

Introduction:

Advertising is one of the most important means of promotional mix optimally used by the advertisers in all the ways. It is the soul of integrated marketing communication for the manufacturers or any service providers. In these days, advertising communication is treated as public communication on media front. One side, the importance of advertising products and services has increased than ever; on the other hand, the cold war between traditional and digital advertisements is tightened like never before. In this sense, advertising research has pivotal role to play in marketing management leading to revenue generation. “E-Commerce” is a key factor in today’s world reaching to the end-consumer.

Views of Jefkins & Yadin on Advertising:

Frank Jefkins and Daniel Yadin are the popular names in the advertising industry all over the world. They have remarkable contribution in marketing and advertising research. They are of the opinion that sometimes the advertisements of product work as “Custom publishing.” They broadly classified advertisements into seven major categories viz.

1. Consumer-related (Durable, Non-Durable Goods; Services).
2. Retail Advertising.
3. Financial Advertising.
4. Industrial Advertising.
5. Recruitment-based Advertising.
6. Trade-oriented Advertising.
7. Direct-response Advertising.

It is noteworthy to understand that the advertisements play a key role as an ingredient in the promotional mix. It serves the purposes on three grounds, especially:

- Informing the target audience.
- Persuading the target audience.
- Reminding the target audience about the offered products and services.

Advertisement Management:

The business development manager should always prefer ‘target advertisements’ to ‘mass advertisements’. Product, Place, Price and Promotion are four key components of marketing mix. However, one must notice that Customer is not covered in the same. It simply means Customer is at the centre of marketing and strategic planning. Marketing and an advertisement go hand-in-hand leading to persuade the perception for decision-making process of the consumer. Actually, an advertisement is an art of influencing. The world-famous author Dale Carnegie has written a wonderful book entitled, “How To Win Friends and Influence People”. An advertiser must follow the techniques and tips given during the planning and execution of an advertisement management.

Advertising Ethics and Laws:

Advertisement affects on the subconscious mind on large scale and it tends to manipulate the consumer perception. It is assumed that every business firms have core values and company philosophy. It means they follow certain business ethics and abiding laws applicable to them. It is also applicable to the advertising industry to follow rules, regulations and ethics set by the competent authority from time-to-time. In short, there're some controls helping to run every business activity as a smooth-functioning exercise.

Controls on advertising: The controls are basically of two types: Legal and voluntary. These categories are based on the nature and function of business. They are badly required to ensure fair business and trade practices in the market. It is obvious that advertisements have positive or negative influence on the society. Everyday thousands of advertisements are bombarded through various communication channels to the potential customers. To protect the customer from any wrong-doing, misunderstanding, fraudulent activity is very essential and is the need of time in today's digital world. These controls are the tools for consumer awareness and education.

i) Legal controls on advertisements:

Every business, sector, area of business is monitored and controlled by the local/regional/central governments of respective countries. These governments design, amend and enact various laws and acts to restrict, prevent the trade practices between two legal entities.

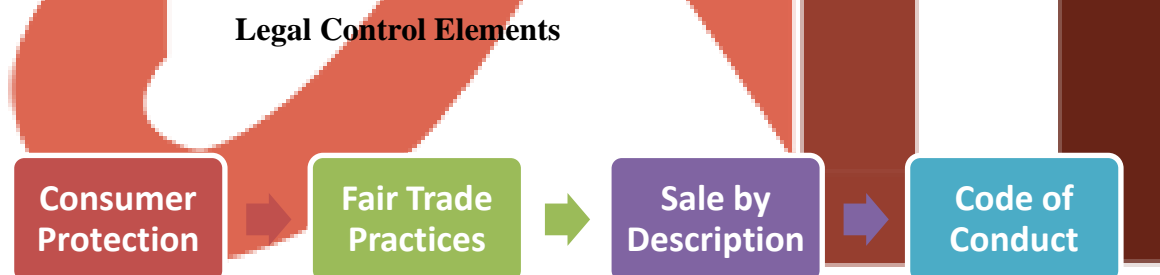


Figure1: Local Control Elements

Some of the competent authorities monitoring legal controls are mentioned below:

A] Singapore Advertisers Association (SAA):

This is the association looking after “The Advertising Control System.” It is noteworthy that the various representatives of organizations and government agencies from Singapore including the Advertising Standards Authority of Singapore (ASAS) have prepared ‘Singapore

Code of Advertising Practice' from consumer protection and fair, safe trade practices perspectives. The code primarily emphasizes that the advertisements must be legal, true, decent, honest coined with a great sense of accountability towards consumer and society. The special contribution can be explained as:

- Case-based explicit guidelines and interpretation by Advertising Standards Authority of Singapore (ASAS).
- Effective enforcement of various laws and acts.
- Conflict-resolution.
- Compliance & Monitoring Reports.
- Abide to the family and community values of Singapore.
- Consumer protection.

B] UK's The Advertising Standards Authority:

The Advertising Standards Authority (ASA) is the UK's independent regulatory authority in advertising industry monitoring and controlling all types of media. It is working with the help of UK government and industry as well. It is established with the intention to make every UK advertisement accountable. The framework of UK Advertising Regulatory System consists of Self-regulation and Co-regulation. This authority has designed "Advertising Codes" in which guidelines for advertisers, agencies and media owners are provided to comply with Trading Standards Referrals. Generally thirty thousand complaints are handled on twenty thousand advertisements. (as per official website-<https://www.asa.org.uk>). Advice and training services and provided by its sister company and the business firms are given standard rating as well.

