

# A STUDY ON ETHICAL ISSUES IN ADVERTISING AND ANALYZING DIFFERENT UNETHICAL ADVERTISEMENTS WITH RESULTS OF ASCI DECISIONS: AN INDIAN PERSPECTIVE

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## **Abstract**

*The focus of this paper is to study the ethical issues that arise in print and television advertising and also analyzing the various types of unethical advertisement in India with reference to ASCI principles. Today the India's advertising industry is expanding its business at a rapid rate. India's advertising industry in very little time has carved a niche for itself and placed itself on a global map. But over the years advertising and marketing communication messages have created debatable ethical issues like surrogate advertising, puffery, unverified claims, women stereotype, comparative advertising, use of children in advertising etc. In today's competitive market, advertisers are sometimes following the unethical practices to fight the competition. We have analyzed with the help of examples the different unethical practices used by advertisers in advertisements in India and also discussed some real life cases solved by CCC (Consumer complaint council) following the necessary ASCI Codes for it.*

**Keywords:** ASCI, Competitive market, Ethical issues, Marketing Communication, Unethical advertising

**JEL Classification:** M30, M31, M37, M38

## **I. INTRODUCTION**

According to William J. Stanton, "Advertising includes all those activities which are involved in presenting a non-personal, sponsor –identified, paid message to an audience about a product or organization". In simple words advertisement is any paid form of non-personal presentation and promotion of ideas, goods or services of an identified sponsor.

Today the India's advertising industry is expanding its business at a rapid rate. It has evolved from being a small-scale business to a full-fledged large scale industry. It has grown as one of the major industries and tertiary sectors and has helped the sector with its creative aspect, the capital employed and the number of workforce involved.

## **II. REVIEW OF LITERATURE**

Indian economy is on a boom and the market is on a continuous series of expansion. With these market expansions, Indian advertising has every reason to celebrate. Businesses are looking up to advertising as a tool to indulge in lucrative business opportunities. Growth in business has led to a consecutive growth in the advertising industry as well.

When we study unethical advertisements and how they affect how consumers feel about the company's brand and product, the most important to first study ethics in advertising. It is important to understand how consumers judge or understand advertisements so advertisers can approach the creation of an advertisement with an idea of how it will be received by the customer. Consumer's judge advertisements based of three main principles of idealism, pragmatism, and relativism (Dean 2005). Idealism emphasizes universal statements of right and wrong; not the consequences of the actions or the function of time, place, or culture. In this case, most will view a concept in an advertisement as right or most will view the concept as wrong, there is not much of a gray area. Relativism, on the other hand, is not based on universal rules but is indeed based on the time, place, and culture of the audience who is viewing the advertisement. An advertisement in this case may be acceptable to one culture but extremely offensive in another based off of the beliefs and norms of the people in that culture. Pragmatism is based off of the belief that the advertisement results in the greatest good for the greatest number of people. It is valuable for companies to think of how individuals may arrive at an ethical judgment about an advertisement based off of these principles, but it also a good idea to have standards of ethics to evaluate advertisements as well.

In today's competitive market most advertisers and media recognize the importance of maintaining consumer trust and confidence which is very important to gain. The circle of self-regulation in advertising is widening day by day. Even the code of ethics drawn up by the Advertising Standards Council of India (ASCI) has not had much impact. They do not provide solutions to every ethical dilemma.

As we all know advertisements are presented to large audience throughout the world through various means called advertising media. There is several types of media ranging from banner and balloons to online and mobile advertising internet advertising etc. Different types of messages may require different media (Kazmi, S.H.H. & Satish K. Batra, 2006).

There is high degree of consensus among the respondents regarding the issues related to public policy about advertising. Majority of the respondents are in favor of a judicial regulatory body to enforce ethics in advertising. They are in favor of legal restrictions on sexually suggestive advertisements and advertisements targeting children. So much so that they also favor a legal limit on the amount of money a company can spend on advertising (Raghibir Singh & Sandeep, 2007) ( Anbarasan, N. A., 2012) has stated that majority of the respondents are having the habit of viewing television which is the most preferred electronic media for its advertisements due to high-level ethical values.

