone.<sup>1</sup> Arnold Toynbee has asserted that "[t]he destiny of our Western civilization turns on the issue of our struggle with all that Madison Avenue stands for more than it turns on the issue of our struggle with Communism."<sup>2</sup> While neither struggle may prove as crucial as alarmists contend, concern with the impact of advertising on our society has been increasingly reflected in the law.<sup>3</sup> If this concern leads to new legal controls over advertising, it is important that lawmakers have adequate information about consumer reaction to advertising. This book attempts to provide such an information base.

Authors Raymond A. Bauer and Stephen A. Greysen, of the faculty of the Harvard Business School, have produced a volume which attempts to define the impact which advertising has on the American consumer. Based on a study of consumer reaction to normal promotional activity,<sup>4</sup> *Advertising in America: The Consumer View* reports and interprets data bearing on four areas of inquiry:

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1. J. BACKMAN, ADVERTISING AND COMPETITION 182, 187, 210 (1967); Wise, *Bristol-Myers' Hard Sell*, *FORTUNE*, Feb. 1967, at 118; *MARKETING/COMMUNICATIONS*, July 1968, at 67; *TIME*, Nov. 15, 1968, at 104.

2. Quoted in *TIME*, Oct. 20, 1967, at 102.

3. For example, in a recent antimerger case the Supreme Court placed a great deal of emphasis on the advertising power of Procter and Gamble. *FTC v. Procter & Gamble, Inc.*, 386 U.S. 568, 573, 575, 579, 580 (1967). In addition, the impact of advertising has not escaped the concern of federal regulatory agencies. The Federal Communication Commission has applied the "fairness doctrine" to require provision of television time to groups opposing smoking in an effort to counteract the effects of cigarette promotion. This practice was recently upheld by the Court of Appeals for the District of Columbia. *Banzhar v. FCC*, 37 U.S.L.W. 2287 (D.C. Cir. Nov. 21, 1968). See Leventhal, *Caution: Cigarette Commercials May Be Hazardous to Your License—The New Aspect of Fairness*, 22 *FED. COM. B.J.* 55 (1968). Opposition to this policy has verged on hysteria:

The FCC . . . holds that . . . television broadcasters must give the foes of smoking air time free of charge. . . . What began a few years ago as a seemingly well-intentioned, if disturbing, effort to brainwash the citizenry . . . has spiraled into a crusade as menacing and ugly as Prohibition . . . . This is the classic rationale of tyranny, the perennial cry of the mob . . . . Cigaret advertising, however disagreeable, constitutes an exercise in freedom of speech. Big Brother doesn't take over all at once, he closes in step by step.

*BARRON'S*, Oct. 2, 1967, at 1. More recently, the FCC has proposed the total elimination of cigarette advertising from television.

4. The research was sponsored by the American Association of Advertising Agencies. While potential subjects were selected from the adult population by accepted sampling techniques, twenty per cent of those chosen refused even an initial interview despite repeated attempts to recruit them. In addition, almost seventeen per cent of the 1,846 individuals initially interviewed did not assist in other phases of the program. However, perhaps justifiably, the authors speculate that this deviation from the proposed sample had little effect on the accuracy of their research.

- (a) The *salience* of advertising to the public compared with other selected aspects of American life.
- (b) The public's views of advertising as *an institution of our society*, in terms both of their overall attitudes regarding advertising and their reactions to its economic, social, and content aspects.
- (c) *How* consumers react to advertisements themselves: favorably, unfavorably, or neither.
- (d) *Why* consumers react to advertisements the way they do. [P. 31] [Emphasis in the original].

Before the purpose of the project had been disclosed to a subject, the salience of advertising—the extent to which it is the focus of attention—was tested through a question designed to identify those aspects of society which the subject found most annoying. Approximately ten per cent of those questioned mentioned advertising as an irritant; an additional nine per cent criticized other promotional activities. Advertising was then compared with nine other topics, including bringing up children, religion, clothing and fashion, and professional sports. Respondents considered it the least discussed of these subjects, and only seven per cent believed they held strong opinions about it. Over a third of those interviewees who felt advertising needed immediate attention and change admitted that their complaints were more ritualistic than serious. The authors conclude: “Advertising is apparently one of those public issues which attract a good deal of attention in the arena of public discussion, but occupy a peripheral place in the mind of most Americans” (p. 80).

