ADVERTISING, THE UNEASY PERSUASION
Its Dubious Impact on American Society

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FIND it hard to pay close attention to ads, especially on television. In this regard, it seems I am like most Americans. About 60 percent of adults remain in the room with the television on during an ordinary commercial break and most of them read, talk, eat, or do household chores. It is little wonder that, on average, less than 25 percent of a television audience can remember an ad they saw on television the day before, even when prodded with various clues. Unprodded, about 9 percent of viewers can name the brand or product category they saw advertised on television immediately before answering the phone call from the market researcher.¹

Advertisements ordinarily work their wonders, to the extent that they work at all, on an inattentive public. If we think of popular culture as a variety of forms ranging from those that are avidly followed to those that are barely acknowledged, then popular movies like E.T. or Star Wars or celebrations like the 4th of July fireworks would be at the high-involvement pole. They are cultural forms that people go out of their way to see, they become “events” in the foreground of people’s lives, and they may provide grounds for talk and even for critical reflection. At the low-
involvement pole are forms of culture that surround us without our taking notice. Design, typically, touches people without their focusing on it—the design of buildings, of products, of packages. Television and radio are somewhere in the middle, with soap operas and sports near the fireworks end of the spectrum and most other programming far closer to the unattended end, existing for most people as a kind of background noise. Television commercials, though often noticed as a phenomenon—they are interruptions, after all—are less attended to than television programs. They are, as Shakespeare said of the cuckoo in June, "heard but not regarded." Loud and brassy as they may be, and technically as sophisticated as they are, they rarely stop viewers in their tracks. Unlike radio disc jockey programs, television sitcoms, professional football games, or feature films, they do not command rapt attention or allegiance, at least, not until they are old enough to be remembered nostalgically. The most avid watchers of commercials are the men and women who create them, the preschool children who do not readily distinguish them from regular programming, the important but inevitably small segment of the audience actively in the market for the advertised product and uncertain about which brand to buy, and students of popular culture looking for deeper meanings.

This does not mean that the ads are ineffective. In fact, as I shall discuss later, television ads may be powerful precisely because people pay them so little heed that they do not call critical defenses into play. But why do most people most of the time tune out advertisements? Because, to put it simply, advertising is propaganda and everyone knows it.

To put it another way, commercials regularly miscommunicate by addressing an audience different from the actual audience. Fred Posner, research director at N. W. Ayer, Inc., writes that to attract his interest the best ad would be one that begins, "This message is for all those people named Fred Posner." Any other message sacrifices personal relevance for marketing reach.² If I have just bought a Toyota Tercel (which I have) and if it seems to me a substantial investment (which it does), then all the other automobile ads do not speak to me. I am not a car buff and I am not in the car-buying market. I cannot be moved. I might be amused but few car ads try to amuse me. Most car ads bore me. I have not tried a Ford lately and will not, even though I am bright enough to remember the slogan after I have heard it a few dozen times. Most of the time most consumers are not in the market for most of the products most often advertised.

Perhaps more important, ads address an audience different from what the actual audience wants to be. Commercials have an "implied viewer" who is someone, I find, I do not wish to be.³ Take soft drink ads, for example. They are evocative of "freshness"—scenes of people jumping into a swimming hole and splashing in crystal-blue water give me the impression of freshness and I like that. But I take some pride in living my own life, growing older and doing it as well as I can, and I do not worship youth nor do I care to imagine myself as a sixteen-year-old. Even more, I do not want to be thought of as someone who worships sixteen-year-olds. It is not so much that I do not respond to the fun-loving blondes on the screen (although I tend not to identify with blondes) but that I do not want to be equated with the implied viewer, twenty-nine or forty-five or sixty and fat, bored, and dull, sitting in his living room wishing he were sixteen. Nor do I much like the idea that some advertiser presumes I am such a person and walks uninvited into my living room to talk to me on that basis.

The primary messages in most ads are simple. The power of ads rests more in the repetition of obvious exhortations than in the subtle transmission of values. Advertisements in themselves will receive modest attention in this book until the final chapters. I will perform no high-wire acts of semiotic analysis, no magic tricks to draw out of a hat of commercials a rainbow of cultural messages. My subject is not advertisements but advertising: advertising as an institution that plays a role in the marketing of consumer goods, advertising as an industry that manufactures the cultural products called advertisements and commercials, and advertising as an omnipresent system of symbols, a pervasive and bald propaganda for consumer culture. In considering advertising as propaganda, my question is not what the ads say. This seems reasonably clear, though I hope to make their general message more clear in chapter 7 on advertising as “capitalist
realist” art. The ads say, typically, “buy me and you will overcome the anxieties I have just reminded you about” or “buy me and you will enjoy life” or “buy me and be recognized as a successful person” or “buy me and everything will be easier for you” or “come spend a few dollars and share in this society of freedom, choice, novelty, and abundance.” My question is: What does the repetition of these messages over and over again do to the minds and characters of people?

People think ads help create a consumer culture. Many people believe, with Christopher Lasch, that advertising “manufactures a product of its own: the consumer, perpetually unsatisfied, restless, anxious, and bored. Advertising serves not so much to advertise products as to promote consumption as a way of life.”4 That is the chief offense social critics charge to advertising, and it is the central concern of this book. While an occasional apologist for capitalism takes it to be a virtue of advertising that it promotes “consumption as a way of life,” I think we know enough of the “externalities” of goods-intensive economic growth in acid rain, black lung disease, oil spills, endangered species, and in general the poisoning of the earth we hand over to our children to dismiss uncritical praise of consuming. Many observers, from various positions on the political spectrum, have taken advertising to be a cause for alarm. Criticism includes the neo-conservative view that advertising undermines character and “strengthens not only individualism but attention to one’s own interests and needs at the cost of attention to anyone else’s.”6 It includes the neo-Marxist position that advertising is a “... cultural apparatus aimed at defusing and neutralizing potential unrest.”6 There is also the liberal concern that advertising inverts the democratic principle by which the market, in theory, operates; it makes producers rather than consumers sovereign in deciding what goods shall be produced and forces people to “buy things they do not need.”7 And there are feminist views that rightly see women as the main target of most advertising and object to advertising’s role in encouraging them to take shopping as their work and way of life.8 Whatever form the criticism takes, it sees the emergence of a consumer culture as a devolution of manners, morals, and even manhood, from a work-oriented production ethic of the past to the consumption, “lifestyle”-obsessed, ethic-less pursuits of the present. The image of a consumer society loosely couples images of the grabbing, status-climbing nouveau riche obsessed with material possessions with the laid-back, poolside affluence that takes the shopping mall as the normal and expected center of life activity.

At the simplest level, a consumer culture is a society with a lot of consumer goods. This, in itself, is rarely the object of criticism though by itself it may give rise to many of the habits and values that do come under attack. More often, a consumer culture is taken to be a society in which human values have been grotesquely distorted so that commodities become more important than people or, in an alternative formulation, commodities become not ends in themselves but overvalued means for acquiring acceptable ends like love and friendship. The criticism is either that people sacrifice people to accumulate wealth or that they sacrifice themselves to the pursuit of goods in order to accumulate people. In the former case, the participants in consumer culture are seen as philistines: acquisitive and upwardly mobile, with sturdy character, perhaps, but bad values, working long hours and saving money to satisfy obsessive longings for whatever the next prestigious consumer good may be—the stereo, the home computer, the food processor, the videotape recorder. In the latter case, character has degenerated and values have, in a sense, disappeared. There is no longer an obsessive striving after things but a mindless indulgence in them, and the problem is not so much the quest for the stereo or home computer but the assumption that all values inhere in or grow out of these objects. In this image of consumer culture, narcissism runs wild, the unguilty desire for objects and experiences to “pleasure” oneself runs free.