(Chan and Cai, 2009) conducted a study to examine the cultivation effects of television advertising viewing on the perceived affluence in society and the materialistic value orientations among adolescents in urban and rural China. A survey of 646 adolescents aged between 11 and 17 was conducted in 2006.

### **III. WHAT IS ETHICS**

Ethics means “Good Conduct” or “Conduct which is right in view of the society and the time period”. By common consent, various modes of behavior and conduct are viewed as “good” or “bad”.

In other word, we can say that Ethics are the guideline principles and values that govern the actions, behavior and decisions of an individual or group. Ethics is a choice between good and bad or between right and wrong. It is governed by a set of principles of morality at a given time and at a given place and in a given society.

### **IV. OBJECTIVE**

- To understand the ethics in Advertising.
- To do analyses of different unethical advertisements in India.
- To understand the various ASCI principles and CCC decisions for unethical practices

### **V. SIGNIFICANCE OF THE STUDY**

The Focus of the study is on studying the ethical practices of the various advertisements in India at present and their relative effects. However, it is very difficult to distinguish a clear line of difference between what is true and what is untrue. Over the years advertising and marketing communication messages have created debatable ethical issues, due to the public belief, that advertisements deeply affect the way people perceive themselves and the world surrounding them, including crucial actions and behavior.

### **VI. ETHICS IN BUSINESS**

According to International Ethical Business Registry “There has been a considerable increase in the ethical expectations of business and profession over the past few years. Clients, employees and customers are intentionally attempting to find out those who define the basic rules of their working on a day to day basis.”

Following are the reasons that explain why there is a need of Ethics in business

- it define accepted or acceptable behaviors;
- it help in promoting high standards of practice;
- it provide a standard for members for the self evaluation;
- it establish a framework for professional behavior and responsibilities;
- it act as vehicle for occupational identity;
- it is a mark of occupational maturity;" (Life Skills Coaches Association of BC, ethicsweb, 2015)

### **VII. ETHICS IN ADVERTISING**

Ethics in advertising is defined as a set of well stated principles which rule the ways of communication take place between the seller and the buyer. In today’s global market ethics has become one of the most important attribute of the advertising world. Since there are lot of benefits of advertising but as the coin has two sides, there are some things which don’t match or satisfies the ethical criterion of advertising. Some of them are

**An ethical ads is the ads that neither lies nor make false claims nor does it cheat the customer.**

Nowadays, ads are more magnificent and a lot of bulging is used. It depicts that the advertisers lack knowledge or intentionally avoid the ethical norms and principles before making the advertising. They don’t understand and are not able to decide what is right and what is wrong.

**Ethics in Advertising is directly related to the purpose of advertising.** Many times it becomes necessary to exaggerate the ad to prove the benefit of the products.

**Ethics also depends on what we believe.**

If the advertisers make the ads on the belief that the customers will understand, induce them to think, and then act on their ads, then this will lead to positive results and the ad may not be called unethical. But at the same time, if advertisers think that they can fool their customers by showing any impractical things or making false claims, then this is not going to work for them and will be called as unethical. (managementstudyguide, 2013)

### VIII. HOW ETHICAL ISSUES ARISE IN ADVERTISING

The world of advertising has come a long way from mission to profession to industry. Some people describe it as false, untrue, misleading and obscene. Today Advertising Industry has been facing a lot of criticism as the advertisement which is being telecasted does not follow the norms of ethics. Advertisements should be socially, culturally and morally ethical. Advertisements appearing on television and radio have to be approved by Doordarshan and AIR authorities. Similarly, advertisements in newspapers and magazines and on outdoor sites are also regulated by guidelines. In today's competitive market, it is free for all it's just the matter of money or how much one is ready to spend, thus advertisers sometime follows the unethical practices to fight or became superior then its competition. For many years, the advertising industry has practiced, promoted voluntary self regulation. Most advertisers and media recognize the importance of maintaining consumer trust and confidence. The circle of self-regulation in advertising is expanding day by day. Even the code of ethics drawn up by the Advertising Standards Council of India (ASCI) has not had much impact. Thus they do not provide solution for every unethical practice.

