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# THE ADVERTISING EFFECT

How do we get the balance of advertising right



compass  
DIRECTION FOR  
THE DEMOCRATIC LEFT

Zoe Gannon  
and Neal Lawson

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## Executive summary

As long as there has been something to sell, there has been something to advertise. Advertising plays an enormously important role in our economy and culture, and it is important to recognise this. However, the extent and nature of advertising is changing dramatically and as a society, rather than just a market (or Meerkat as we now know it), we need to understand the consequences of the changing nature of advertising and make decisions about what, if anything, should be done to counter it. This document is being published to spark a long overdue debate about an industry that in recent years has changed dramatically, and ask whether regulation needs to catch up.

‘The central argument of this report is that this changed advertising environment should not happen by stealth; instead it should be discussed in the open and ultimately be up to society to decide what is advertised, when, where and how.’

We live in a moment of ongoing financial difficulty caused in part by a toxic mix of greed and debt that many have argued was fuelled by an insatiable desire for more. It is for this very purpose that the advertising industry exists – to persuade us we always need more. We live also in an age of climate change, brought on and exacerbated again in large part by the West’s desire for more: more flights, cars, fridges, gadgets and just about anything else you can think of. A desire for more that is transported around the globe by advertising that projects only one way to achieve happiness and one route to progress. Other ways of living are at best ignored and at worst undermined by adverts exported around the world designed to persuade everyone to live the life of the fully loaded Western consumer. This is now reaching what appears to be a crisis point, a point where we must pause and start to ask the big questions: How do we want to live our lives? Is

society broken? and why are we getting richer but not happier?

There is little point for hysteria here but we do need a discussion about the future of advertising. Although advertising is just one part of a much bigger system it would be wrong to ignore the role that advertising is playing; the influence it has over us as individuals is significant. Why else would industries pour billions of pounds into it? In turn it has an impact on society by establishing a mono-cultural view of a particular ‘good society’. This view is purposefully designed to rule out other visions of what it means to be human, which we would argue are more in touch with our real desires, needs and emotions.

This report also recognises, and is concerned by, the increasing grip and influence of advertising on our lives and behaviour. However, perhaps more concerning is the fact that in many ways what we are seeing now is just the crest of a wave of what can be sold to us and how. Advances in technology, neurology and psychology combine to put Westernised societies at the forefront of a revolution in advertising that could lead to a situation in which we are simply ‘born to buy’.<sup>1</sup>

The central argument of this report is that this changed advertising environment should not happen by stealth; instead it should be discussed in the open and ultimately be up to society to decide what is advertised, when, where and how. This is not a new idea. The decision in principle to regulate the scope, content and process of advertising is well established. As a society we already recognise this. Because of its powers of persuasion and influence, governments have long since determined that it is in the public interest to legislate to restrict and limit advertising. From the earliest standards on accuracy, to bans on most advertisements for tobacco and now alcohol, from lines drawn in the sand about the advertising of medicines and watersheds for children’s TV, governments have always had to intervene on behalf of society.

However, this regulation is now being outpaced by changing business practices and advertising techniques, which is why this report argues that it is time once again to decide when and how to intervene in the interests of people over profits. The report identifies seven areas of concern:

1. Juliet Schor (2004) Born to Buy: The Commercialized Child and the New Consumer Culture

1. In a free society we should be able to decide when and where we are subjected to advertising. If we as individuals decide to read a magazine or watch a commercial TV channel then we are accepting the adverts that come with them. However, when we walk outside our front door why should we be bombarded with brand images and slogans we never choose to see, on billboards, trains, the tube, bus shelters, buses and taxis, to name just a few? In today's commercialised world we cannot opt out or choose to look the other way because nearly everywhere you look there is an advert. It is time to take back our streets, towns and cities as places to be citizens rather than just consumers. **So the report calls for a ban on all advertising in public spaces, a limit to be placed on shopfront marketing, a ban on buzz marketing (public viral marketing techniques that are contrived to look authentic) and continuing restrictions on product placement on television.**
2. The advertising industry increasingly uses children's vulnerability to its persuasive powers to unlock their parents' purse strings. Studies show that children under 12 do not have the cognitive ability to know whether they are being sold to, let alone make decisions on what they like, or choose to ignore the marketing altogether. The government recently called for the provision of improved education for children to deal with the growth in adverts they face. But as this report shows, many of these adverts are aimed at securing an emotional rather a rational response and therefore cannot be filtered out through education alone. The leader of the Conservative party, David Cameron, has also recognised this and recently called for shops to stop selling sexualised products to younger children – recognising that what is good for business is not always good for society. **So the report calls for a ban on all television advertising to children under the age of 12. It also calls for an open debate on a ban on all alcohol marketing, recognising that teenage alcoholism can have a damaging effect on young people's health. Banning advertising of alcohol could help reduce this. The government should follow the example now set by Spain, which outlaws**

**'cult of the body' adverts before the watershed; these are linked to the rise in anorexia and bulimia in young people.**
3. Third, the advertising industry is increasingly working online and capturing the Internet by surveying and storing every click of information we make. This information is then used to target adverts directly at us. The Internet should be a socially valued 'common good' and its commercialisation for private gain should be resisted. **So the report calls for Ofcom to review introducing new regulations to limit the amount of information being gathered, stored and used without our expressed permission.**
4. Excessive advertising turns a never ending series of new needs into new wants, and crowds out the space for other visions of the good society, where time and relationships matter more than what we buy. Advertising encourages us to run ever faster on the treadmill of modern consumer life; in so doing it contributes to growing consumer debt, a number of social problems which this report discusses, and to the very real prospect of climate change beyond our ability to manage. **So the report calls for a tax on all advertising that encourages greater consumption to limit its scope and slow the pace of growth for the good of society and the future of the planet.**
5. In recognition of the enormous creative skills in the industry and the potential to use their powers of persuasion for good social and environmental causes, and not just profit, **the report calls for a time and resources levy to be placed on the advertising companies themselves, so that a small percentage of their workers' time is used for constructive social purposes – not always for commercial interests. People could then be better persuaded to recycle, donate or volunteer.**
6. This report argues that the industry should be held to account for the adverts it creates. Companies are responsible for the products they make and we believe that advertising should be no exception. **So we are calling for regulations to stipulate that advertising**

**agencies have their name or logo on all the adverts they are responsible for creating. Transparency is important; advertising agencies should be recognised for their contribution to good causes as well as held to account for any work deemed to be harmful.**

7. The bulk of advertising is still ‘regulated’ voluntarily through the Advertising Standards Authority. Given the importance of the industry and its reach and impact on so much of our lives, this is no longer acceptable. **This report calls for the Advertising Standards Authority to be put on a statutory basis, setting out criteria on what types of adverts are unacceptable. It should:**
- **strengthen local authorities’ powers to restrict outdoor advertising**
  - **introduce in some circumstances a right of reply by charities etc to claims made in TV advertising**
  - **ban advertising on mobile phones.**

These suggestions are not exclusive but they are a contribution to the necessary debate on the role

of advertising. This report argues that we must now take steps to rebalance the relationship between the needs of society and the demands of the market. In many ways the cultural signals we send out are more important than the laws that governments pass; a debate about advertising and the demand to restrict its influence demonstrates what kind of ‘good society’ we want to live in: one where more and more things are only valued because they can be bought or one where time, sustainability, caring and other pleasures have at least some space to flourish?

We are still coming out of the biggest economic crisis since the 1930s; the advertising industry and the big corporations they serve want not just to get us back on the treadmill of consumption as soon as possible, but for us to buy more than ever, using new techniques, technology and science. This puts us at a turning point: we either go back to where we left off on the route to the world of consumption or we decide to live a better and more balanced life in which we take more collective and democratic control over the world and in particular the market, which should exist to serve our interests – rather than us serving those of the market. To do that we must address the advertising effect.

## Introduction: advertising and the good society

During one day, on average, we will see over 3,500 brand images: on bus stops and buses; on trains and in tube stations; on taxis and inside taxis; on railway station name boards where we are welcomed not simply to a town or city but to the home of some estate agent or local solicitor; on shop windows; on billboards; on Internet pop-up ads and PC games; on product placements at the cinema; and through the sponsorship of sporting and cultural events and arenas like the O2 and the Emirates. The world it seems is becoming a vast advertising hoarding to sell us more stuff.