All of this is especially abhorrent in a puritan culture suspicious of pleasure in any form and certain that waste is sinful. It is especially dangerous in a society that depends on a healthy civic culture; attacks on consumer culture are often linked with a critical concern for the growing privatization of life and a decline in concern for public good. The profusion of private luxury and indulgent triviality is compared to the poverty of the public
sector with its understaffed schools, deteriorating city services, and hospitals unable to care for the poor. The consequences of the present lack of public regard are on-going, extending into the future as well; current plundering of natural resources for the sake of air-conditioned cars and backyard swimming pools is measured against the difficulties that a shortage of energy and resources will very likely present to our children and our children’s children. It seems to many critics that the American materialism that, 150 years ago, Alexis de Tocqueville found “decent” and “virtuous” in its restraint seems to have become unhinged.9

Very often the criticism of consumer culture is not that people of such a culture value goods unduly but that they value the wrong characteristics of goods—not workmanship but convenience, not character but cheapness and portability, not aesthetic design but glitzy showiness, not substance that goods once supposedly had but image which, in a world of mass marketing, goods must have to be successful. They consume and discard rather than use and maintain; they take a care-free or care-less attitude toward possessions rather than a responsible one; they do not love things too well but use them mindlessly instead of caring for them. Their attitude toward things of the world is profane rather than sacred. They value appearance over substance and easy disposal over maintenance.

Criticism of this sort links critics of the left who oppose consumerism with critics of the right, who oppose the debasement of culture by democracy. It also confronts the role of advertising in consumer culture which is under attack not just because it contributes to consumer culture but because it is that culture’s emblem, its embodiment, its caricature. When Daniel Bell writes that “a consumption economy . . . finds its reality in appearances,” it is clear that advertising is the foremost example.10 It is all show, no substance, all illusion and no reality, the perfection of the fraudulence of modern society. Critics of capitalism who attack the economic system through assaults on advertising have not gone after a scapegoat; they have identified a sitting duck that voices the messages of contemporary materialism in its most vulgar and most accessible form.

Still, I have grave doubts about the conviction shared by both the critics of advertising and its most enthusiastic promoters that advertising is highly effective in manipulating the minds of consumers and so in promoting a consumer culture. Critics of advertising contend, in one form or another, that advertising powerfully shapes consumer values and choices. While some critics point simply to a global consumer mentality as advertising’s creation, most blame advertising for the sale of specific consumer goods, notably luxury goods (designer jeans), frivolous goods (pet rocks), dangerous goods (cigarettes), shoddy goods (some toys for children), expensive goods that do not differ at all from cheap goods (nongeneric over-the-counter drugs), marginally differentiated products that do not differ significantly from one another (laundry soaps), and wasteful goods (various uneconomical throw-away convenience goods). Advertising, it is often claimed, persuades people to buy these things that they do not need or should not have. Advertising shapes consumers’ desires and makes them feel a yearning for things they do not really need.

The response of advertisers and marketers to this criticism would be comical were it not so serious. Advertising, they say, cannot do any of these dastardly things because advertising is ineffective or only modestly effective in changing people’s habits of consumption. The reason advertisers advertise is not to change people’s product choices but to change their brand choices. Advertising is not a war on consumers’ minds but a competitive war against commercial rivals for a share of a market whose size is either constant or, if changing, changing for reasons far beyond the power of advertising to affect. The marketer with any sense tries not to persuade people to gamble on a new product but to find consumers who already use a product or are already predisposed to a product by their situation in life and to remind them that a certain brand of the product is available and attractive.

This argument may at first sound very dubious. Certainly it is self-serving. It is the kind of argument that marketers regularly take before federal agencies that seek to regulate advertising.12 But the marketers have a point—so crucial a point that I will devote much of the next chapter to discussing it. The role advertising actually plays in marketing and sales is quite circumscribed. I will show that, despite the saturation of print and air
waves with advertisements, few businesses invest great percentages of their budgets in advertising and most businesses organize their advertising so as to rely as little as possible on its persuasive powers.

Nevertheless, the marketing ideology that advertising does not have great power (and so can do society little harm) is disingenuous. There are conditions under which advertising has a significant impact on sales. Beyond this, advertising may influence cultural life in the large even when it is not doing much to sell goods piece by piece. Whatever advertising's direct effect in stimulating sales and making people buy more goods, it fully merits its reputation as the emblem of fraudulence. I do not mean fraudulence in a sense the Federal Trade Commission would recognize. The vast majority of ads are not “unfair” or “deceptive.” A great many are positively informational. But there is a persistent, underlying bad faith in nonprice advertising. I take as emblematic the old McDonald’s slogan, “We do it all for you.” That, of course, is a lie. McDonald’s does it all for McDonald’s. It may be that what’s good for General Motors is good for the country, but that is not why General Motors takes the actions it does. Even if, as is generally the case, everything that the ad says about the product is scrupulously honest, or at any rate scrupulously avoids outright dishonesty, the implication of the direct address of most commercials—that the announcer speaks with the viewer’s welfare at heart—is fraudulent. The advertisement seeks to promote sales, it does not seek to improve the lives of consumers except as a means to the end of sales.

What does it do to human experience to live in a society where people are incessantly exposed to messages ostensibly addressed to them that they cannot take as truthful communications? A 1976 survey found that 46 percent of the public holds all or most television advertising to be “seriously misleading” with 83 percent responding that at least “some” television advertising is seriously misleading. A 1981 Newsweek poll asking people to rate the honesty and ethical standards of people in different fields found advertising executives with the lowest score (just slightly below Congressmen). And yet advertising is said to be a kind of new religion that, as Christopher Lasch put it, “addresses itself to the spiritual desolation of modern life and proposes consumption as the cure.” But if advertising is part of a religion of consumption, it is one whose priests are invariably on the defense; if consumption is a road to salvation, many seem to take it without believing it will lead anywhere. National consumer product advertising is the art form of bad faith: it features messages that both its creators and its audience know to be false and it honors values they know to be empty.

This, it seems to me, is the primary fact to understand about advertising. The question, What work does advertising do in the culture? quickly becomes the question, How can it do any work if people are so inattentive to it? and when attentive, so critical, so able at recognizing its propagandistic intent and techniques? Apologists are wrong that advertising is simply information that makes the market work more efficiently—but so too are the critics of advertising who believe in its overwhelming power to deceive and to deflect human minds to its ends. Its power is not so deterministic nor its influence so clear. Evaluating its impact is more difficult than these simplicities of apology and critique will acknowledge.

This book, then, is about the role of advertising in shaping American values and patterns of life. I will consider what influence advertising may have in promoting materialist values and a consumer culture (acknowledging, however, that the very notion of “consumer culture” is vague, and promising to ask some of the questions that will help to know it better).

This is not a comprehensive account of all types of advertising. I will say little of what is widely acknowledged as the most effective form of advertising—price advertising—because critics do not object to it. Nor will I discuss classified ads or industrial product advertising, and for the same reason—these are not subjects of controversy. I will not discuss corporate image advertising because, controversial as it is, it still is a small element in overall advertising volume. Nor, regretfully, will I say much about political advertising, which deserves book-length treatment itself. But political advertising is only peripherally related to the concern about advertising that is my subject here: the impact of advertising on American attitudes toward goods, money, and the
good life. I will focus, then, on national consumer goods advertising—the advertising people see most often on television and in national magazines, recall most vividly, and think of most readily when the topic of advertising comes up.

I see this book as an essay in the sociology of culture. I have learned from advances in this field in the past decade that it is insufficient to examine the symbolic content in culture, be it ads or television programs or paintings or science or literature, without attending both to the social situation of the symbol makers and to the responses of the audiences or clients for the symbols. Studies that examine the symbols alone can make vital contributions but take the risk of sociological irrelevance if they do not consider the intentions of the symbol makers or the meanings that the audiences actually take from the cultural products in question. Studies of the symbol makers that assume that the meanings the symbol makers intend are the meanings, and the only ones, communicated to audiences also risk error, for communication is rarely so simple, even with a cultural form as industrialized and as stylized as advertising. As for studies of audiences, these are still very rare, and more are needed. One of the advantages of studying advertising is that market research makes available valuable information about how audiences perceive advertising and respond to it. The complexity and variety of audience response is probably better documented here than in any other field of cultural studies. But there is danger in audience studies, too. It lies in the seductiveness of pluralism: when one discovers that different kinds of people assimilate very different meanings from the same mass culture, it is too easy to conclude that the symbols of mass culture have little authority in the face of human diversity. That tempting conclusion, I think, lights on the variety of immediate audience responses and ignores the channeling of human experience, however difficult to identify or measure, in which mass culture participates.