**Ways of unethical advertisements** There are several types of advertisement which led to unethical advertisement

#### Surrogate advertising

Surrogate advertising is advertising which involves a brand or product message inside an advertisement which is telecasted for another brand or product. Surrogate advertising came into existence after the Government took initiative to ban advertisements of products that are injurious to health or body. After implementation of it the major companies of liquor & tobacco were badly affected so they found other ways of advertise their products. They have found an alternative path of advertising which helped them to keep on reminding the people of their liquor/tobacco brands: they have introduced various other products with the same brand name in their product line.

The advertisements for such new products are called or placed under the category of "Surrogate Advertisements". The main objective of this type of advertisement is to compensate the losses arising out of the ban on advertisements of one particular product (i.e. liquor). The companies always say that the order of the government is being implemented and advertisements of liquor are banned, but the objective of the Government imposing the ban is not fulfilled. It's a new weapon of Proxy War. (Mary McMahon, 2015) (Rima Bhardwaj, 2009)

#### **Analysis of some Surrogate advertisements**

**Diageo:** Diageo has built associations with its brands Smirnoff and Johnnie Walker. **Smirnoff** with its cult associations with electronic music with events such as 'War of the DJs', Nightlife Exchanges etc, and **Johnnie Walker** with its famous advertisements on 'Keep Walking' with celebrity achievers such as Vijay Amritraj and Narayan Murthy, successfully associating Johnnie Walker with success and also making the brand logo well known (the famous 'Striding Man' logo, which also has a society in its name – the Striding Man society, for Johnnie walker drinkers)

**Sab Miller:** Sab Miller has been promoting Haywards 5000 with campaigns featuring Bollywood actors such as Sunil Shetty and Sanjay Dutt. The catch of course is that they are shown to be promoting Haywards 5000 soda, and not the beverage. And soda promotion is perfectly acceptable.

**Bacardi:** Many can recall the Bacardi ads of yore with the famous Bacardi Music! Again, it was not the beverage brand that was being promoted. The direct promotion was for the Bacardi Soda and the Music CDs, but indirectly, a brand name for Bacardi was built

**Kingfisher:** It is basically beer brand; without doubt, this is one of the most successful examples of surrogate advertising. The extension of the Kingfisher brand to the airline gave a great push to the original category, beer. The Kingfisher brand has also been successfully extended to other categories such as mineral water and club soda.

#### Puffery

Puffery is an exaggerated statements made by the companies for the purpose of attracting buyers to a particular product or service. Puffery advertisement is basically used by the business in order to rise up the image of their product. Statements made in puffery are usually of subjective opinions rather than objective representations of facts. It is assumed that puffery act as an opinion for the consumers that cannot be verified. A

sensible person would not take puffery literally. The difference between puffery and factual representations is the degree of specify their claim towards the product. Puffery contains broad, general claims, as in the motto “The Best burger in the West”, No one can prove the burger is really the best, but no one can prove it is not (Ken LaMance, 2014)

**Analysis of some Puffery Advertisements**

**Red Bull:** The famous energy drink Red bull shows in advertisement that after drinking it gives you wings i.e. Red bull gives you wings but we actually knows that it does not grows wings on your back after drinking it

**Axe Deodorant:** Axe deodorant (chocolate fragrant) ad which shows that after spraying it that person’s whole body turns to chocolate which is practically not at all possible.