But in many ways we are just at the forefront of this advertising, persuasion and selling revolution. Not content with advertising on tube trains and in underground ticket halls and walkways, Coca-Cola is now sponsoring the 33 busking pitches on London Underground and over the new year of 2009/10 went even further by trying to persuade buskers to play their advertising theme. With 3.5 million people using the tube each day who could hear their Christmas jingle, it's an obvious step for Coca-Cola, but is it good for us? The buskers' pitches now match the video walls of films and images that move up the escalator as you do. Out on the street you might wonder why your mobile is buzzing. It could be because the shop windows you walk past are transmitting messages via Bluetooth to tell you about their latest in-store deals. You walk into a bar for a drink and wonder why a group of good looking young people at the bar is talking so loudly about a particular drink? Could they be part of the buzz marketing trend of paid for advocates acting as 'ordinary people' who are blurring the lines of normal life and solicitation?

If you make it to the sanctuary of your own home surely there you will be free from advertising? But only if you don't switch on the television or go on the Internet. ITV is lobbying hard for product placement on programmes and the government has indicated that, with some exceptions, it can have its way. The pharmaceutical

companies would like the same access to our minds and wallets as they get in the USA, with adverts on television for prescription drugs. The advertising focus is growing on the Internet, too. Britain has become the first major economy where advertisers spend more on the Internet than they do on TV: 23.5 per cent in the first half of 2009 compared with 21.9 per cent on television.<sup>2</sup> But why, when you are searching online, are you increasingly bombarded with adverts that seem tailor-made for you? It is because they are tailor-made for you. Google and other search engines now collect data on what you search for so that they can direct messages from their clients which you are more likely to respond to. Car enthusiasts get adverts on cars; music aficionados get helpful suggestions on gigs and new DVDs, and children get information about the latest toys. Online advertising is virtually unregulated, as brands 'friend' individuals through social networking sites like Facebook and MySpace – this is the new frontier of advertising and it is outpacing regulation. Advertisers are now designing TV adverts to be watched in fast forward, to make sure modern technology doesn't limit their influence.

Meanwhile neurologists are working out what images will trigger the buy button in our brains. In the studies, machines are being used to shed light on brain mechanisms that play a central role in consumer behaviour: circuits that underlie reward, decision making, motivation, emotions and the senses of self. An article in the *New York Times* by Sandra Blakeslee called 'If your brain has a "buy button," what pushes it?' looks at a study of consumer preferences for Coca-Cola over its rival Pepsi.<sup>3</sup> Dr P. Read Montague, a neuroscientist at the Baylor College of Medicine in Houston who led the Coca-Cola versus Pepsi study, said he was fascinated by the way cultural images made their way into people's choices. The study of Coke and Pepsi, financed by the National Institute on Drug Abuse and the Kane Family Foundation, showed that two different brain systems were at play. When subjects used their sense of taste alone to choose a preferred drink, an area of the brain called the ventrolateral prefrontal cortex lit up. When told they were drinking 'the real thing,' as Coke is widely known, a memory region called the hippocampus and another part of the prefrontal cortex lit up. The study showed that some people did not choose a

2. Mark Sweney, 'UK advertisers spend more on Internet than TV', *Guardian*, 30 September 2009.

3. Sandra Blakeslee, 'If your brain has a "buy button," what pushes it?', *New York Times*, 19 October 2004.



drink based on taste alone. They chose a drink plus what it conjured up to their medial prefrontal cortex, namely the strong brand identity of Coca-Cola. If companies can work out how to trigger certain parts of our brains then that will be commercial gold dust.

Advertising running wild has long formed a part of visions of a future dystopia. In *Blade Runner* the inescapable corporate advertising boards fill the skylines; in *Wall.E*, the children's Disney film, humans are forced from earth by their own waste, and their future lives, moods and activities are dictated by advertising from a single central company, BnL. In *Minority Report* the billboards speak to us as individuals and tailor their messages accordingly. In the classic George Saunders' short story 'Jon', the young adults can only communicate emotions to each other in the slogans and jingles of product endorsements.<sup>4</sup> None of this now feels far off, because it isn't. Parents are now naming their children after products such as Armani and L'Oréal. Science fiction is fast becoming science fact. A dystopian vision of advertising on school uniforms; of personalised advertising designed to tap into your individual fears, hopes and dreams; of a future where adverts are projected on to the sky; awaits us. None of this is by accident; all of it is by design. The question is why?

The motor behind this unprecedented expansion of advertising is of course the market. The market is a fabulously inventive and naturally expansive machine. The goal is to maximise profit by selling as much as possible at the biggest margin possible. To do this we must buy more and more things at a faster and faster pace. This is the crucial role of advertising: creating wants and turning them into needs. Not as a one-off event but as a never ending series of desires. The trick of the advertiser is to persuade the individual both to stick with their product and wherever possible make us want something new by persuading us that what we currently have is somehow unsatisfactory. To do this they plug into our natural human desires to both belong and be different, to gain respect and recognition from others, which they link to what we buy and not what we do, and then apply those desires to the next new product and then the next.

This marketing machine can never rest. This year's profits have to beat last year's otherwise the

bonuses and the status of the investors and the executives are lost. The City and the analysts have to be appeased. If your company doesn't sell more then another will. It's dog eat dog in the world of global competition; and the competition is for the money in our wallets and purses, which is unlocked through advertising, or more likely for the debt on our credit cards.

The goal of advertising then is not the creation of happiness and consumer fulfilment. Instead the purpose and consequence seems to be the creation of a mood of restless dissatisfaction with what we have got and who we are so that we go out and buy more. Advertising is no longer there to inform about the advantages of one product over a rival. Society, in an age of relative abundance, has long since gone past the point of rational decision making when it comes to purchasing. Everything is about emotion and in particular the ability to tap into our deepest needs and insecurities to get us to buy more. Today happiness can only be fleeting, and must last little longer than the time it takes to carry the latest purchase home; then the process of wanting more and needing more must be started again.

Academics have now proved that advertising does have a 'hidden power', which enables it to work without our attention or recall. As this report shows, this is particularly important to children whose brains are not yet fully developed in a way that enables them to deal with such emotional pulls. The Low Attention Processing Model developed by Heath shows how advertising can work without high levels of attention being paid and places the primacy of feeling over thinking.<sup>5</sup>

An absurd example of this involves razors: advertisers have persuaded us that we need a six-blade shaving razor only until enough time has elapsed before they can tell us that only seven will do. At one level this is ludicrous, but at another quite sane: six blades are better than five no matter how marginally and what else is there to do but aspire to a seventh blade? And if someone else deserves 'the best a man can get', then why not don't I? But at a more worrying level, the use of the Low Attention Processing Model shows how innocuous adverts that don't seem to want to sell us anything work away at our subconscious to implant brand images and positive messages to drive up sales. The Cadbury Gorilla or the Sony

4. George Saunders (2003) Jon. [www.newyorker.com/archive/2003/01/27/030127fi\\_fiction](http://www.newyorker.com/archive/2003/01/27/030127fi_fiction).

5. R.G. Heath, *The Hidden Powers of Advertising*, Admap Monograph 7, 2001.

Bravia bouncing balls seem like just a bit of harmless fun when the intention is much more directly commercial.

More of this later. For now we should reflect on a world where everyone is on a consumer treadmill, spurred on in large part by the role of advertising in creating ever more new things to need. Others have it, so we want it. In this way advertising takes the form of a collective action problem. Driven on by the seductive images of success and aspiration we compete with each other for status, but simply make ourselves feel like failures as we out bid each other for the latest car, gadget or holiday. We cannot win this race because there is no finishing line as an endless stream of new things to desire are created and sold to us. In the crowd, if the person at the front stands on tip toes then we all have to; and everyone is worse off.