In chapters 1 through 3 of this book, then, I look at the use of advertising by businesses, the creation of advertising by agencies, and the place of advertising in the consumer's decision making about buying products. That is, I examine in turn the symbol makers, their clients, and their audience. In the next three chapters (4 through 6) I examine the historical context in which advertising arose and discuss the emergence of a modern infrastructure of consumption—patterns of life that, quite apart from advertising as such, have helped produce a consumer culture. No one has been so crude as to imagine that advertising created "consumer culture" single-handedly, but few critics of advertising have thought very hard about what else, besides advertising, has brought us to the kind of consumer culture we have today. These chapters address that problem. In the final two chapters (7 and 8) of this book, I look at advertising as a system of symbols and stand as an analyst, outside, interpreting the cultural form of the advertisement in its social context.

What is the work that advertising does? Where does it fit in the culture? Indeed, what kind of a culture has been historically required to nurture it? These are the questions I shall explore, trying to comprehend not so much whether we have a consumer culture or not, a rhetorical issue, I think, but what place consumption holds in the culture, what kind of consumption we have, and what can be said of the role of advertising in it.

We live and shall live, barring nuclear or other disaster, in what has been called a "promotional culture." America has long been a nation of salesmen and the "shoeshine and a smile" that were Willy Loman's stock-in-trade are now the tools of politicians and religious evangelists and hospital administrators as much as of advertising agents and public-relations directors. The promotional culture has worked its way into what we read, what we care about, the ways we raise our children, our ideas of right and wrong conduct, our attribution of significance to "image" in both public and private life. The promotional culture has been celebrated and indulged in. It has been ridiculed and reviled. It still needs to be understood.
The Advertiser’s Perspective

The basic fact to remember about advertising,” Jeremy Tunstall wrote in his study of British advertising agencies, “is that little is known about what effect it has; even to talk of advertising having an effect is misleading.”¹ This is not exact. More precisely, much is known about the effects of advertising, but the results do not, and by the very character of business practice, cannot add up to a simple or consistent conclusion.

Manufacturers and retailers who want to use their advertising dollars efficiently worry about the effectiveness of advertising. So do advertising media that live off advertising revenue and seek to encourage businesses to advertise. So do advertising workers themselves. One of the fathers of American advertising, George Rowell, reminisced in 1905 about advertising in the 1860s, and observed:

Then as now the idea that “advertising always pays” was promulgated and the assertion was made then as frequently as now, and is now made as frequently as then that advertising does not amount to anything and is a waste of money.²

In the 1980s, as at the turn of the century, the same thing can be said. Indeed, the view that advertising works and that it doesn’t work may be expressed by the same person. A copywriter at one of the ten largest ad agencies wondered out loud, when I spoke to him, if advertising really sells products:

Ads don’t sell products, do they? Take Charlie the Tuna. Do you really go into the store and buy Starkist because Charlie the Tuna said they’re picky about what they put in the can? The kind of ad that sells, that has to sell, is retail advertising, the one that says, Starkist Tuna, fifteen cents off.³

Then the same man, in the same interview, noted that Procter and Gamble spends enormous sums on advertising and that “they have research up the ass to show it works. They know their ads work.” Well, does she or doesn’t she?

The few economists who have studied advertising closely conclude that it has modest effects, at best, on general consumer demand for advertised goods. Julian Simon, for instance, concludes his overview of the economics of advertising in this astonishing manner:

Those branches of advertising which are most in dispute—advertising for such products as beer, autos, soap, and aspirin—do not seem to have much effect upon the economy in any way, direct or indirect, and hence from an economic point of view it is immaterial whether they are present or absent. . . . All this implies that the economic study of advertising is not deserving of great attention. . . . (As the reader may realize, this is not a congenial point at which to arrive after spending several years working on the subject.)⁴

Not everyone takes so dubious a view. While economists tend to be skeptical about the power of advertising, many television and radio stations, magazines and newspapers, market research firms, and the trade associations representing these various groups, generate data to suggest to potential advertisers the power of advertising. The advertising agencies and the media can argue the point either way. If they are trying to convince an


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advertiser to increase its media budget, they can cite examples of devastatingly successful advertising campaigns. But if they are defending themselves before the Federal Trade Commission (FTC) or a civic organization decrying television advertising to children, they trot out the data that demonstrate that advertising has slight or no effect on product sales. Advertising research, advertising trade journals, and conferences of advertising practitioners repeatedly assert that advertising is an effective business tool, but one wonders if they do not protest too much and reveal an underlying uneasiness about their trade.

Does advertising help sell products? That is the question I will address in this chapter.5 Again, I focus on the national consumer goods advertising that makes up most of what people see on network television and national magazines and some of what they see in newspapers and other media. This is the advertising that plays a role in shaping the values of a consumer culture and is the advertising most often a subject of controversy and cultural and political criticism. This is the advertising most often said to deceive or mislead people or to persuade them by a variety of emotional means to buy things that they would not, rationally and independently, choose to buy on their own.

Does this advertising move goods? In particular, does it move goods in a socially significant way, not just shifting consumers from one brand to another, but leading consumers to try and to be loyal to categories of goods they would not otherwise have wanted? Strange as it may seem to the citizen bombarded with hundreds of advertisements every day, this is not an easy question to answer.6 Even when advertising works, it works in concert with other tools of marketing and it attracts the attention of consumers who are simultaneously influenced by product information from a wide variety of other sources. As I shall now detail, the realities of marketing lead businesses to use advertising while limiting the weight they place on its power to persuade. Advertisers’ goals for advertising and their strategies of deployment reduce the risks they take on advertising and, at the same time, limit their ability to evaluate the direct impact of ads in selling goods.

The Advertiser’s Perspective

THE REALITIES OF BUSINESS MARKETING PRACTICE

THE ADVERTISING/SALES RATIO AS ARTIFACT

How does a firm decide how much money to spend advertising its products? From the point of view of a marketing professor, the rational approach to determining an advertising budget would be for a firm to arrive at a decision model based on “marginal analysis” so that it would keep increasing the budget as long as the increase is outstripped by the marginal revenue it brings in.7 In practice, there is rarely adequate data to make marginal calculation possible. Most firms resort to rules of thumb. A. J. San Augustine and W. F. Foley found that large American advertisers rely on “essentially illogical” approaches to determine their advertising budgets. Colin Gilligan replicated their survey in Britain and found that the British are also “irrational.” More than three-fourths of the ninety-two British companies surveyed calculated their ad budgets as a fixed percentage of either the previous year’s sales or profits or the next year’s expected sales or profits.8 In most cases, the percentage taken had remained unchanged for at least four years and was applied regardless of market conditions. Marketing scholars David Aaker and John Myers find this procedure “disturbing,” and well they might.9 Instead of acting as if advertising causes sales, businesses create a situation in which sales are quite literally the single determinant of advertising expenses. This practice makes it “almost always impossible to estimate the impact of advertising on sales volume.”10

In one of the most thorough econometric studies of the effects of advertising, Richard Schmalensee found that there was a closer correlation between consumption in a given quarter and advertising in the next quarter than between consumption in the given quarter and advertising in the previous quarter. Schmalensee concludes:

We find . . . that total national advertising does not affect total consumer spending or consumer spending for goods. We find that changes in total
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national advertising can be well explained by a model which postulates gradual adjustment to changes in the sales of consumer goods. More recent studies have replicated this finding. This aggregated data may simply not be appropriate to the questions at issue. But to the extent that there is an answer to the problem of whether, in the aggregate, advertising causes sales, the answer seems to be no, sales cause advertising. And business practice ensures that this will be so. Field experiments varying the amount of advertising and measuring the results on sales have been relatively rare. Especially rare are experiments that dare to lower advertising expenditures below current rates. In a number of these cases, including a celebrated set of experiments at Anheuser-Busch for Budweiser beer, reducing advertising expenses actually led to increases in sales. It is very likely that many firms spend more on advertising than, for their own best interests, they should.