**Unverified claims**

These are those kind of advertisement in which the company who is advertising its particular product makes a false statement or commitment about its product. The unverified claims are generally seen in energy drinks which commit to increase your stamina, foods that increase your child brain or a breakfast that makes you fit. But as the consumer use them, they see that there stamina is still the same, there child is just as regular as he was, and there figure hasn’t changed an inch. Advertisements like these convey information that’s false, scientifically wrong and misleading. (Roshani Dhamala , 2014)

**Analysis of some Unverified Claims**

**Kellogg’s Special K:** Kellogg’s special k claims that after having it as your breakfast one will became slim and trim but there is no scientific prove for it. Thus it’s a wrong or misleading statement committed by the Kellogg’s company.

**Horlicks:** Horlicks claims that it makes your boy taller, stronger and sharper but practically a boy cannot be taller, stronger and sharper just by drinking milk with mixed with this product horlicks.

**Woman stereotype**

Television remains of the most predominant mediums that promote stereotypical about the gender roles with the help of advertisement. “Media has become an important source of creating stereotypes because they are sometimes the only source of information we have about other groups and they often represent a distorted view of those groups”. NO matter what type of life a women lives, the society will create some sort of stereotype about the women’s. Generally the entire household product such as soap, washing powder etc. mainly uses women in order to advertise it which generate or add to the stereotype in the society about the women’s that they are limited within the boundaries of their house only.

**Detergent powder:** The famous washing powders like Rin, Tide, Fena, wheel etc always uses a women in order to promote their brand as well as their product.

**Comparative advertising**

According to academic literature, “Comparative ads are those ads which involves directly or indirectly naming competitors in an ad and comparing one or more attributes in an advertising medium.”

Comparative advertising, as the name suggests, is advertising where a party (the advertiser) advertises his goods or services by comparing them with the goods or services of another party. Such other party is usually his competitor and is often the market leader in the particular trade. The comparison is made with a view towards increasing the sales of the advertiser. This is typically done by either suggesting that the advertiser’s product is of the same or a superior quality to that of the compared product or by denigrating the quality of the compared product. The more blatant form of comparative advertising refers to the product by name and this is generally known as comparative brand advertising. (Smriti Chand, 2015)

**Analysis of some comparative advertisements**

One of the famous controversial comparative advertisements was Rin and Tide Natural where in the ad of Rin it directly showed the competitor product Tide and committed that it is a better and superior washing powder then that.

Another controversial comparative advertisement was colgate and pepsodent where pepsodent claimed directly that pepsodent now better than colgate strong teeth delivers 130% germ attack power.

**Use of children in advertisement**

Nowadays market is very highly influenced with children’s entering into advertisement. Marketers are using children in their commercial advertisements to push their sales. This is done because Indian children are allowed to watch each & every advertisement in the television, so marketers are taking advantages of it. As in the present time there is a rapid increase of use of children in advertisement. This leads to influence our Indian culture as well as Indian children’s to push their parent for particular products. Some of the advertisements are very relevant to children where marketers should use children to promote their products in the market otherwise they can’t. For instance, ads of Horlicks, Johnson & Johnson etc. But apart from this there are many commercial ads where marketers use children even the products are not for children like, Super Nirma, Surf Excel etc. which is irrelevant for marketing point of view. These types of ads are basically to win emotion of the customers. Using

children in advertisements particularly in India where many people can't afford the products but children force them to buy those products which affect their economic levels, so marketers should go for children advertisement for their relevant products only. ( toostep, 2015)

**Analysis of some children advertisements**

**McDonalds:** McDonalds is advertising the McAloo Tikki burger and Fries in what has become a popular and controversial advertising campaign in India. The Boyfriend/Girlfriend television commercial at the centre of the campaign features two young children sitting on a bench. The girl asks the boy if he would consider them boyfriend and girlfriend. He refuses the proposal, saying that girlfriends demand too much. He changes his mind when she says that she'd be satisfied with a McAloo Tikki Burger.