The upshot is that we are richer but no happier; the fabric of society and the quality of our own lives is weakened as we take more and more individual purchasing decisions in an exhausting search for the good life, and of course the environment is threatened as we live eight planet lives, rather than just the one planet life we are obviously restricted to, in the pursuit of more and more. As recently as last year President Sarkozy in France commissioned a group of eminent economists led by US Nobel prize winner Joseph Stiglitz to look at the issue of happiness. They concluded that societies should be judged not solely on their economic production, but on the degree of well-being experienced by the people who live in them, and whether this well-being can be sustained into the future.

The recession provides a moment to stop and take stock. Many of us are having to cut back because credit is drying up, house prices are falling, wages aren't rising or jobs have been lost. All this creates real spending pressure, but can it be used as a turning point? Are we going to allow the advertisers to get us back on the treadmill as soon as the recovery picks up? Can we at least try and rebalance our lives just a bit by reining in the effects of advertising?

In suggesting this we are not saying that people should stop buying or advertisers should stop advertising altogether. Buying things is important to us as an expression of identity, sense of belonging and difference, but many of us buy too

much. Advertising, in turn, plays an important cultural role in society and clearly helps the economy. At its best it can help us as individuals make an informed decision about what to buy and where the best deals are available – but its reach is going too far. When more three years olds recognise the McDonald's symbol than recognise their own name – perhaps we should be asking if we have a problem? The nature and extent of advertising need to be questioned as new techniques and new technology see advertising spiralling out of control, often – as we will see – with damaging consequences.

## The good society

Money makes some things easier – it means you don't have to worry about a big gas bill, or how to pay for the next school trip – but happiness is elusive and can't be bought. We are social beings and it is social relationships that make and direct our lives; the thousands of tiny social interactions change our mood, and shape who we are and who we will become. Advertising recognises this – which is why Nokia, the phone manufacturer, has the catch line 'connecting people', and there is a range of snacks called Friendchips. Volvo tells us that 'Life is better if lived together' and Orange that 'Without others I am nothing'. Advertising tries to convince us that we need to purchase to experience fulfilling social relationships. But in attempting to purchase the relationships we need we degrade and damage them.

Solid and enduring social relationships can't be purchased but need something that many of us are lacking – time. Many of us are time poor. To develop the social relationships we need to live fulfilling and enjoyable lives we need time. Time for a life with family and friends to do more of the things that make us happy. Of course advertisers also know how important time is to us, so they advertise Blackberrys with statements about how they will get rid of wasted time in your day to allow more time for the good things in life – but all the Blackberry does is make sure you are never free from work – in fact people with Blackberrys work an extra 15 hours a week.<sup>6</sup>

Advertising tries to make us feel as if we are in control of our lives and making the decisions that really affect us. But the promises of adverts are often

6. Hamish McRae (2009) 'We need to do more and email less' *Independent* <http://www.independent.co.uk/opinion/commentators/hamish-mcrae/hamish-mcrae-we-need-to-do-more-and-email-less-1777151.html>.

illusory. Microsoft is currently spending millions trying to tell us that we invented Windows 7. If we think we built it then they think we will buy more of it. Real freedom and control come not just from the high street but through collective and democratic decisions that shape our world: what sort of society, economy and public services do we want? When and how do we get to choose not to choose? For a better society we need to get the balance right between decisions made as consumers and as citizens. Too much advertising that encourages too much consumerism undermines the chances of a good society and a good, well-balanced life.

Advertising can be an important part of the good society but it should be about providing information to us as consumers and citizens. No one wants a world in which we don't all share the enjoyment of funny adverts. And in times of crisis, like wars or natural disasters, public adverts can play a critical role in mobilising shared effort. But there has to be a balance and when technology and techniques change it is important that society decides democratically whether and how advertising is regulated in a way that benefits not just commercial interest but the public interest.

The current rules on advertising were drawn up in a time before many of the current technologies and psychological insights had been developed. The regulations now have to catch up with a new reality.

### The principles behind the regulation of advertising

If society is to look again at whether and how advertising is to be more effectively regulated than we need to be clear about the principles behind any public decisions.

The first is the issue of **choice and place**. People should have the freedom to choose when they are exposed to advertising: when to look at product information and when not to. If we decide to buy a newspaper or magazine, or to subscribe to a television channel, then we are making the choice to look at the adverts that come with it. But in the street or when using public services or public transport it should be different. Here we should be free from private and commercial interest, and billboards and shop signs should not be allowed to disfigure our towns and roadsides.

Second, our civil liberties demand that the Internet should be a site for common good and not commercial practice without our permission. What we look at and search for **should not be recorded without our expressed permission** so that it can be used to compile data to sell us more.

Third, **children should be better protected**. Children cannot deal with the increasing blitz of advertising they are exposed to; they do not understand its purpose and are at risk of exploitation. Armies of psychologists and child development experts are recruited to work out how to sell more to children at an age when they don't even understand the concept of being sold to. They need our protection. There is a large body of academic work – including recent studies by Dr Richard Ryan and Dr Tim Kasser, professors of psychology at the University of Rochester and Knox College – arguing that seeking satisfaction in material goods is not only unfulfilling, but that people who put a primary focus on affluence also tend to experience a high degree of anxiety and depression, a lower sense of well-being, and greater behavioural and physical problems. These problems are heightened in vulnerable groups. A study by the Children's Society found that hyper consumption is causing a range of problems for children, including high family break-up, teenage unkindness and pressures towards premature sexualisation.

In a recent paper called 'Measuring the hidden power of emotive advertising', Robert Heath from the Bath School of Management and Pam Hyder from Standard Life look at the Low Attention Processing Model, which describes how advertising can work without high levels of attention being paid, and without being recalled. Note that this was formerly known as the Low Involvement Processing Model, which caused confusion in the USA with models that use involvement to refer to product or category involvement. Heath and Hyder summarise the Low Attention Processing as follows:<sup>7</sup>

1. Because brands match each other's performance so swiftly, and consumers exist in a time-poor environment, considered choice tends to give way to intuitive choice, in which emotions are more influential.
2. This situation inhibits the consumer's desire to seek out information about brands, and

7. R.G. Heath and P. Hyder, 'Measuring the hidden power of emotive advertising', *International Journal of Market Research*, vol 47, no5, 2005.

minimises the need for them to pay attention to advertising. Brand information can, however, be 'acquired' at low and even zero attention levels, using two distinct mental processes. The first process is passive learning, which is a low-attention cognitive process. Passive learning has been shown to be poor at changing opinions and attitudes but is able to record and link together brand names and other elements in an advert.

3. The second process is implicit learning, which is a fully automatic non-cognitive process that has been shown to be independent of attention. Implicit learning cannot analyse or reinterpret anything: all it is able to do is to store what is perceived, along with any simple conceptual meanings we attach to these perceptions.
4. Because of this limitation, implicit learning does not establish strong rational brand benefits in the consumer's mind. Instead it builds and reinforces associations over time and these associations become linked to the brand by passive learning. These associations are extraordinarily enduring, and can trigger emotional markers, which in turn influence intuitive decision-making.
5. Passive and implicit learning are semi-automatic and fully automatic mental processes. As such they will be used every time an advert is seen or heard, regardless of how little attention is being paid. Because attention to advertising tends to diminish over time, the occasions on which an advert is processed attentively will be outnumbered many times by the occasions on which it is processed at lower attention and its content is learned passively and implicitly. So advertising that exploits low-attention processing will work better when seen several times.

It is this subconscious effect that is so worrying for the development of children. This low attention processing advertising will not be affected by increasing children's educational awareness, which is why the government report on how to deal with advertising, which called for greater education to help children deal with the onslaught of adverts they face, will prove inadequate.<sup>8</sup> The prefrontal cortex, which helps

mediate consumer choice, develops later in children and is impaired in older people, groups that are highly susceptible to advertising. Young children are often sucked in by advertisements for sugary foods, while the elderly, for example, can fall victim to buying fake insurance policies.

Fourth, **society as a whole, working through government, should decide what constitutes the good society and what role advertising should play in it.** We believe we should rebalance consumption with time and in the process look to redistribute income and wealth. This we believe means deterring excessive advertising, not least to help deliver the culture in which environmental sustainability is possible.