More specific inquiry elicited predominantly positive responses: forty-one per cent of the public was found to hold basically favorable attitudes toward advertising, while only fourteen per cent indicated general dislike. Between seventy and eighty per cent of those questioned agreed that advertising is essential, that it helps to raise our standard of living, and that it results in better products for the public. Forty per cent believed that in general it permits lower prices. Moreover, it was found that the distribution of these reactions was generally constant throughout society, although a sharp deviation was noted in the disproportionately high interest and unusually favorable attitudes manifested by Negro interviewees.

After the initial questioning, each participant was given a hand counter “and asked to count each advertisement to which he ‘paid at least some attention’ in four major media: magazines, newspapers, radio, and television” (p. 42). In addition, the participants were requested to make a brief record of those advertisements “which [they] found to be *annoying, enjoyable, informative, or offensive*” (p. 42) (emphasis in the original). Subsequently, an interview of each participant was conducted to elicit more specific and detailed information concerning his reactions to the recorded advertisements.

Study participants counted an average of seventy-six advertisements per day. Almost two thirds of these were television commercials; nearly half of the remainder reached the consumer by radio. Although a record was made of only sixteen per cent of the counted advertisements, the authors estimate that an additional twenty-five per cent evoked a substantial response which remained unarticulated because of the effort required to record the subject's reaction. Subjects reacted affirmatively to seventy-two per cent of the advertisements they mentioned in their logs: half of these were considered enjoyable and half informative. Twenty-three per cent of the advertisements were categorized as annoying, while five per cent were found offensive. The small proportion of entries in the last grouping evoked the strongest responses; advertisements for motion pictures, undergarments, liquor, and cigarettes were particularly condemned. Offensiveness was found to be "primarily a function of *moral concern* over the perceived advertisability of certain products . . . and over ads considered in bad taste or bad for children . . ." (p. 232) (emphasis in the original). Those expressing annoyance frequently resented the intrusiveness, the untruthfulness, or the low intellectual content of disliked messages.

Professors Bauer and Greyser endorse a statement by Professor Ithiel de Sola Pool, a member of the Academic Review Committee of the project, as reflecting the tenor of their findings:

Clearly the American public would be against the abolition of advertising, or even its abolition in any medium. Overwhelmingly the public produces favorable comments more often than criticisms. Not only do American readers and viewers find advertising informative to them, they also find it enjoyable. The attitude that says, "advertising is a necessary evil in our particular economic system, it serves to sell goods, but it annoys me," is not the prevailing attitude of the public. Much more common is the woman who enjoys thumbing through the dress ads in her newspaper or magazine, or the family that chuckles at the humor in the TV commercial. To eliminate advertising would be to eliminate one of the pleasures as well as one of the guides, of the American public. [P. xi].

Nicholas Kaldor has stated that information provided by advertising can be supplied by an independent information service at a fifth the current cost,<sup>5</sup> and such claims have supported arguments for the curtailment or elimination of promotional activities. If public dissatisfaction ought to form the basis of regulatory action, demonstration of broad community approval of present practices is a strong defense against proponents of reform. The authors assert: "It is not enough for the critic to say that there is good and sufficient reason in the nature of some or all ads for people to be alarmed about adver-

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5. Kaldor, *Economic Aspects of Advertising*, 18 *REV. ECON. STUDIES* 1 (1949). See Doyle, *Economic Aspects of Advertising: A Survey*, 78 *ECON. J.* 570, 580-81 (1968).

tising. The point is that not everyone, by a wide margin, is. And both critics and supporters of advertising would be better guided if they understood this differential response" (p. 343). A similar appeal to consumer attitudes may be used to counterbalance the protest that advertising is an inefficient source of information by showing that it confers other benefits. Stress in this study on the enjoyment produced by advertising<sup>6</sup> is matched by more sophisticated recent arguments that the television commercial is a source of expertise among modern film makers and that it has helped to inspire the civil rights movement by displaying the amenities of middle-class American life in the living rooms of the disadvantaged.

Justification of advertising expenditure through marshalling evidence of consumer approbation, however, entails reliance on Benthamite concepts of individualism which have been rendered at least partially obsolete by practices of the industry seeking to invoke them. Modern merchandising techniques have compelled recognition that "[t]he further a man is removed from physical need the more open he is to persuasion—or management—as to what he buys."<sup>7</sup> While the apologist may urge that "one cannot question and must accept as given"<sup>8</sup> whatever wants a person manifests, the economist now realizes that the mutability of such wants is itself legitimately subject to analysis.<sup>9</sup> Although the authors speak of "consumer sovereignty" (p. 386), awareness of the possibility of manipulation of attitudes nevertheless seems implicit even in their statement of the purposes of the study: "This then is a book that grows out of an industry's concern with its public relations. The American Association of Advertising Agencies decided to find out . . . whether its presumed public relations problem existed . . . and . . . what, if anything, could be done about it" (p. 386). Thus, it is not only ironic that advertising should rely on public opinion to justify its continued existence, but it may even be that advertising has already implanted a favorable image of itself in the mind of the public. Furthermore, even if the public has not been "conditioned" to accept advertising, it seems somewhat fallacious to speak of public satisfaction when the