CONFOUNDED VARIABLES: QUALITY OF PRODUCT, ADVERTISING, AND SALES

Not only do ad dollars tend to follow high sales; ad dollars also tend to follow good products, or at least, pretty good products. That is, within a product area, firms will tend to put advertising power behind products that they genuinely believe (and that independent studies actually find) to be products of high quality. This point is made by an FTC study of prescription drugs. In the oral-diuretic drug market, brands offering “important therapeutic gains” were promoted on the average $1.25 million more annually than brands offering no therapeutic gain. There was, however, an even greater promotional expense for brands offering “modest therapeutic gains”—$1.44 million per year more than brands offering no therapeutic gain. There was, however, an even greater promotional expense for brands offering “modest therapeutic gains”—$1.44 million per year more than brands offering no therapeutic gain. Similarly, with antianginal drugs, brands offering modest or important therapeutic gains were promoted with more dollars than those offering no therapeutic gains. Firms tend to put advertising dollars behind products whose high quality—or pretty high quality—is likely to be a stimulus to sales itself.

Indeed, it can be argued that advertising promotes or encour-ages quality products. The more advertising for a product, the more incentive a manufacturer has to keep quality high, since with advertising the consumer has a resource for identifying the product and can stop buying an unsatisfactory product. For repeat-purchase products, the argument goes, advertising can at best lead a consumer to make an initial purchase. From then on, the consumer is greatly influenced by experience with the product itself. For the many household items on which so much advertising is lavished, manufacturers count on repeat purchasing. And repeat purchasing depends on consumer satisfaction. Product quality, then, may have more effect on brand loyalty than advertising does. This is a preponderant view among advertising workers themselves. In the advertising industry, one of the most frequently repeated slogans is, “Good advertising kills a bad product.” Good advertising, that is, can lead a consumer to try a product once. If it is a bad product, the consumer will shun it thereafter and let others know, too, that it is a bad product.

Advertising ideology of this sort should not be taken at face value. The idea that good advertising kills a bad product, first of all, actually refers to bad brands in a product category. It does not mean that consumers will shun dangerous products like cigarettes. Nor does the aphorism accurately account for the sale of products whose quality or cost-effectiveness the consumer cannot easily judge. Life insurance and medicines are notorious instances where consumers continue to buy advertised “bad” products because they are not able to make sound judgments about quality.

Not all advertised goods, clearly, are quality products; advertising can be used to give the sheen of status and quality to inferior goods. Nevertheless, in product categories where consumers can judge quality for themselves, there are strong business reasons that advertising will follow quality. If so, it can be argued that quality of product leads to sales (or repeat sales) and that advertising acts only as a mediating factor. Generally, this is well accepted. No one doubts that product quality combined with moderate prices brought on the Japanese challenge to the American automobile industry. Datsun, Honda, and Toyota ad-
Advertising is certainly attractive but none of the hand-wringing about the decline of Detroit has suggested that marketing practices have won the American consumer to the imported car. Quality and price have made the difference.

THE "MARKETING MIX"

Advertising is but one part of the "marketing mix" of a firm. The advertising most visible to the consumer is a very small part of the marketing efforts of most businesses. Personal selling—human sales representatives—are still vital to businesses. Firms that sell industrial products rather than consumer goods tend to rely heavily on sales representatives. So do some consumer goods firms. Drug companies employ more than twenty-five thousand "detail men" earning $25,000 to $50,000 each to call on the two hundred thousand private physicians and seven thousand hospitals in the country. Even when a firm uses consumer advertising, it may work not only by moving consumers to buy but by motivating the sales force to sell. Coca-Cola advertising, a McCann-Erickson advertising executive has said, "tells the salesmen how to sell a product. It gets them excited about it. It creates an elite product for them. It energizes them."

Only part of a firm's promotional budget goes to advertising. What is called "sales promotion" is generally distinguished from advertising. Advertising is an announcement, a kind of informational or persuasive message about the product for sale. Sales promotion is the provision of some material benefit to the consumer who buys the product (cents-off coupons, premiums, games, sweepstakes) or to the sales people who push the product (travel awards, electronic equipment, cars, and trucks for outstanding sales records). And sales promotion is a major marketing tool in many industries. The food industry, for instance, spends more money on coupons than on television advertising. In a 1979 survey of fifty major package good companies, less than half of marketing dollars were found to go to advertising: 40.5 percent to ads, 34.7 percent to promotion to the trade, and 24.8 percent to non-advertising modes of consumer promotion.

Sales promotion often emphasizes a reduced price as entice-
TABLE 1.1
Media Advertising Expenses as a Percentage of Sales and Total Selling Expenses as a Percentage of Sales (for the Ten Industry Categories with the Highest Advertising/Sales Ratios)

<table>
<thead>
<tr>
<th>Description</th>
<th>Advertising Expenses/Sales</th>
<th>Total Selling Expenses/Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drugs, proprietary</td>
<td>19.1%</td>
<td>33.7%</td>
</tr>
<tr>
<td>Perfumes, cosmetics, and other toilet preparations</td>
<td>14.3%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Cutlery</td>
<td>12.5%</td>
<td>25.6%</td>
</tr>
<tr>
<td>Periodicals</td>
<td>12.1%</td>
<td>20.7%</td>
</tr>
<tr>
<td>Distilled liquor</td>
<td>11.3%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Hosiery</td>
<td>10.9%</td>
<td>25.6%</td>
</tr>
<tr>
<td>Cereal breakfast foods</td>
<td>10.8%</td>
<td>20.3%</td>
</tr>
<tr>
<td>Dog, cat, and other pet food</td>
<td>10.7%</td>
<td>22.4%</td>
</tr>
<tr>
<td>Flavoring extracts and syrups</td>
<td>9.3%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Cigarettes</td>
<td>8.1%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

Note: Of the ten industry categories with the highest total selling expenses/sales ratio, six are listed above but the other four have relatively low advertising/sales ratios: bread, cake, and related products, for instance, has an advertising/sales ratio of 2.3 percent (and sales expenses/sales of 30.9 percent) and soft drinks an advertising/sales ratio of 3.4 percent (and sales expenses/sales of 24.1 percent).


explained to me that the success of Pepsi-Cola in recent years has had as much to do with an understanding of distribution as with its advertising policies. In soft drink merchandising, there are three avenues of distribution: vending machines, restaurants and fountains, and supermarkets. Pepsi recognized that Coca-Cola had an unbeatable edge in the first two categories, thanks to long-standing arrangements and ties of loyalty with these outlets. In supermarket sales, however, Coke was more vulnerable. Pepsi went after the supermarkets, pioneering the two-liter plastic bottle, returnable bottles, and the plasti-shield package, then giving local bottlers advice and incentives on how to display Pepsi for better sales. Pepsi also provided supermarkets with the first end-of-aisle display racks for soft drinks and promoted cold product displays, too. Finally, Pepsi worked to improve relations between local bottlers and retailers and so made marketwide promotions possible for the first time in markets with more than one bottler. What Pepsi received in return was good will, more and better shelf space, and more end-of-aisle displays. The result: Pepsi outsells Coke in supermarkets.

Distribution is not unrelated to advertising. Sometimes advertising can lead the way for a product into new channels of distribution. Maker's Mark bourbon, for instance, a successful Kentucky bourbon with a sales area that included only Kentucky and bordering states and sales that grew primarily by word-of-mouth, began advertising in the Wall Street Journal in 1980. Its unusual ad campaign "pulled" the product into markets in New York, San Francisco, and elsewhere even without a national sales organization. Some decisions regarding shelf display are responsive to advertising. Heavily advertised sugar cereals tend to be placed at a child's eye level. Since most shoppers are right-handed, the supermarket house brand, where profit margins are generally higher for the retailer than on the more expensive private-label brands, will be placed directly to the right of the leading national brand—usually a heavily advertised product.