Fifth, the advertising industry, because of the leading role it plays in the creation of a consumer society, **has a responsibility to provide at least some help for 'good causes' free of charge and should be praised for the good campaigns it runs and held to account for those that are socially or environmentally damaging.**

The principle of placing necessary restrictions on advertising already exists. As a society we already recognise that advertising can and does go too far, which is why we already regulate it and have a body to ensure it abides by the regulations in the form of Ofcom. But new technology and the move towards more and more public forms of advertising, especially to young people, means new boundaries and guidelines now need to be set. This is why we believe the self-regulating Advertising Standards Authority should be replaced by a statutory body which is capable of effectively regulating this industry.

An awareness of the potential for advertising to go too far is the reason many developed countries regulate advertising to limit its more damaging effects. In Sweden, it is recognised that children struggle to deal with advertising and so advertising on television is banned. In São Paulo in Brazil advertising in public spaces is prohibited. Greece does not permit stations to run commercials for toy guns, tanks or other instruments of war, and bans adverts for all other toys between 7am and 10pm. In Spain adverts that promote the 'cult of body' in harmful way to girls have been outlawed. These are examples of redrawing not just the regulatory boundaries but also the moral boundaries of society. It is time Britain had such a moral debate.

8. David Buckingham (2009) *The impact of the commercial world on children's well-being.*

## The problems caused by the advertising effect

Left unchecked, advertising in its new forms will make a substantial contribution to social and environmental problems. Given advances in technology and science there is now a strong public interest in deciding again when and where advertising should be allowed. There are pressing reasons why a new approach to advertising regulation is needed.

### Sowing too many seeds of unhappiness

Advertising works today, in large part, by making us dissatisfied. We won't buy the next thing unless we are encouraged to believe that what we have got is no longer good enough. The goal of the advertiser is to make us dissatisfied so they can close the next deal and then the next. The myth that with the purchase of consumer durables you could live a satisfying life has been brilliantly perpetuated by the marketing industry. This is one of the key reasons why we are wealthier as a society but no happier, as Lord Layard has argued in his book *Happiness*.<sup>9</sup>

The number of people reporting themselves as very happy has declined over the past 40 years, according to Dr David Myers, an expert on the topic of subjective well-being and a professor of psychology at Hope College. Myers shows that compared with 40 years ago Western consumers are twice as rich and no happier; meanwhile, teen suicide tripled, reported violence almost quadrupled, and depression rates have soared, particularly among teenagers and young adults – those most vulnerable to the pressures created through advertising. It is impossible to prove a causal link with the growth in advertising but in his book *Affluenza*, Oliver James describes this new consumerism as a form of selfish capitalism, intimately intertwined with cyclical consumerism: the more anxious and depressed we are, the more we must consume, the more we consume, the more we become – unable to break the cycle this will only get worse.<sup>10</sup> Advertising is the fuel that is driving this system;

it persuades us to buy material possessions in the quest for happiness – but this is only making us unhappy.

The problem is that through advertising we are constantly being told that we can find satisfaction in material goods.

This is only exacerbated for vulnerable groups such as children and young people. A study by the Children's Society found that hyper consumption as part of the individualistic society is causing a range of problems for children, including high numbers of family break-up, teenage unkindness, and commercial pressures towards premature sexualisation.<sup>11</sup> Commenting on the Good Childhood Inquiry, Professor Philip Graham, Emeritus Professor of Child Psychiatry at the Institute of Child Health, London, and an inquiry panel member, said that commercial pressures may have worrying psychological effects on children. According to Graham:

*One factor that may be leading to rising mental health problems is the increasing degree to which children and young people are preoccupied with possessions; the latest in fashionable clothes and electronic equipment... Evidence both from the United States and from the UK suggests that those most influenced by commercial pressures also show higher rates of mental health problems.<sup>12</sup>*

Indeed David Cameron recently spoke out against the 'harmful and creepy' sexualisation of children, blaming irresponsible business for its aggressive approach: 'The marketing and advertising agencies even have a term for it: KGOY "Kids Growing Older Younger"... It may be good for business, but it's not good for families and it's not good for society, and we should say so.' Cameron has said that unless firms showed more responsibility he would not be afraid to introduce new laws and regulations. He has said he wants to reduce the 'cruder elements of commercialisation... Children today are being sold the idea that the path to happiness lies through excessive consumption... We can't go on like this. It's time we gave children back their childhood and got adults to behave like adults.'<sup>13</sup>

In this David Cameron is right – what may be good for business is not always good for society. Children need to be protected from this corrosive influence. We need to recognise that this is prob-

9. Richard Layard, (2006) *Happiness: lessons from a new science*, Penguin.

10. Oliver James, (2007) *Affluenza: how to be successful and stay sane*, Vermilion.

11. [www.childrensociety.org.uk/all\\_about\\_us/how\\_we\\_do\\_it/the\\_good\\_childhood\\_inquiry/report\\_summaries/13959.html](http://www.childrensociety.org.uk/all_about_us/how_we_do_it/the_good_childhood_inquiry/report_summaries/13959.html).

12. [www.childrensociety.org.uk/whats\\_happening/media\\_office/latest\\_news/6486\\_news.html](http://www.childrensociety.org.uk/whats_happening/media_office/latest_news/6486_news.html).

13. Paul Waugh, 'Cameron: will stop shops sexualising children for gain', *Evening Standard*, 11 January 2010.

lematic and to protect children, who often are unaware they are even being solicited.

Advertising is the business of creating discontent and unhappiness, and it is working. We are buying more but are increasingly less fulfilled and a multi-billion-pound industry is working flat out to make sure we stay that way.

## Consumer debt

'Everyone cares what gorgeous says', 'Gorgeous trumps everything', 'Gorgeous pays for itself', 'Gorgeous is worth it' proclaims the now infamous Jaguar commercial, while attractive young women and wealthy 'older gentlemen' enter and leave exclusive hotels, parties and bars. Most people probably won't get into debt to buy a Jaguar – often it is purchases of more trivial things like clothes and shoes that lead people gradually to creep into greater debt and sometimes it is the basics like rent and food that drive people to borrow more. But this advert is synonymous with the idea that excessive consumption is normal – that although these cars are out of the reach of all but the wealthiest aspiring to purchase them is a commendable aim.

To pay for our increasingly lavish consumer lifestyle there are two options: work harder and longer, or borrow. We are doing both. Driven by the pressure placed on us to continue spending and the desires created through advertising many of us have chosen to borrow to supplement our wages, which despite working longer hours for many have decreased in real terms.

In the UK as individuals we now owe a collective £1.3 trillion on credit cards, store cards, mortgages and loans. This figure is around 140 per cent of household income and has increased dramatically over the last decade; it stood at 105 per cent just ten years ago.<sup>14</sup> Our total individual borrowing is equivalent to a third of the UK's total GDP, which in 2008 stood at £3.1 trillion.

Financially vulnerable individuals are increasingly encouraged to take out unsecured personal debt and as a result we have seen an increase in low-income individuals accessing unsecured debt in the form of credit cards, store cards and personal loans. These often come with harsh penalties for missed payments and high interest rates. In 2008, at the peak of the crash, Argos was

offering a store card with a 222 per cent interest rate. The card, which allows you to spend between £300 and £500, was advertised as being a good way to keep a check on what you spend – but most customers surely wouldn't realise that £300 repaid in £9 payments over 56 weeks becomes £504 in interest alone. Low income households with debt have the highest level of debt in relation to their income, meaning that their financial insecurity is much greater than those even slightly up the ladder, and this has got worse over the last decade.