**IDBI Bank:** IDBI bank uses children in order to show their friendship which will be continued by the bank also. The concept of this advertisement was quite unique but it was not at all necessary to use small children in it as a true friendship is followed by adult also. They were just used to win the emotions of the customers.

**The Advertising Standards Council of India**

The Advertising Standards Council of India (ASCI) (1985) has adopted a Code for Self-Regulation in Advertising. It gives commitment to provide honest Advertising and fair competition in the market. It is there for the protection of the legitimate interests of consumers and all concerned with advertising i.e. Advertisers, Media, Advertising Agencies and others who help in the creation or successful placement of advertisements.

ASCI have one underlying goal i.e. to maintain and enhance the public confidence in advertising. ASCI attempts to ensure that advertisements conform to its Code for Self-Regulation which requires advertisements to be:

- Against Harmful Products/Situations-Not used indiscriminately for the promotion of products, hazardous or harmful to society or to individuals particularly minors, to a degree unacceptable to society at large.
- Honest Representations-Truthful and Honest to consumers and competitors.
- Non-Offensive to Public-Within the bounds of generally accepted standards of public decency and propriety.
- Fair in Competition-Not derogatory to competition. No plagiarism.

**IX. SOME CASE EXAMPLES OF ASCI**

Case1

Decision in favor of complainant

Brand- Bajaj Pulsar

Complaint- Visuals had bikers doing extreme stunts but the disclaimer was almost invisible. So complaint was filed keeping in consideration the recent bike stunt mishaps.

CCC said that- This shows stunts which are dangerous that do not have any regard for safety and hence some action should be taken by the company.

Result- The company modified the ad with a clear disclaimer in the beginning itself.

Case2

Decision in favor of complainant

Brand- AXE Dark Temptation Deodorant

Complaint- Ad is in bad taste and is vulgar, as it shows the girls licking and biting the boy.

CCC said - The Visuals were obscene and likely to cause widespread outrage.

Result- Ad was modified by deleting a few scenes

Case3

Decision in favor of complainant

Brand- KFC

Complaint- Car crashes after driver loses concentration while eating KFC product. The words "non stop khao, non stop khilao", in conjunction with the Ad being of KFC bucket size pack, is clear intention of advertiser promoting over/excessive consumption of KFC, which being fried chicken has high content of fat in it.

CCC said – The Visual depicting the “driver licking his finger” implied that he has been eating while driving, which could have a big harm to the driver/passengers. Ad shows a dangerous practice without justifiable reason

Result- Ad was modified

Case4

Decision in favor of advertiser

Brand- BIG BAZAAR

Complaint- Print ad has the tagline- “Is se sasta aur accha kahin nahi!”. The Complainant says that there are many items which are cheaper than Big Bazaar available in the market.

CCC said - Claim misleading by overstating.

Result- The Advertiser showed comparative bills of Big Bazaar and other stores, which proved that on a basket of commodities, Big Bazaar is cheaper. So no change was made to the advertisement.

## **X. CONCLUSION AND RECOMMENDATIONS**

The world of advertising has come a long way from a small industry to a large scale industry. For some people it is an important source of getting information while for other describes it as an untrue, misleading and obscene. Advertising Industry has been facing a lot of criticism in the recent times as the advertising practices have not always been ethical. In today's competitive market, due to free allowances, the advertisers are sometimes following the unethical practices to fight the competition. The ethical aspect of Indian advertisement is extremely important for restoration of our Indian culture and heritage. Indian culture is getting diluted by the western culture which influences our country to a great extent. To save our culture, norms and ethics regulations of such unethical advertisements are extremely essential. But today the numbers of unethical and obscene advertisements are increasing in numbers instead of decreasing. This clearly shows that implementation of the laws controlling advertisement is not properly done. The lacks of implementation of the laws are leading to more and more unethical and obscene advertisements. Hence, it is an urgent need for proper implementation of the laws in our country.

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