Good distribution is a matter of organizational quality, business management, and the maintenance of good relations with regional and local distributors and retailers. The consequences of poor distribution are serious for a firm. A 1962 A. C. Nielsen Company study of shoppers leaving supermarkets found that 24 percent did not find a brand they had intended to buy. Of these, 42 percent did not buy at all but 58 percent bought a substitute brand—which thereby gained a chance to wean the consumer away from the previously favored product.

What gets on the shelf makes a big difference in consumer choice; how it looks on the shelf matters, too. Packaging is a part of product promotion that is distinct from advertising and strongly affects consumer choice. A 1981 Nielsen study found that 46 percent of consumers interviewed said they returned or discarded a product in the previous year because of defective packaging. About a fifth of these unhappy consumers said they would not buy the same product again and many others expressed more modest degrees of caution.
ADVERTISING, THE UNEASY PERSUASION

MARKET SHARE VERSUS AGGREGATE CONSUMPTION

It is possible that advertising may increase the sales of the brand advertised without increasing the aggregate consumption of the product category. Thus, a clever ad campaign for Coca-Cola might increase sales of Coke while total soft drink sales remain constant. What the campaign succeeds in doing is to increase the market share of Coke by taking market share away from competitors. In cases of this sort, advertising works for the advertiser without having a significant social effect. Indeed, this is the ordinary situation. Advertisers rarely set as a goal an increase in aggregate consumption of the product they promote; much more often, their aim is to increase their share of the market by taking a share away from a rival. The market share necessary for success differs according to the market. In a highly competitive area with many brands and large sales, the requisite market share may be very small indeed. In cigarettes, for instance, the rule of thumb is that .5 percent share is a commercial success for a brand. A new brand, then, will be a winner if it attracts no new smokers and just convinces one current smoker in two hundred to change brands.

A celebrated case in marketing is Hershey Foods Corp. Hershey became very successful without any media advertising. From its beginnings at the turn of the century until 1970, Hershey refused to advertise, founder Milton Hershey claiming that a good product, well distributed, sells itself. In Hershey’s experience, that seems to have been true. But in 1970 Hershey began advertising and by 1980 was among the one hundred largest advertisers in the country with $42.7 million spent in advertising.

Hershey’s reasons for advertising seem clear: they apparently were losing a share of their chocolate market to rivals Mars, Nestlé’s, and others. There was an increase in consumer advertising by other firms, particularly with the television ads from Mars Inc. for their M&M’s product: “It melts in your mouth, not in your hands.” Mars was also doing very well with Snickers, 3 Musketeers, and Milky Way candy bars. Advertising was for Hershey, as for so many firms, a defensive strategy.

Despite the vast increase in advertising expenses, which may well have helped Hershey to hold its own against its rivals, per capita candy consumption declined sharply, from 20.3 pounds per capita in 1968 to 15.4 pounds per capita in 1980. The reason: the number of five-to-thirteen-year-olds declined from 36.7 million in 1970, 17.9 percent of the population, to 31.2 million in 1980, 13.7 percent of the population. A decline of 5.5 million people in the segment of the population most attached to candy could not but hurt sales. All the advertising in the world could not restore a decline of 15 percent in the size of the target audience for candy.

There are some advertising efforts directed at increasing total or “primary” demand. Occasionally agricultural cooperatives advertise the benefits of eggs in general—or milk, or avocados, or beef. Even an individual firm, like Campbell Soup Co., may occasionally try to promote a whole category of products. Campbell’s has 80 percent of the canned soup market, the kind of stranglehold few manufacturers ever attain. Campbell’s has increased its share of the market about as much as it can and would like to boost total demand for soup. In 1981 it introduced an ad campaign designed to do just that; soup consumption per capita grew very slowly in the 1960s and 1970s and lagged behind increases in real income. With more working mothers and more fast food restaurants, fewer lunches are eaten at home and canned soup has been primarily a lunch-time food. But industry analysts were skeptical that the Campbell’s effort would make any difference.

There is little indication that efforts to change primary demand make much of a dent in the market. The milk campaigns, for instance, appear to have improved attitudes toward milk but milk consumption is still declining. Most authorities agree with the conclusion of Neil Borden’s classic study of 1942 that advertising helps expand demand when underlying conditions encourage growth and cannot overcome weak demand when underlying conditions are unfavorable.

It may be that the sum of advertising for soft drinks and liquor helps account for the shift away from milk, fruit juice, and water. This seems to me a reasonable, though unproved, conclusion. Still, advertising by itself is not decisive. Coffee, unlike milk and water, is heavily advertised but its consumption has been declining steadily. Per capita coffee consumption has declined from 15.8
Advertising expenditures for coffee quadrupled from 1970 to 1980 while coffee consumption declined 22 percent. The National Coffee Association tested ads to boost the image of coffee in general in preparation for a 1982-84 campaign. The ads did not show any impact in test cities, according to an early report, but the campaign rolled out in the fall of 1983 with high hopes from the industry and serious doubts from industry observers.32

The Importance of the "Heavy User"

The logic of fighting for market share is simple. People who already use a product are the people most likely to use the product again. It makes sense to try to sway consumers from one brand to another, a rather modest task compared to the alternative strategy of trying to change consumer usage patterns altogether. In sales promotion, for instance, a firm can expect a 2 percent redemption rate on "cents off" coupons in a Sunday supplement or about a 6 percent return on "free-standing inserts" in Sunday papers, but a coupon for a product inserted in the product package will be redeemed about 18 percent of the time.33 Obviously, the marketer’s chances of stimulating a purchase are greatest when the potential buyer has already demonstrated an interest through a prior decision to buy.

There is a corollary to this: not only do advertisers typically orient their marketing to current users but they often direct their campaigns to current heavy users. In many product categories, a very small percentage of the population accounts for a very large proportion of total sales. In one of the early studies to report on this phenomenon, Dik Twedt, director of marketing research at Oscar Mayer & Co. used 1962 Chicago Tribune consumer panel data to show that, for instance, half of beer-drinking households consume 88 percent of all beer, half of cola-drinking households drink 90 percent of all cola, half of cake mix households consume 85 percent of all cake mixes, half of shampoo-using households use 81 percent of all shampoos. If one examines the “heavy user” group as a percentage of total (user and nonuser) households, then 17 percent of households consume 88 percent of all beer, 39 percent of households consume 90 percent of all cola, 37 percent of households consume 85 percent of all cake mixes, and 41 percent of households consume 81 percent of all shampoos. For some products, the figures are as extreme as they are for beer: 21 percent of households consume 89 percent of all bourbon, 16 percent of households consume 86 percent of all canned hash.34 The catsup business would be cut by 40 percent were it not for families that use a bottle or more every week. One marketing professor polled his class on catsup and found that the average student used about a bottle every six months but that “heavy users,” generally eating in dormitories, consumed a bottle every two days.35

The focus of advertising on users and heavy users does not suggest that advertising is ineffective; it suggests only that advertising is designed to affect people who are already committed to a general product category. They are encouraged to switch brands or to consume even more of a brand to which they are devoted. The AT&T “Reach Out and Touch Someone” ads, for instance, tried not to convert people who rarely call long distance but to get the regular long distance users to pick up the phone more often.36 If this is how advertising works, then advertising may be very consequential for business without its power to persuade being a great deal more than a power to remind.

One form of advertising famous for its effectiveness is catalog and direct response advertising. Direct response is advertising usually conducted by mail but sometimes utilizing television or print, whereby a return of coupons or a phone call are the only ways for the consumer to act on the ads. Generally, in this kind of marketing strategy, advertising is the sole communication with the consumer. The consumer learns of the product only through advertising. Sales results, then, can be taken as a direct measure of the effectiveness of the advertising. And what is the record of direct marketing?