**'Debt is crucial to turning the ever faster wheels of our consumer society; it is the West's dirty secret as individuals have been encouraged – often by day-time TV adverts – to take out more and more debt to live the life as advertised'**

Most people are home owners – about 70 per cent of people own their own homes. These people have an asset which in many cases is larger than the value of their debt, both unsecured and secured, and in a recent survey 40 per cent of householders agreed with the statement: 'My house value has risen so much that I do not worry about other debts I may have.'<sup>15</sup> With house prices – which have acted as an illusory cushion for other financial problems – now in an unstable state – secured and unsecured debt are likely to become an increasing problem.<sup>16</sup> We are already seeing the result of this in the form of higher bankruptcy rates: in 2005, before the crisis started, 67,584 declared bankruptcy; by 2008 this figure had risen to 106,544, if it wasn't for significant government intervention this number would be even higher.<sup>17</sup>

This level of debt is bad not just for individuals but for economic stability, as the root of the current financial crisis has been traced to the collapse of the sub-prime market and easy credit. But debt is crucial to turning the ever faster wheels of our consumer society; it is the West's dirty secret as individuals have been encouraged – often by day-time TV adverts – to take out more and more debt to live the life as advertised.

14. [www.bankofengland.co.uk/publications/quarterlybulletin/personal.htm](http://www.bankofengland.co.uk/publications/quarterlybulletin/personal.htm).

15. From a survey conducted by NMG Research in March 2004 on behalf of Bradford & Bingley. The survey asked 2,000 individuals aged between 18 and 75 who had bought their main home with a mortgage, and were solely or jointly responsible for financial matters in their household, about their mortgaging behaviour and their attitudes towards mortgages.

16. See Toby Lloyd (2009) *Don't Bet the House On It: no turning back to housing boom and bust*.

17. The Insolvency Service [www.insolvency.gov.uk/otherinformation/statistics/insolv.htm](http://www.insolvency.gov.uk/otherinformation/statistics/insolv.htm).

## Time

We are also working harder and longer in order to stay on the treadmill, to make the money necessary to conform to the model of human life that is advertised. This means that we are increasingly time poor.

As we are forced to work flexibly our work–life balance is being degraded. To stay on the work-to-spend treadmill many of us are giving up things that make us happier – our social relationships. There are 442,000 individuals in Britain who are working in jobs that they think are causing them work-related stress at a high level. A further 13.6 per cent of working individuals think that their job is very or extremely stressful. Attempts to limit the encroachment of working time on our lives have halted. The UK is one of very few countries to have so watered down the European Working Time Directive that it is meaningless.<sup>18</sup> Furthermore, many in the younger generation have reconciled themselves to never retiring and continuing to work in unfulfilling and stressful jobs into old age. Lack of pension security means individuals' life choices are limited and people will stay on the earn-to-spend treadmill longer and longer. In part this is because they are spending today, rather than saving for tomorrow.

We need time to be parents, friends, neighbours, volunteers and citizens. But we are constantly rushed and harried, in a long hours, high-spending culture. Working and spending is now prioritised over other social activities, particularly care. There is a finite amount of time and we all have a finite amount of money – if we choose to spend our time and money consuming we lose out on the other things. Advertising contributes to this loss of balance through the pressure it places on us to consume.

## The environment

Advertising is contributing not just to our levels of debt and unhappiness but also to the unsustainability of the planet. As all companies produce new wants and then use the advertising machine to persuade you they are needs, we use and abuse more and more of the earth's – often finite – resources. Advertising functions to crank the machine:

*Even assuming rapid progress in stabilizing human numbers and great strides in employing clean and*

*efficient technologies, human wants will overrun the biosphere unless they shift from material to non-material ends. The ability of the earth to support billions of human beings depends on whether we continue to equate consumption with fulfilment.*<sup>19</sup>

Gross levels of advertising are now fuelling an economic system that has huge environmental impacts. Economic growth has had a mushrooming impact on ecosystems.<sup>20</sup>

The enormous buying capacity of the wealthy West's 'consuming classes' accounts for a disproportionate amount of the worldwide human impact on the environment and depletion of its resources. Industrial countries account for about 20 per cent of the global population, but consume about 80 per cent of many vital materials.

The average resident of an industrial country consumes ten times as much energy, three times as much fresh water, and nineteen times as much aluminium as someone in a developing country. We are using far more than our fair share.

The resource and environmental demands of bringing the world's population up to 'consumer class' styles of living would be disastrous in terms of ecological impact. This would triple greenhouse gas emissions, mining and logging. It would take multiple Earths to sustain this simply in terms of resources, let alone waste and destruction. This is made worse when the impact of international population growth is considered – eventually to reach eight or ten billion. This would double resource and environmental requirements even with limited increases in living standards globally. The West has a responsibility to future generations and to developing countries – it must play its part, but this is difficult when advertisers are constantly telling us not to consume less but to consume more.

This is affecting our living environment. Clean air is increasingly becoming a scarce resource in many of the world's cities. Over one billion people don't have access to clean water – much of this is the result of pollution created in the production process or in the disposal of waste. More than 10 per cent of the earth's fertile soil has been eroded or otherwise degraded through logging, deforestation and the clearing of land for agricultural use. Further, biodiversity is being lost at a rapid rate as ecosystems are destroyed through overdevelopment.

18. Ian Traynor (2008) Guardian [www.guardian.co.uk/money/2008/dec/18/european-union-working-hours-brown](http://www.guardian.co.uk/money/2008/dec/18/european-union-working-hours-brown).

19 José Goldenberg et al., (1987) *Energy for a Sustainable World*, World Resources Institute.

20. Clive Ponting (1993) 'Creating the affluent society'. In A. Green, *History of the World*, Penguin Books, 315–45.

In Britain today we live with an epidemic of waste:

- Almost half of the clothes in British wardrobes go unworn – this is around 2.4 billion items.<sup>21</sup>
- 900 million items of clothing are sent to landfill each year.<sup>22</sup>
- We waste 500,000 tons of food per year; it is worth £400 million and disposal costs another £50 million – only a fraction is handed to charitable organisations that could use it.<sup>23</sup>
- An estimated 13 million toys end up in landfill sites every year.<sup>24</sup>
- 1 million tonnes of electronic goods are discarded in the UK every year.<sup>25</sup>

Although factors such as technology and population growth are obviously important, consump-

tion levels have a key role to play in averting environmental disaster. Technological change and population stabilisation alone cannot save the planet; a complementary reduction of material wants must take place. Worldwatch Institute research associate Erik Assadourian argues that demand management is now essential for combating global warming:

*It's not simply greenhouse gases that cause climate change, it's our consumer lifestyle that causes the greenhouse gases that cause climate change. Until we end consumerism and the rampant advertising that drives it, we will not solve the climate crisis.*<sup>26</sup>

Advertising, a profession that should be helping us, is acting to hinder us. It is time to work out how we might better control it for our own good.

21. YouGov survey, January 2008.

22. [www.bournemouth.gov.uk/Residents/Waste\\_Recycling/Recycling/Waste\\_Facts.asp](http://www.bournemouth.gov.uk/Residents/Waste_Recycling/Recycling/Waste_Facts.asp).

23. Energy Saving [www.reduceetheuse.co.uk/Page/Waste/Wastefacts.htm](http://www.reduceetheuse.co.uk/Page/Waste/Wastefacts.htm).

24. [www.uk-energy-saving.com/recycle\\_toys.html](http://www.uk-energy-saving.com/recycle_toys.html).

25. Waste Online [www.wasteonline.org.uk/searchresults.aspx](http://www.wasteonline.org.uk/searchresults.aspx).

26. World Changing (2007) São Paulo Bans Outdoor Ads in Fight Against Pollution <http://www.worldchanging.com/archives/>



## How can we counter the advertising effect?

Here we outline seven ways to rebalance the scope of advertising and use the industry to better effect.

### I Ban advertising in public spaces

*In public spaces we must be free from excessive solicitation.*

Like many cities, until recently massive billboards and skyscraper-sized hoardings lined the streets of São Paulo in Brazil, but since 1 January 2007 advertising in public spaces in the city has been banned. In September 2006 the Mayor, Gilberto Kassab, submitted a bill to the São Paulo City Council that would completely change the urban environment, prohibiting practically all outdoor ads – which Kassab calls ‘visual pollution’ – in their present form.

‘Lei Cidade Limpa’ – Clean City Laws – ban all forms of outdoor advertising, including ads on taxis and buses – even ads on shopfronts are restricted, their signs limited to 1.5 metres for every 10 metres of frontage. The admen fought a ferocious campaign to stop it happening, forecasting massive unemployment. But the law was approved by a vote of 45 to 1 on the city council in September 2006.