6. That advertising can provide pleasure is evidenced by telephone commercials. In a recent Lark campaign 100,000 people dialed to hear a recorded promotional message. *MARKETING/COMMUNICATION*, June 1968, at 36.

7. J. GALBRAITH, *THE NEW INDUSTRIAL STATE* 202 (1967).

8. T. SCITOVSKY, *WELFARE AND COMPETITION* 29 (1951).

9. Fels, *Hedonistic Calculus As Seen from a Distance*, 91 *WELTWTIRTSCHAFTLICHES ARCHIV* 101, 115 (1963):

[I]t is only comparatively recently that economists have unfrozen those preference-and-indifference fields and recognized—and incorporated in their theories—that people learn from experience; that tastes and habits are not just there, but are acquired, developed; that utilities change; and that they change in an influenceable and predictable way. . . . [Q]uite typically all kinds of functions are made to change, but not tastes. In short, cognitive structures are thought of not as acquired but simply as possessed. . . . Such a view collides of course rather sharply with the thesis that "all behavior [is] scanning or sensory search."

consumer has not had the opportunity to examine an alternative to the present system.

More important, if tastes are malleable, consumer satisfaction alone cannot justify the present policy permitting relatively unrestrained interplay of shaping forces. Affirmance of the social values which these forces help to inculcate is also essential. Professors Bauer and Greyser occasionally speak of the individual as little more than a necessary constraint on the production process:

We are aware that many advertising men have reacted to the small proportion of ads which strike consumers as particularly favorable or unfavorable with either dismay or self-reproach. Our belief is that neither response is warranted. Some selectivity *must* take place. If people became full time ad-watchers they would not have enough time to use the products or to earn money to buy them. [P. 336] [Emphasis in the original].

Yet they do not feel compelled to defend such attitudes or to support the role of advertising in their creation:

It does not . . . seem self-evident that the promotion of toiletries to adolescents as a symbol of transition to manhood is inherently less desirable than the puberty rites of some other societies (unless the commercials are particularly bad!) . . . If we regard as undesirable these materialistic values in our society, we must look beyond advertising for change. [Pp. 367-68].

Rejection of current values would necessitate drastic change:

Advertising is . . . always a political tool, used for the conservation or construction of a society with certain characteristics . . . Advertising proposals made by those who want advertising to be truthful and honest—purely informative—are, in the last analysis, only compromises. An informative advertising message does not reject the society that originated it . . .<sup>10</sup>

Although proposals of reform are frequently countered by charges of heresy against capitalism, most of the abuses of the present system could be eliminated by closer approximation to the classical competitive model. Incorporation of advertising costs into the price of the promoted product prevents the consumer from buying either product or promotion separately. Elimination of this tie-in by requiring the independent sale of information or entertainment at not less than its cost to its purveyor would permit the recipient to optimize his mix of purchases by equating the price of each good or service with its marginal utility. Moreover, dispensers of information would be competing for the confidence and patronage of the

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10. G. BUZZI, *ADVERTISING: ITS CULTURAL AND POLITICAL EFFECTS* 16, 28 (B. Garmize transl. 1968).

ultimate consumer. Such competition would presumably encourage them to present accurate information. Robert Theobald has formulated the conceptual foundations of such a policy:

The third new human right is that every individual should have the right to receive information undistorted by desires to mislead for the purposes of private gain. This is, in today's world, a very novel proposal for it means that society must develop effective sanctions against individuals and groups who distort information deliberately. That such a proposal seems novel is perhaps a good measure of the degree of malfunction in our society.<sup>11</sup>

The practical problems impeding implementation are substantial but not pre-emptive. Although the authors' consumer-based defense of advertising is, as noted above, somewhat misleading, they have perhaps done a service to proponents of reform by revealing, at least indirectly, what the public attitude toward such changes would be.

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11. Theobald, *Cybernation and Human Rights*, in *BEYOND LEFT & RIGHT: RADICAL THOUGHT FOR OUR TIMES* 60, 69 (R. Kostelanetz ed. 1968) (emphasis omitted).