It depends. Whether the ad “pulls” or not depends on the product, the execution of the advertising, and—very importantly—the quality of the “lists.” Direct marketers take great pains to compile or buy mailing lists that will include high percentages of the people known to be in the market for the advertised good or
known to have purchased the same or similar goods in the past. Again, there is a concerted effort to talk to the already-converted. The power of advertising, Leo Bogart has argued, is that it may have an ability for "rather quickly motivating or activating the very small number of people who may already be potential customers, and who are, albeit at some remote level of sub-awareness, receptive to a reminder of what the advertiser wants to tell them."37

This is the rule. But there are significant exceptions. If a new industry is developing—say, in recent years, the home computer industry—all markets are new markets and there is a prodigious effort to seek new customers. Or, if an industry is stagnant, as the hard liquor industry has been, there may also be strong efforts to entice new customers.

Advertising also tends to follow affluence. It is possible that the growth in sales or per capita sales that so many products have experienced in the past thirty or forty years is best explained as being a result of the general rise in disposable consumer income and the concurrent growth of consumer credit. This growth, it can be argued, has caused both the increase in product sales and the expansion of competitive advertising. Median family income, in constant 1979 dollars, grew from $10,008 in 1950 to $13,774 in 1960; to $18,444 in 1970; to $19,661 in 1979. Real income nearly doubled, then, in a generation. Families earning more than $20,000 in 1979 dollars rose from 15 percent of all families in 1955 to 24.4 percent in 1960; to 40.3 percent in 1970; and to 49.1 percent in 1979.38 No wonder people bought more things and no wonder advertising began to compete more actively for consumer attention.

More money would have been spent by consumers in the past generation whether advertising had existed or not and whether advertising had expanded or not. Just as advertisers see product usage or heavy product usage as good indicators of future use, so they recognize affluence or rapidly growing affluence as good indicators of future consumer spending. They put their money where consumer money is.
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ing, unique function of the business.” Like others of a marketing-orientation, Drucker rails against an engineering emphasis. “The typical engineering definition of quality is something that is hard to do, is complicated, and costs a lot of money! But that isn't quality; it's incompetence. What the customer thinks he is buying, what he considers value, is decisive—it determines what a business is, what it produces, and whether it will prosper.” The transformation of the American economy since 1900, Drucker says, “has in large part been a marketing revolution.” And this consists of a change in attitude among more and more American businesses:

... fifty years ago the typical attitude of the American businessman toward marketing was "the sales department will sell whatever the plant produces." Today it is increasingly, "It is our job to produce what the market needs." However deficient in execution, the attitude has by itself changed our economy as much as any of the technical innovations of this century.

For Drucker, marketing is "antithetical" to selling, beginning not with the product but with the consumer's wants. For him, "the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself." For Drucker, marketing is "antithetical" to selling, beginning not with the product but with the consumer's wants. For him, "the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself."

Obvious as all of this may sound, it is not always obvious in business. Marketing professors and market researchers and other evangelists of the marketing philosophy delight in pointing to failures of businesses that have not been sufficiently marketing oriented. A textbook failure is Hollywood in the 1950s. If the studios had seen themselves as serving an "entertainment function" for consumers rather than as producers of full-length movies, the marketers argue, they would not have ignored television and would have weathered its competition much better than they did. Naturally, the marketing evangelists more often point to failures of a nonmarketing orientation than to successes. Volkswagen in the 1950s and 1960s was very proudly a nonmarketing company, employing Doyle Dane and Bernbach's original advertising to sell a product whose selling point was its engineering and its unwillingness to compromise Spartan serviceability.

The Advertiser's Perspective

Within corporations, marketing-oriented executives see themselves pitted against engineering or product-oriented leaders, on the one flank, and finance-oriented leaders, on the other. The marketing-oriented executives see both a focus on the product and a focus on the bottom line as ultimately shortsighted; they believe that attention to the consumers, who they are and who they are going to be, is in the long-term best interest of the company. The marketing literature is not populist but is sometimes pseudopopulist; it is not the voice of the people and it cares nothing for enhancing the autonomous, rational choice of the people, but it insists that decision makers should anticipate what the people will want. Of course, "want" is narrowly conceived. Marketers are not greatly interested in what people with modest disposable income want. Such people are disenfranchised in the marketing world. Marketers are not interested in people's desires if they cannot be met by commercially profitable commodities. A desire for urban public space is not considered but a demand for a new high-rise condominium is. Nor are long-range desires considered: an interest in leaving a nontoxic environment to our children receives less attention than desires for consumer goods whose manufacture produces a by-product of toxic waste.

Marketing, then, an ideology and a philosophy, a general perspective on business practice, is oriented to learning the expressed or elicited needs and desires of consumers with disposable income for commercially viable products. It does not take the product for granted but may involve designing the products or modifying the products. While some products are motivated by engineering developments, others, when marketing-oriented executives have their way, are initiated by businesses that see a "hole" in the market and prescribe the attributes of a product that a research and development staff should create. Advertising agencies, too, may get into this act, urging upon clients certain types of rethinking or redesign of products.

Two kinds of extreme situations may clarify why, for business, marketing is the general problem of which advertising is but one feature. Usually, advertising and sales are correlated although, as I have suggested, it is not clear what this correlation signifies. But
sometimes advertising and sales are not correlated and these
cases are especially instructive. Sometimes there are substantial
sales of a product without advertising and sometimes there is
substantial advertising with little or no sales. A sampling of these
anomalous cases should provide insight into what role advertis­ing
plays in sales or, to put it another way, what factors besides
advertising have a powerful effect in selling.

Sales Without Advertising

Sometimes new products get off the ground with little or no ad­
vertising. In one form or another, they advertise themselves and
word-of-mouth commendation proves sufficient for commercial
expansion. A recent example is the Snugli, a cloth pouch for
carrying infants on front or back. The Snugli grew out of Ann
Moore’s desire to carry her baby close to her body as she and
husband Michael had seen people do when they were in the
Peace Corps in West Africa. The early sales of Snuglis came
simply from the exposure the contraption received as Ann
Moore rode her bike around Denver, Washington, Kansas City,
and other places the Moores lived. She would tell people who
asked where she got the Snugli to write her mother in West
Alexandria, Ohio, since she had made Ann’s and was happy to
make more. After a year, her mother, Lucy Aukerman, had more
business than she could handle and involved neighbors in the
Dunkard German-American religious group in the business. In
1966, two years after the first Snugli, Mrs. Moore sold two or
three Snuglis a month, with “each new sale typically generating
another five or ten orders a year.” In 1968, the Whole Earth
Catalogue wrote favorably of the Snugli and sales grew from
fifteen a month to twenty-five. By 1972, the Moores sold three
hundred a month and the business, run as a hobby, incorpo­
rated and Michael Moore began attending to it full-time. The
business grew again when Consumer Reports in 1975 rated the
infant carrier the best soft carrier available. In 1976 Snugli hired

The Advertiser’s Perspective

its first national sales force and in 1979 moved from exclusively
cottage industry, homemade production to a machinemade fac­
tory model. Snugli is now a $4.5 million a year sales business,
with advertising. But it was already a success that justified ad­
vertising because it was a quality product, in tune with the
times, that had spontaneously attracted attention and caught
on.46

Probably the most successful consumer products to turn to a
mass market in the past fifteen years have never been advertised
—marijuana and cocaine. This is not to say they do not find their
way into the mass media. But they are a stupendous success,
today a multibillion dollar business, growing at a rapid rate with­
out the aid of advertising on either a wholesale or retail level. In
1980 street sales of cocaine have been estimated at $30 billion,
marijuana at $24 billion. That is about the same as the total spent
in 1980 in all media for all forms of advertising.47

Various novelties, counterculture products, and illegal prod­
ucts can succeed ably without advertising. Some products de­
signed for very small markets—say, scholarly books—can make
small returns on the most minimal advertising budgets. Other
products for very small or esoteric or elite groups also depend in
only small ways on advertising—the sales of race horses or sail­
boats, for instance, do not depend heavily on advertising. Some
mass market products may do well with little advertising. Histori­
cal romance paperbacks initially gained their widespread popu­
lariry with little advertising.46 Products that embody a distinctive
technological advance may sell more on the basis of news sto­
ries than advertising. In 1983 a “sponge” contraceptive called
“Today" sold out so quickly in the Western states where it was
introduced that distribution to other states was delayed until
production could catch up to demand.49