As the world’s fourth-largest metropolis and Brazil’s most important city, the changes in São Paulo, a city of 20 million people, are highly significant. The law was hailed by writer Roberto Pompeu de Toledo as ‘a rare victory of the public interest over private, of order over disorder, aesthetics over ugliness, of cleanliness over trash.’

Since it was implemented nearly \$8 million in fines have been issued against transgressors. Although legal challenges from businesses have left a handful of billboards standing, the city is now stripped of its 15,000 billboards, 1,600 signs and 1,300 metal advertising panels. And, amid all the controversy, Kassab has been re-elected. The city has provided tax incentives to help small

businesses clean up some of the mess that showed up after the billboards were removed.

The bill had its critics. Dalton Silvano, the only city councillor to vote against the laws and (perhaps not coincidentally) an advertising executive, was quoted as saying in the *International Herald Tribune*: ‘Advertising is both an art form and, when you’re in your car, or alone on foot, a form of entertainment that helps relieve solitude and boredom.’ However, Augusto Moya, creative director of advertising agency DDB Brasil, claims the ban is forcing agencies to be more inventive: ‘People at all the agencies are thinking about how to develop outdoor media that does not interfere so much in the physical structure of the city.’ Moya takes an enlightened view of the law:

*As a citizen, I think that future generations will thank the current city administration for this ban... There’s still a lot to be done in terms of pollution – air pollution, river pollution, street pollution and so on. São Paulo is still one of the most polluted cities in the world. But I believe this law is the first step for a better future.<sup>27</sup>*

This law has proved immensely successful and the measure is extremely popular with the city’s residents, with more than 70 per cent of residents approving.<sup>28</sup> Indeed, they help enforce the law by calling a hotline to report anyone breaking it.

São Paulo is not the only city with this sort of legislation. Bans on billboards exist in other parts of the world: Vermont, Maine, Hawaii and Alaska all prohibit them, as do some 1,500 towns in the USA. Buenos Aires is considering introducing similar legislation to that in São Paulo, and some European cities have sent delegations to Brazil to examine how the legislation works. In Europe, the Norwegian city Bergen has a ban on adverts and many others are imposing severe restrictions on billboards. The mayor of Moscow is about to introduce regulation to reduce their number and size. The municipal government of Beijing, China’s capital city, began reducing ads by targeting billboards for luxury housing. ‘Many [of the ads] use exaggerated terms that encourage luxury and self-indulgence which are beyond the reach of low-income groups and are therefore not conducive to harmony in the capital,’ the city’s mayor, Wang Qishan, told the *Wall Street Journal*.<sup>29</sup>

007270.html

27. Patrick Burgoyne (2007) São Paulo: The City That Said No To Advertising [www.businessweek.com/innovate/content/jun2007/id20070618\\_505580.htm?chan=top+news\\_top+news+index\\_innovation+%2B&+design](http://www.businessweek.com/innovate/content/jun2007/id20070618_505580.htm?chan=top+news_top+news+index_innovation+%2B&+design).

28. Adbuster (2007) São Paulo: A City Without Ads [https://www.adbusters.org/magazine/73/Sao\\_Paulo\\_A\\_City\\_Without\\_Ads.html](https://www.adbusters.org/magazine/73/Sao_Paulo_A_City_Without_Ads.html).

29. Jason Lowe (2007) Beijing Mystery: What’s Happening To the Billboards? *WSJ* <http://online.wsj.com>.

Restrictions on billboards could be implemented at a local level by councils; they could free our everyday environment from the pressure to consume and allow us to see aesthetically pleasing, previously obscured sections of our urban landscape.

Of course there will be some empty spaces to fill on train and stations. People will want something to look at as they travel and wait. So why don't we fill these public spaces with reproductions of great art, poetry and inspiring campaigns to encourage us to volunteer, do more to save the environment or help a neighbour? It is not a joyless, colourless world we want but one of real beauty, a feeling of real belonging and citizenship.

A ban on adverts in public places should not just be limited to billboards. The definition of public places and what goes on in them needs to be extended if they are to be protected as truly public and if we are to enjoy the freedom not to be targeted with commercial messages we never asked for, especially when they are conducted by stealth.

This is why there should be restrictions on buzz marketing. Buzz marketing is one of the latest trends in advertising and is a deceptive way of encouraging us to buy something through 'undercover; selling agents'. Paid-for actors or advocates pose as ordinary members of the public to encourage us to take their advice or become interested in their product. That way, instead of coming from a faceless and distrusted company, the marketing message emanates from the best endorser possible: your coolest 'friend'. This practice is ethically questionable and needs to be reviewed. The government should legislate to restrict such activity and render it more transparent for the consumer.

Further, instead of relaxing the laws on product placement on television, as it is currently minded, the government should ensure that any programmes shown on free to air television have product placement scenes edited out. At the moment this proposal is out for consultation, with ITV in particular pushing for the ban to be lifted. It's not surprising because it could make them £25 million a year from the 'freedom' to insert products in key places on screen. But that doesn't make it right. The government is currently consulting on the issue and there has already been a backlash from religious leaders and child psychologists

against lifting the ban. Arguments against further encroachment of commercial interests are related not just to the social and psychological effects of allowing product placements on television but to the way in which they cheapen the experience of watching a film or a programme. When it becomes so obvious, we know that the entertainment is really just a backdrop to sell us more. And where will it end? Rory Sutherland from the Ogilvy agency remarks that in the recent film *The Invention of Lying* a bus drives past carrying the slogan 'Pepsi: for when you can't get Coke'.<sup>30</sup> Will advertisers start placing rival products in places on screens with unattractive characters that are likely to harm their brand?

**'Adverts are designed and placed to make them impossible to ignore. Their extent and size now means they cannot be shut out'**

Of course the advertising industry and its lobbyists will say that people should have the 'freedom' to experience such adverts and that they can choose to ignore them. The major problem with this argument is that the adverts are designed and placed to make them impossible to ignore. Their extent and size now means they cannot be shut out. We believe the greater freedom lies in the ability to choose when we are being solicited to. We should choose as individuals what we want to consume and not have the decision made for us, without our consent.

Some will argue that advertising is just about providing consumer information. But this long ceased to be the main driver of modern advertising. Billboard adverts are about association and emotion not empirical facts. The emphasis is on brand not performance.

The next argument, as was tried in São Paulo, is that there will be job losses. Well it won't be good for outdoor advertising industries like Maiden but they employ few people. What is likely to happen is that advertising investment will be switched to areas that are legal, that don't violate our environment and that we can consciously choose to look at, like television, newspapers and magazines. It is highly unlikely that advertising budgets in total will be cut.

[wsj.com/article/SB118273311880146640.html](http://wsj.com/article/SB118273311880146640.html)

30. Rory Sutherland, 'We can't run away from the ethical debates

Finally, it will be argued that local authorities and public transport organisations need the revenues from advertising to pay for services. But these revenues are only very small compared with total expenditure and by ending the commercialisation of these spaces they would help recreate a sense of public spiritedness that would have many other social and economic benefits, such as a boost to tourism. In particular schools should be free from corporate sponsorship. Up until now schemes like Cadbury's chocolate for sports goods have been backed by ministers despite the fact that a child would have to work out for 90 hours to lose the calories necessary to earn their school one ball.

Public bodies like London Transport and Network Rail should be the first to ban adverts on the properties and land they own. Such bans could become a requirement of winning and keeping government contracts for the franchised rail and bus companies. The government at local and national level should start by banning adverts in public services and eventually extend such restrictions to all public places, as São Paolo has done.

## 2 Control advertising on the Internet

One expanding area of the public realm is the Internet; this is one of the key new commons and should be defended from damaging forms of commercialisation. The area of greatest concern in relation to advertising on the net is the way information about what we look at is stored and used. People think Google is a free search engine but in reality its business model is based on selling adverts for private companies. At the moment this is still based on highlighting commercial companies in search responses and companies pay to be near the top.