Self-Regulation: It is applicable to three key elements i.e. advertisers, agencies and the media or channels. The purpose of self-regulation is to set-up a system which has in-depth knowledge in terms of best practices, codes, regulations and funding required. The self-regulatory body works on three levels i.e. code-making, code-applying and trained and professional staff. Transparent communication, Managerial effectiveness, Consumer benefits are key responsible areas covered under self-regulatory system. The corporate firms opt for self-regulation programs in order to prevent the deceptive advertising practices. (Herbert J. Rotfeld on 'Power and Limitations of Media Clearance Practices and Advertising Self-Regulation'). It is the right of consumer to seek correct and timely information to avoid any sort of misunderstanding. Self-regulation is directly linked with the buying behaviour of consumer influencing the decision-making process of any product or service. It is conducive to the market expectations without any interference from local authorities.

Some prominent guidelines can be summarised as below:

- It is necessary for an advertiser to state the extended version of any abbreviation used or quoted in the statement or overall advertisement.
- No advertisement should be permitted in following situations –
- Derides any race, caste, colour, creed etc.

- False presentation of physical properties of goods (standards, quality, model), services, facts on buy-back policies,
- False public warrantee / guarantee.
- Advertisement presented as News.
- Maintain accuracy in weights and measures.
- Be aware of patents, trademarks, copyrights policies of concerned countries/ industries.

ii) Voluntary controls on advertisements:

The American Marketing Association (AMA) has recommended “Code of Ethics” which can be considered as directive principles for marketers and advertisers. After all, adhering to the standard norms voluntarily is a mark of professionalism. It also prevents the firms from any future loss. The companies must act responsibly and take relentless efforts to ensure that their decisions, recommendations, actions etc. serve the purpose and satisfy all the stakeholders like customers, vendors and society.

The advertisers, agencies and the media ought to concentrate on the following prerequisites:

1. Avoid overpromising something to somebody.
2. Be careful in content on sensitive information.
3. Avoid controversial facts, events.
4. Ensure the products and services are safe, hygienic (food items) and fit for their intended usage.
5. Make a provision of Customer Grievances Cell (CGC) in order to handle the complaints carefully and timely in terms of equitable adjustments, product substitution or offers etc.
6. Prefer to reject any sort of high-pressure manipulations, especially from resellers.
7. No fund-raising under any pretext.
8. No engagement in price-fixing.
9. Maintain integrity in everything you do.
10. Always seek prior permission from the originator.
11. Never take undue advantage of any circumstances or a situation.
12. List the interest groups that might be affected and try to anticipate their reactions.
13. Maintain confidentiality and anonymity with regards to consumer’s sensitive data.
14. Be 100% clear and firm in various agreements and contracts.
15. Disclose an extra-cost added on the products and services offered.
16. Use an independent review board to evaluate whether ads violate good taste. These boards could be internal to the agency or include representatives of key interest groups.
17. Conduct copy-testing. This is likely to be less costly than producing the ad and spending money for placement only to find that the ad offends people and generates bad publicity.

- **Treating Customers Fairly (TCF):** This is one of the best voluntary ways of market management. An advertiser should have an eye for detailing and develop third person point of view. It will benefit to define strategy, market penetration and increase the level of customer satisfaction. Be aware of consumers' rights of respective countries.

Case Studies:

Case 1: Samuel is working as a sales professional for an insurance company. He shares the policy information with Jeremy (the potential customer) stating that she would be given extra-benefits being retired government servant. However, he smartly avoids explaining the terms and conditions involved for the entitlement. Without any deep inquiry, based on the policy brochure highlighted content, Jeremy bought the insurance policy. When she claimed for the amount, the officer rejected the claim due to the disease she was suffering and was not covered under the policy. She has no other option than to file a case in the consumer court. She is waiting for the justice.

Question: Suggest legal controls for the concerned authority to avoid such cases in future as an amendment.

Case 2: One of the business schools in Singapore published an advertisement for admission of management courses in a newspaper. Two students were influenced by the amenities and placement ratio claimed by the management. They applied for the courses. However, after few months, they realized the business school had no recognition, affiliation from the regulatory bodies (like government or competent authority). In addition, the placement ratio was also not same as it was claimed. These two students filed a complaint to the police for the loss incurred. After an inquiry, it was clear that the management provided fake information during an advertisement. They were asked to pay some amount as compensation to the students and complete the legal formalities before the start of next academic year.

Question: According to you, was the compensation amount justified? What kind of controls should be in place?

Analyzing the effectiveness of advertisements:

The effectiveness of advertisements can be analyzed with the help of following table:

Sr. No.	Particulars	Legal Control	Voluntary Control
1	Nature of Content / Information	Transparency	Accuracy
2	Compliance	Assured through the external audits.	Assured through internal / third party audits.
3	Conflict-resolution	100%	80-100 %
4	Confidentiality, Anonymity of Consumer Data	Mandatory	Desirable.
5	Services	Applicable at all levels.	Pre and post-sales preferably.
6	Consumer Protection	Guarantee	May not be necessarily guaranteed.
7	Risk Management	High	Medium
8	Accountability	Government; Government Representative or any other competent authority	In-charge nominated within the organization.
9	Tools	Government regulations (GR), Acts, Amendments.	Corporate Social Responsibility (CSR).
10	Approach	Co-Regulation	Self-Regulation.

Conclusion: The advertising industry is booming day-by-day. It has shifted its paradigm from traditional media to digital media. It is part and parcel of integrated marketing communication strategy as well. An advertiser should be fully aware of the laws and ethics applicable in the concerned region or country. Advertising research and regulations is one of the most interesting areas of study in strategic planning.

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