Generic products, introduced first in France in 1976 and in 1977
in this country, spread quickly as a non-advertised category of
goods. They were designed to combat the growth of discount or
“no-frills” or “box store” outlets that had sprung up and com­
peted successfully with standard supermarkets during the infla­
tionary 1970s. In the space of a few years, generics have become
standards in the supermarket repertoire. Overall, they account
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for just one or two percent of supermarket sales (figures vary depending on whether one counts total dollars or total weight or total units). And their success rate varies for different categories of goods. With some purchases, people seek only to "satisfice," that is, to arrive at a "good enough" rather than a "best" choice. When people seek a satisfactory rather than an ideal product, they may try a generic good. This is especially common in non-food categories. "God never said a paper towel needed to drink up two cups of (spilled) coffee. Normal requirements call for a paper towel to wipe up a spill or dry bacon. There is a changing value system in terms of what it costs for such frills," says Robert Wunderlee, vice president of Pathmark supermarkets. In general, people tend to favor generics where they do not believe there are pronounced or significant quality differences between brands.

The reason for whatever success generics have had can be attributed to the inflation of the late 1970s and early 1980s and the growing budget-consciousness of many consumers. Consumers are buying more economical foods, avoiding luxury items, switching to house brands and generics, and responding more to special discounts. But it is not clear how to interpret the relative success of generics. If they are taking business away from house brands, which do little advertising, then their success indicates only that consumers who buy by price continue to buy by price and that most other consumers stay loyal to national brands. If generics are taking business from the national brands, however, it suggests that in a bad economy consumers can forgo their loyalties to branded and advertised goods. It appears that generics have "cannibalized" from both brand names and house brand or private-label brand goods. At any rate, their success is but a more striking version of the continuing success of the unadvertised (or modestly advertised) private-label products of the supermarket giants. Overall, private-label goods account for a sixth of supermarket sales. These are all products that have entered the American supermarket and the consumer's pantry without hoopla; they sell because they have a low price.

One of the greatest advertising campaigns, by all accounts, the greatest campaign, according to many, was the Doyle Dane Bernbach campaign for the Volkswagen. One would not want to take anything away from the originality of that campaign or to doubt that it made a difference in popularizing the Volkswagen and legitimizing it as a part of American culture. But its role in affecting sales is not as self-evident as it may appear. Since 1954 VW had been selling handily "without advertising, without big deals, without fat trade-in allowances and with only four hundred dealers," as Popular Mechanics' 1957 Cars Fact Book put it. And it sold without any of the consumer-consciousness that the marketing wizards would have recommended. It was an engineer's car, "an honest piece of machinery," as Popular Mechanics said. Not until 1958 did VW place a few ads through the J. M. Mathes agency. While these ads may not have attracted many buyers, they attracted the attention of media representatives who wanted to sell ad space to VW. The VW executives, however, knew at that time they were already unable to keep up with the orders pouring in—why should they want to advertise? When Carl Hahn came to oversee all American operations for VW in 1959, and decided to embark on advertising, it was not to spur sales but to protect VW against the imminent manufacture in Detroit of compact cars.

Volkswagen invested heavily in advertising for the first time in 1959. By that time, VW car and truck registration in the United States had grown from 30,928 in 1955 to 55,690 in 1956; to 79,524 in 1957; to 104,306 in 1958; and 150,601 in 1959. These advances represent gains of 80 percent, 43 percent, 31 percent, 44 percent, and 27 percent respectively. The increase of 27 percent or 41,000 cars in 1960 also made it a banner year—perhaps accounted for in some measure by advertising—still, less than either the percentage or absolute growth of the previous year. This was followed by two years of modest growth, two years of enormous growth, and several years of modest growth. Brilliant as the ad
campaign for VW was, it is clearly an instance where investment in advertising followed an upward sales trend of a quality product. The ugly little car was selling like hotcakes when Doyle Dane Bernbach created its campaign. The campaign caught the crest of a sales wave.

Advertising Without Sales

If products can succeed, for a variety of reasons, without being advertised, products can also be advertised without succeeding. The most celebrated failure of advertising and promotion was the Ford Motor Co.'s Edsel. The Edsel appeared on the market in 1957 with more promotion and fanfare than any consumer product had ever received. Ford expected to sell 200,000 Edsels in its first year. When production was halted just over two years later, only 109,000 cars had been sold. There have been any number of explanations for this abysmal failure, now a part of business history and the name Edsel a synonym for failure in the American idiom. Some blame the design, some the name. Others suggest that it was simply the wrong time—about two years too late—to introduce a medium-priced car into the market. Still another explanation is simply that very few new models had successfully entered the market from the 1920s until the 1950s and that the error at Ford was not in trying but in believing so strongly that their careful planning could not fail.

Edsel was a new product and the fact is that many new products, massively advertised or not, do not succeed. Estimates on what percentage of new products fail vary drastically, but all of them are high. The very lowest figure I can find suggests that 23 percent of newly introduced products fail. This is the result obtained in a Booz, Allen, and Hamilton study of seven hundred major American companies. Of new products introduced between 1976 and 1981, 77 percent were still on the market at the time of the 1981 study. This, of course, is a very liberal measure of success, especially for the newer products in the survey. When success was judged by the responding company's own criteria, of 13,311 new items introduced, 35 percent were deemed to have failed. (This figure is consistent with a 1963–68 study that found a 33 percent failure rate. Both figures deal with new products liberally defined—most of these products were additions to or revisions of existing product lines rather than "new to the world" products. Presumably "new to the world" products would have a notably higher rate of failure. When success is more stringently defined, failure rates are higher. A 1980 Dancer Fitzgerald study of 5,125 new supermarket products used $15 million or more of retail sales as a "success" threshold and found only 12 percent success.)

The most commonly cited figure in the business world is that 80 percent of new products fail. Andrew Robertson lists estimates ranging from 77 to 90 percent failure rates. As Robert Buzzell and Robert Nourse point out, however, it is not clear where the 80 percent figure comes from or what it means. What counts as a "new" product and what counts as a "failure"? In their own study, Buzzell and Nourse examined 127 "distinctly new" food products introduced between 1954 and 1964. They found that 40 percent of the new products they looked at failed. When they examined what made the successful products successful, they were most impressed with the high success rate of "pioneering new products"—those that had "substantial, visible differences from existing products in taste, form, preservation, or other physical attributes." As for the effects of promotion, they are skeptical. They find that the highly successful products have much higher promotional budgets, on the average, than other new products, but they suggest that this is most likely a result of early good sales leading to increased promotion. This is the feedback problem I have already discussed—that sales produce advertising as much as advertising produces sales. They note that at least one heavily promoted product can be found in each level of success, including "very unsuccessful," and so they conclude that "a high rate of promotional spending does not guarantee success."

The Edsel is an unusual case of a widely advertised product that dies in that we remember it. Many new products that are widely advertised and do not sell slip quickly from the collective
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memory of the public and of business. Philip Morris, Inc., regarded as a tough and powerful marketing company, was enormously successful with Marlboro cigarettes in the 1950s and Miller beer in the 1970s. But it failed with Clark gum and Personna razor blades and its Cambridge 100s (low-tar cigarettes) have only a .2 percent share of the market after two years. Seven-Up lost market share after Philip Morris bought it in 1978. It may be too soon to tell if its "caffeine free" campaign will change that. Another successful marketer, the Gillette Co., failed with Lady Gillette, a shaving cream for women, and similar products from Johnson & Son, Inc., Clairol, Inc., Alberto-Culver Co., and Colgate-Palmolive Co. also fizzled. Remember the paper dress? It sold very well at first and for a time demand outstripped supply. It was introduced in 1966 by Scott Paper Company and by 1967 there were a number of manufacturers and the paper dress seemed to be a growing fashion. One manufacturer predicted that "Five years from now 75 percent of the nation will be wearing disposable clothing." Another claimed that "by 1980 disposable apparel will become a serious threat to conventional clothing and will account for at least 25 percent of the dollar volume of the giant garment industry."