Increasingly, though, Google is moving into 'behavioural advertising'. That means it provides information about potential customers so that adverts can be personalised and targeted, and therefore are more likely to achieve a sale. Google creates a profile for all its users, registered or not, and remembers what they looked for and stores the information. This information is then in effect sold to the right companies who are more likely to sell goods and services that chime with our interests and concerns. If you search for information on gardening and watch YouTube

videos on gardening don't be surprised to receive more adverts for spades and seeds.

This might sound innocent enough, but the issue is one of freedom and choice; we have never been consulted on whether or not we wanted these companies to collect and store information about us. People in many cases are not even aware that this is happening – let alone included in the decision to allow it.

The Office of Fair Trading (OFT), the competition watchdog, is already scrutinising behavioural targeted advertising because much of it is feared to be misleading. The OFT is worried about the means of data collection and its use, and the European Union is also looking at this expanding practice. The technology is developing fast and weighing in too quickly with a regulatory response, which may come up with the wrong answer. We would like to see a full Ofcom review of advertising on the Internet, to include how information is gathered, stored and used, and to balance commercial interest with public interest and civil liberties.

Google defends its unauthorised data collection on the basis that it makes for better targeted adverts – you get a better service because you are more likely to get the adverts you want to see. This not only ignores the point but also fails to recognise that there is little cost incentive on the Internet not to advertise to blanket audiences because transmission costs are so low. The second line of argument is that 'free content' on the web has to be paid for, so why not put up with a few adverts? But this only tells us that the content is not 'free'. Both of these arguments fail to appreciate the principal point that none of these developments have taken place with the necessary public debate. There needs now to be a discussion about what is publicly acceptable and what needs to be regulated further.

## 3 End the commercialisation of childhood

*Children, whose minds aren't yet ready to know they are being sold something, should be protected from adverts and commercial messages.*

Most children under the age of 12 cannot tell when they are being solicited; advertising encourages dissatisfaction, and encourages children to

pester the life out of their parents every time they go to the shops. The purpose of advertising aimed at young children is to use them to influence how a proportion of parents' income is spent. Although the government promises action nothing has yet been done, and it is time to end to the commercialisation of children.

Children should be protected from powerful advertising machines designed to make them unhappy, and we are not the only ones who think so: in Sweden this legislation is a reality.

When children in Sweden watch the Pokemon cartoon series, at the end of each show they don't hear the jingle that you hear everywhere else in the world: 'Gotta catch 'em all.' Sweden's consumer ombudsman deemed this stealth advertising, ruling that the tune is a surreptitious plug for Pokemon playing cards.

Stockholm has prohibited all TV advertising aimed at children under the age of 12 since 1991. Other places have similar, if less radical, regulation. Greece doesn't permit stations to run commercials for toy guns, tanks or other instruments of war, and bans ads for all other toys between 7am and 10pm. In the UK at present guidelines forbid advertising alcohol or potentially harmful products to young people. The UK also stipulates that adverts should not mislead children about the size of products or what they can do – for instance by showing a toy car accompanied by the sound of a real engine. This is important but not enough. Maria Gasste, who heads the unit on children's television in the media division of the Swedish culture ministry, argues that 'commercial pressure on children is increasing'.<sup>31</sup> This advertising creates an illusion. Like all illusions, when children finally get the product or use the service there is very likely to be a level of disillusionment because the goods and services are not going to live up to what is being presented in the advertisement. This whole process can make children feel inferior and reduce their self-esteem.

A change in regulation for advertising targeted at children could have positive effects in terms of children's general well-being and mental health. In the USA it is currently being argued by a team at the National Bureau of Economic Research that banning fast-food advertising on television in the USA could reduce the number of overweight children by as much as 18 per cent.<sup>32</sup>

Such provisions could be introduced at a national level; they would ensure our children were protected from commercial pressures. It is our responsibility to protect vulnerable and more susceptible groups from the pervasive influence of advertising, as children have almost no voice in our society.

In addition, following the move by the British Medical Association (BMA), we call on the government to ban all advertising, promotion and sponsorship relating to alcohol because of the effect it has on young children. Between 1992 and 2006 household expenditure on drink grew by 832 per cent. The young are awash with messages about drinking alcohol and about the increase in binge drinking and anti-social behaviour brought on by alcohol.

The advertising industry and companies that sell to children would fight such a ban as they try to protect their self-interest against the public interest. In particular they would argue that the development of the Internet makes it virtually impossible to impose such a ban or that television stations are often beamed in from abroad. Of course a total ban would be difficult to enforce in a digital, Internet age. But much of the advertising to children on television could easily be covered. And just as important as the practicality of enforcing the law is the moral message we send out – about what is acceptable and unacceptable in society today.

#### 4 Tax advertising

***The polluter should pay – in this case the advertising industry is helping to pollute the planet through the unnecessary creation of wasteful consumer desires.***

The social and environmental impact of advertising should now be recognised as an externality to the market. An externality is an economic side-effect: the unforeseen consequences of an activity, consequences that affect individuals, often in an adverse way, other than those engaged in the economic activity. For example, pollution created by a factory may result in clean-up costs for those living in the locality. Because these costs do not form part of the calculations of the people deciding whether

in marketing', *Market Leader: the Journal of the Marketing Society*, Quarter 1, 2010.

31. Brandon Mitchener (2001) Sweden Pushes Its Ban on Children's Ads <http://www.commondreams.org/headlines/01/0529-05.htm>

to go ahead with the economic activity, they represent a form of market failure.

The social and environmental cost of advertising must now be seen as external to the market. To resolve this externality there are a number of potential solutions: you could simply ban or limit the activity through a cap on the amount of advertising allowed. However this would be difficult to measure and could be costly to enforce. Instead the most effective way of managing an externality is to internalise it with a tax.

‘The advertising industry can no longer hide from the consequences of its actions, just as society cannot hide from the social ills it faces and no one can hide from climate change driven by over consumption’

The tax could be levied on companies spending over £10,000 a year on advertising. This would ensure simplicity and cost effectiveness in administration and give small, independent or locally based businesses an advantage over their much larger and more powerful competitors. This tax would raise revenue but its main purpose would be to disincentivise advertising and social and sustainability problems it causes. Like all taxes, if applied equally to all, it should have no competitive effect on the markets that do advertise.

Total advertising spending in the UK in 2008 was £19.4 billion.<sup>33</sup> If we assume that 70 per cent of this is advertising by companies who spend over £10,000 per year on advertising, a 10 per cent tax levied on these companies could raise £1.3 billion per year in additional revenues. This additional revenue could be hypothecated towards schemes that regenerate local communities, particularly toward environmentally friendly infrastructure and democratic community engagement – the spaces in which we are citizens first and consumers second. One popular extension of the tax would be to junk mail companies – not just to offset the damage they cause to the environment but to dissuade the industry from clogging up our letter boxes still further and adding to the cost of refuse collection and recycling. There could be a special ‘junk mail tax’ of 20 per cent of the cost of each piece of mail to try and make such marketing less cost effective.

Again the industry will argue against such a tax. They will say it is punitive and will cause job losses. But the advertising industry can no longer hide from the consequences of its actions, just as society cannot hide from the social ills it faces and no one can hide from climate change driven by over consumption. Tough choices need to be made and we have to stem the tide of unnecessary need creation the advertising industry helps make happen.

## 5 Introduce a time and resources levy

*The most persuasive minds in the land should be used occasionally for constructive social and public purposes, not just for commercial interests.*

Some of the most creative minds in the country are used to get us to buy things we never knew we wanted, let alone needed, until their clever adverts got into our minds. But as we face the crises of sustainability, inequality and democracy in particular we need those minds to help us change our behaviour; to volunteer, give, downsize, vote, pay taxes or recycle – all the things and more that a functioning society requires. But such causes and issues don’t have the resources to pay for such clever minds.

Given that the advertising tax detailed above would be paid by producers of goods and services and not the advertising companies themselves, we think it is reasonable to ask the industry itself to make a contribution to society by having a stipulated minimum requirement to help sell good causes that couldn’t otherwise afford their help.

We suggest that 5 per cent of advertising industries’ staff time should be deployed to encourage us to do the right thing rather than just buy the next thing. There would be no need to prescribe what good causes the agencies would work on, the staff and companies could pick for themselves. Then it would be easy to regulate and engender greater commitment for the work carried out. But the list of good causes the company worked for would be published and publicised each year and we are sure their clients would not pick advertising agencies that had not worked for the right people.

On this measure too the industry is likely to complain loudly about being singled out for

32. [www.flex-news-food.com/pages/20577/Restaurant/USA/fast-food-advertising-ban-cut-child-](http://www.flex-news-food.com/pages/20577/Restaurant/USA/fast-food-advertising-ban-cut-child-)

special treatment. But they are a special case, they are part of the motor that keeps us consuming more and more at a greater and greater social and environmental cost. What's more they have special and rare skills that are needed for more than just commercial gain. They may not like such a levy on their time – but it could have some interesting effects. It could make the industry a more attractive place to work and keep staff turnover costs down. And exposure to more NGOs and charities might be good for business and would certainly create new insights and experiences that could be transferred back to the commercial market.

## 6 Put the agencies' mark on their work

We believe that advertising companies should be more responsible for the adverts they create. If they successfully promote good ethical products and services then they should be praised. If they encourage us to buy gas guzzling cars or to consume excessively then people should know whose brain child the adverts were. So we are calling for all adverts in all media to carry the name or recognised symbol of the company that created them. If they are not proud of their work

and don't want to be held to account for it, then they shouldn't make the adverts in the first place.

## 7 Introduce statutory regulation of the advertising industry

Finally, despite the growth, complexity, influence and reach of the industry the bulk of advertising is still 'regulated' voluntarily through the company-controlled Advertising Standards Authority. Given the importance of the industry and its impact on so much of our lives this is no longer acceptable. Other aspects of the British economy, like financial services, have caused widespread harm through lax regulation. We are therefore calling for the Advertising Standards Authority to be put on a statutory basis, to be made accountable to Parliament and to tighten up its code, setting out criteria about what types of adverts are unacceptable. These could include:

- strengthened local authority powers to restrict outdoor advertising
- the introduction in some circumstances of a right of reply by charities and others to claims made in TV advertising
- the banning of advertising on mobile phones.

## Conclusions

If you go to an advertising company to sell a product or service their planners will strip the issue down to bare essentials before building a campaign around it. It is the essence of the message they are after, the essence of the advertising industry is that new technologies, new science and new psychology have put the industry increasingly out of social and political control. Advertising regulations now need to catch up with the reality of the advertising effect on us and our planet. This is not the announcement of a war on advertising but a sensible rebal-

ancing of competing interests: those of profit making with society making and environmental sustainability.

Ultimately we should be free to choose when we receive commercial messages and when we don't. The public realm should be free from such dense commercialisation. Children should be protected until their minds are able to cope with complex selling techniques – they should be free to be children not just consumers. The Internet should not just become another commercialised realm in which rights of privacy are squashed; instead it should be maintained as a new common for everyone to be free to benefit from.

The debate about the advertising effect is a debate about our freedom.

# Appendices

## I UK advertising regulation

- 1962 First call from the Royal College of Physicians to ban the advertising of tobacco.
- 1965 From 1 August television commercials for cigarettes were banned, although commercials for loose tobacco and cigars continued until 1991.
- 1997 As part of the election campaign, the Labour Party pledged to ban all advertising of tobacco products.
- 1997 The Independent Television Commission introduced rules on advertisements to children, restrictions on adverts that 'might result in harm to children physically, mentally or morally', employ methods that 'take advantage of the natural credulity and sense of loyalty of children' or encourage children to pester their parents for products.
- 2001 Advertising tobacco products was banned in Scotland by the Scottish Parliament.
- 2002 The Tobacco Advertising and Promotion Act banned most remaining forms of tobacco product advertising.
- 2003 The Communications Act set out Ofcom's responsibilities in the statute book.
- 2006 Ofcom proposed that junk food ads during TV programmes targeted at under-16s should be banned, under rules put forward by regulators.
- 2007 The European Union created a voluntary pledge programme through which 12 major food distributors agreed not to advertise to people below the age of 12 unless the products promoted certain health requirements.
- 2008 Regulations were introduced to protect consumers from buzz marketing. It became illegal to 'falsely claim or create the impression that the trader is not acting for purposes relating to his/her trade, business, craft or profession' or to 'falsely represent oneself as a consumer'.
- 2009 On 2 July the BMA called for a ban on all advertising for alcohol.

## 2 Advertising – a brief history

Advertising can be traced back to Greek and Roman times but its modern form is truly Anglo American in creation. Advertising agencies emerged in the latter part of the nineteenth century in Britain and America. Originally adverts contained large amounts of product information. Accurate illustrative pictures in newspapers and magazines were accompanied by large amounts of text, which described in detail the selling points of products – company logos and branding had not yet started. When Pears Soap commissioned the then popular artist John Millais to add a bar of the soap to one of his paintings, other firms began to take notice and branding was born.

Advertising recognised the potential of the new mass media emerging at the beginning of the twentieth century and quickly took advantage. Technological developments in print media, lithography and photography gave early advertisers the tools and means by which to reach a much larger audience. They increasingly used cinema, and to a much greater extent radio, to transmit commercial messages. Radio allowed advertisers direct access to their customers' homes, and spoke to them in human tones that were easy to relate to. Lines between programming and advertising were blurred so that listeners could not always know when they were being solicited.

Both world wars led to significant progress for the advertising industry. After World War I advertising boomed. The total spent on advertising in the USA more than doubled from \$1.5 billion in 1918 to over \$3 billion in 1925. Many of the agencies that created this boom were instrumental in wartime propaganda campaigns and they brought new techniques with them into the post-war marketplace. Their success continued and the later post-World War II boom of the 1950s saw these new advertising techniques accompanied by an increased demand by producers for their skills as the number of products on the market grew exponentially – an estimated 5,000 new grocery items were introduced to American shoppers in 1957 alone. This diversification of the marketplace drove the advertising industry to analyse society and target their products much more carefully. Hundreds of



social scientists moved into advertising, and the agencies began to cultivate a deeper knowledge of their customers.

The later spread of television gave advertising a new frontier, as it could enter people's homes in more elaborate and engaging ways. This new medium further blurred the lines between programming and advertising. Popular shows were often sponsored by brand names and product placement began to take root in this early stage of television. The UK did not see the advent of television advertising until the launch of ITV in 1955.

During the 1950s and 1960s the tone of advertising was always instructive and informative, but in the 1970s this changed as advertisers attempted to sell their products through association with a particular lifestyle. These techniques were developed to deal with consumer 'fatigue' as individuals become unresponsive to traditional communication through the pure volume of products on sale and the number of adverts for them.

Advertising boomed in the 1980s with advertisers gaining greater and greater access to people's homes through the growing ownership of television. More products and more marketing freedom accompanied Thatcher and a period of deregulation.

Over subsequent years advertising became much more brash and hard to avoid, and proliferated across the social landscape. The growth of advertising came hand in hand with modern

forms of monopoly capitalism. Mass production and mass consumption depend on each other but in turn they demand a degree of homogenisation in consumers' tastes and desires. This was the role of advertising. Not just in Britain or even the USA, but across the world, 'brand image' grew in significance, as did advertising in its numerous forms. Advertising over this period moved away from its classic aim of providing information towards one of 'brand promotion'.

Over the years the advertising community has shaped and been shaped by changing economic and social factors, however, the purpose of advertising has remained constant: to sell products. But although to start with the advertising community did this by providing detailed descriptions of the products in question, now it sells products through brand image. Nowadays to sell a product, advertisers create needs, wants and desires by instilling a sense of inferiority in consumers, and this happens globally.

In this way the growing Western ideal of empowered individual consumers, mass consumption and mass production spreads globally, creating global brands, global markets and global advertising. In 2007 \$385 billion was spent on advertising worldwide, and this figure will exceed \$450 billion by 2010.<sup>34</sup> This industry is a behemoth, which no longer informs consumers but inspires in them dissatisfaction with life. This dissatisfaction spreads and it contributed to the social recession, the social malaise we now find ourselves in.



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