It never happened. What some observers believed or hoped was a sales trend was only a fad, and what people apparently liked in the paper dresses was nothing much more than their novelty. Certainly, the advertising and promotion (and the free media coverage that the paper dress generated) made a difference in its sudden spurt of sales. But what matters, if an industry is to be sustained, is not so much that people purchase as that they repurchase, and no one repurchased paper dresses.

The famous Proctor & Gamble Co., perhaps the most eminently successful marketer of all, has had its share of failures. In 1968, they decided to enter the lucrative snack-food arena with a new kind of potato chip, Pringles. They turned potatoes into a dehydrated mash, then cut the dehydrated potatoes into uniform chips that could be stacked and sealed in cans the size of tennis-ball cans. This was inventive engineering and novel packaging, but many consumers thought the product tasted bland. Further, Pringles seemed to represent processed foods when "natural" foods were on the rise; rivals pointed out that Pringle's contained preservatives and additives—most potato chips do not. By 1981, reformulated Pringle's was trying again, but in the meantime, the product had lost $200 million.

Not only do some products come and go quickly, despite promotional spending, but whole industries with considerable advertising behind them can disappear from the scene. It should not surprise us to know that the advertising for buggies and carriages did little to help the industry survive after the Model-T was on the road. It may be more surprising to think about less obvious cases. Why, for instance, did the market for men's hats collapse?

Between 1964 and 1970, the men's hat industry declined so sharply that the two leading manufacturers, Hat Corporation of America and John B. Stetson, were both forced to close their operations and sell their brand names and inventories to more diversified companies. How could a major element in the apparel industry simply disappear? It is not easy to know. The industry tended to blame matters on a change of fashion precipitated by President John Kennedy's hatless style. There was special concern about what he would wear to the inauguration (he wore a top hat) and there was continuing anxiety (for hat manufacturers) throughout his tenure. Kennedy did not create a trend but symbolized something already in the air. The New York Times suggested the problem might be the general casualness of the post-war years, beginning with a hatless vogue among college students right after the war. As early as 1949, Champ Hats inaugurated a campaign "to combat hatlessness and increasing general carelessness in dress among younger men." Men were going without undershirts, garters, ties, and other traditional apparel. Probably more important, the 1950s and 1960s were the decades of the move to the suburbs. People rode in cars much more often. Not only are hats awkward in cars and likely to be knocked off or set askew as one gets in and out of automobiles, but with automobile travel people are less often walking or standing out in the cold, thus decreasing the protective function of the hat. At the same time, there were changes in men's hairstyles. If any celebrity were responsible for the decline of the hat, it would probably be not John Kennedy in 1960 but the Beatles in 1963, heralding a
move among younger men—and then older men—toward longer hair. Not only are hats more difficult to wear with long hair but, more to the point, hair styles become matters of great concern, a focal point of men’s fashion-consciousness, not something they would want to hide (or muss) under a hat.

Whatever the reasons for the basic style change, there seemed nothing the hat industry could do to buck it.85

Liquor sales provide another curious case. While sales of beer and wine are growing and while sales of some hard liquors have continued to thrive, there has been a downward spiral of other hard liquors over the past two decades that no amount of advertising seems to have been able to halt. As with the case of the hat industry, there is no well-established explanation for the facts—only the disappointed companies and salesmen in the liquor business, face-to-face with a trend they cannot change or even, to any large extent, understand.

In the past several decades, the quantity of beer consumed has increased—from 24 gallons per capita in 1960 to 34.9 gallons per capita in 1980. The consumption of wine has grown from 1.3 gallons in 1960 to 2.1 in 1980; it hit a high of 2.5 in 1977 and has hovered around 2.1 from 1978 to 1981. The consumption of distilled spirits has also grown, from 1.5 gallons in 1960 to 2.0 in 1980; this figure has not changed from 1976 through 1981.66 Within the distilled spirits market, slow growth overall has been a combination of growing popularity of some spirits—notably vodka, and very rapid sales decline among the traditional leaders—the domestic whiskeys. Whiskey sales decreased from 74 percent of the distilled spirits bottled in the United States to 44.6 percent from 1960 to 1982. The decline has been disastrous for parts of the industry. A famous bourbon distillery in Kentucky was sold in 1980 to Agferm, an alcohol motor fuel company.87 The question within the liquor industry is: What has caused the sharp decline in whiskey sales? Why should the bulwark of the American liquor industry have plunged so precipitously in the past decade?

All of these factors contribute to an explanation but none of them has helped the liquor industry learn how to buck the trend toward light, sweet, and white. The best response seems to be, "if you can't beat it, join it," and so some manufacturers have introduced "light" versions of their standard beers or wines while some distillers have bought wine companies rather than risking their all with whiskey. Heublein owns Inglenook, National Distillers owns Almaden, and in 1983 Seagram bought Coca-Cola’s Wine Spectrum.71

If we are to attribute power to advertising in affecting the sales
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of goods, we are clearly going to have to acknowledge limits to that power, too. The question becomes: How best can we conceptualize the role of advertising compared to the role of other forces in affecting product sales?

This is a large problem and I want now to narrow it in a way that should prove useful. Product sales, as we have seen, may be affected by a great many large social and demographic factors. The declining birth rate following the “baby boom,” for instance, had a marked effect on candy sales in the 1970s. Advertising could not change the trend—there were simply fewer of the relevant people available to advertise to. Any explanation of large trends in product sales will be obliged to take into account large social factors such as birth rates, the participation of women in the labor force, the changing size of households, the changes in amount of disposable income, the consequences of recession on total spending, the effect of the automobile on people’s style of life, the status consciousness of different social groups, and so forth. Any model of consumption will necessarily be multicausal, and among these many causes advertising will have pride of place only in unusual circumstances. Any critical understanding of the American disposition for material pleasures should be no less canny than the marketers’ own understanding of it. This requires that advertising be seen as but one factor interacting with and building from a host of others. Indeed, it means that there is what I would call an infrastructure to consumer behavior, a set of conditions necessary to the maintenance of a given level or type of consumption: conditions, however, that are rarely noticed (until they change) and are only sometimes within the power of a manufacturer or advertiser to control.

Nothing here is meant to suggest that advertising does not work, only that the kind of advertising that is most controversial, national consumer goods advertising, does not work the way the lay person generally assumes. The task is to identify what work advertising does. Advertisers use advertising as one way of coping with the ever uncertain world of changeable consumers and wily competitors, but they hedge the bets they place on it. They put advertising money behind products with already demonstrated popularity. They direct advertisements to populations already using the same or similar products, already known to have large disposable incomes, and often already known to be heavy users of the advertised good. These are all ways to maximize the value of advertising by assuring that it reaches and affects the people most likely to be consumers of the advertised product or its rivals in the same product category. These strategies all minimize risk but they do little to help the advertiser know the value of its advertising—they actually stand in the way of adequate measurement of advertising effectiveness.

If, normally, businesses expect advertising to be but one marketing tool among many and if they generally hope that it will help redistribute consumers of a given product category among the brands of that category rather than shifting consumers’ buying patterns toward a new range of products, then it is difficult to argue that advertising is a prime mover in directly creating a culture of consumption. This says nothing of advertising’s general impact as an art form and a symbolic system—its general role in shaping consciousness and providing a framework for thought and feeling. That is a vital matter I will take up later. Here I speak only of advertising’s specific power to sell specific goods, and that power is clearly limited.

But how limited—or limited under what circumstances? I will take up that question in chapter 3 by examining the role of advertising from the consumer’s viewpoint. In the next chapter, however, I want to examine the issues from the perspective of another key actor: the advertising agency. How does the agency come to terms with the uncertainties of the advertising business in creating advertising campaigns?