pers, radio, and television, individuals are aware that they will be exposed to advertising. They can, if they wish, choose to avoid it in one manner or another. Even with outdoor advertising there is the opportunity to look elsewhere. With cinema advertising, the individual is neither forewarned nor able to choose not to participate without extraordinary action—for example, leaving the theater or closing one’s eyes and plugging one’s ears.

Susan’s company’s decision to decline the obvious financial benefit of cinema advertising was presumably based on concern for the audience. Given that many polls about public reaction to cinema ads are based on the absence of hostile reaction—for example, 65 percent “don’t mind them” or two-thirds are opposed going in but tolerant of what they have been forced to see going out—it is difficult to argue that the theater-going public has welcomed this advertising form in a previously commercial-free environment. To decide to accept cinema advertising ethically, then, would seem to require a relatively narrow conception of who is benefited—the advertiser, the theater owner, and the company supplying the ads, rather than the “captive audience” of moviegoers.

Apparently, for at least one motion picture chain, the equation was solved in favor of the audience.

41 Infomercials—“They Need to Make You Rich, Thin, or Beautiful. The Best Do All Three.”

“What it says is there are people out there who are going to be taken advantage of! Look at these top performing infomercials:

Psychic Friends
Mural Skin Care System
Your Psychic Experience
Quick Study Videos
Money Making Secrets
Health Rider
Ab & Back Plus
Making Love Work
Power Foam
Workout Warehouse

“If this doesn’t convince you that some of the customers of these wonders are expecting more than they’re ever going to get, you’re deeper into the virtues of unregulated capitalism than I imagined.”

“So people want to feel better, get smarter, look better, make more money! Wow, what a truckload of sins! I remember reading that 30 percent of adults over sixteen have reported purchasing a product from infomercials or similar forms of direct-response advertising at least once. So either a very large number of people are incredibly stupid, or maybe these ‘big ads’ are delivering the goods. After all, how can more information harm consumers?”

“Look, they’re still ads. And that means they simply have thirty minutes, or five minutes, or however long, to spin their stories. Use celebrities like Hamilton, or Dione Warwick, or LaToya Jackson, or Sly Stallone’s mom, or your friend John Tesch, or even Dick Butkus. Then you dress it up with one of those phony formats, add a studio audience that has probably been paid to be particularly enthusiastic, and you still tell people only what you want them to hear, except this time with much more elaboration—and salesmanship!”

“Oh of course, these things sell. Why would they bother otherwise? Three million Ab Isolators! A 270 percent sales increase for Kal-Kan Pedigree Puppy Food! But it’s still estimated that only one in thirty succeeds. And they get to know right away! Either the orders come in or they don’t. Poor products simply get buried by poor sales or even by their common thirty-day money-back guarantee, which is almost a standard. And if that’s not a sufficient form of consumer protection for you, how about the National Infomercial Marketing Association, which has already turned in some advertisers to the Federal Trade Commission or the National Advertising Division of the Council of Better Business Bureaus.”

“Sure, that’s encouraging, but I’m certain they’re going to have their hands full. This stuff keeps growing, and the showcase brand names still
amount to only about 10 percent of all these beasts. Even a columnist from Advertising Age says that many of the infomercials have become a ‘ghetto for all of the direct-response dreck you used to find in the back of newspapers and magazines of ill repute.’ They’re out there—the bogy weight-loss stuff, the phony promises for muscle development, the get-rich-quick schemes. Certainly, it’s advertising, but it’s sneaker—and longer—than ever before.”

“Lighten up, Brad.”

What do you think? Does Brad need to lighten up, or is there something to his concern about the growing presence of infomercials?

We are certainly not going to get far by relying on the exchange we just read. Like many conversations on complex issues, it tended to be reactive and unreflective. Brad may have been generalizing from limited experience, and his friend seemed content to rely on the market to sort everything out—that is, if advertisers aren’t delivering the goods in terms of value they will be punished where it hurts most, in their profits, either because of insufficient initial interest or cashback returns based on dissatisfaction. These defenses try to dismiss Brad’s major areas of concern, which seem to be (a) that infomercials disguise themselves, and (b) that their seductiveness attracts—and exploits—a vulnerable population.

One rather fundamental question was never directly addressed: Is Brad opposed to infomercials because of their content or their format?

If it is their content, then will he be more accepting if more “front of the book” advertisers use the format? Is he really concerned that companies such as Microsoft, Sony, Lexus, Nissan, DirectTV, CBS/Fox Video, Kal-Kan, Apple, Magnavox, Philips, and Fidelity Investments will not deliver value to interested customers? His focus seems to be on those products and services that offer to make you “rich, thin, or beautiful” or, we should add, in better touch with the psychic universe. Certainly, products and services such as these are still in the distinct majority in the infomercial format and apparently seem likely to remain that way at least in the short run.6 So if he is saying, in essence, “I can take infomercials, but not these infomercials,” then he may be frustrated waiting for what he would regard as a positive evolution of this still young form.

But his concerns seem in many ways more fundamental, suggesting that the format itself lends itself to deception by encouraging the disguising of what it really is—a big ad. If that is the issue then it makes little difference what types of advertisers are aboard. “More information” will not result in the good of the whole because the very nature of this longer sales pitch lends itself to both more opportunity to persuade and greater innovation in format to make the pitch less “ad-like.” Would a possible accommodation present itself as the proposed requirement for a visual icon—say, “AD” in a circle—appearing throughout the infomercial?

Short of a prohibition of the form itself—which is certainly unlikely for a host of reasons—this may be the best solution for concerns such as Brad’s. This ongoing identification would neutralize the attempt to make the viewer believe he or she is watching something other than an ad and might put even the most “vulnerable” population on guard. There is also precedent—for example, it is common to see the words “advertisement” or “special advertising section” in print media when there is a likelihood that the reader might mistake the ad content for editorial content.

There seems little doubt, however, that such a requirement would curtail at least some advertiser interest in the format and, hence, adversely affect some station and network revenue. In addition, it can certainly be argued that it would limit the advertisers’ rights in relation to commercial speech.

Are infomercials unethical, individually or collectively? They are, for better or for worse, here to stay. Just how, ethically, should that stay be accomplished?

42 The “Wild West” of Marketing?—Advertising on the Internet

In a mid-1990’s editorial, Advertising Age observed that the Internet “is becoming more and more a mass medium whose real-world users are accustomed to having their information subsidized by advertisers.” And with that evolution have come problems unique to an interactive medium—particularly one that holds fascination for children.

Not surprisingly, then, the Center for Media Education, which has labeled some advertising practices on the “Web” as “manipulative, deceptive and exploitive,” has called for federal regulation of marketing to children in cyberspace, similar to the rules currently governing advertising to children on television.8 Currently the Federal Trade Commission (FTC) is working on that, in addition to voluntary industry codes.

What’s the problem? After all, the Internet has been hailed as the ultimate interactive medium, where the potential consumer is fully in charge of access and where the decision to acquire more information or ignore the advertiser’s pitch is only a few mouse clicks away. So, there is new meaning to the term “consumer sovereignty,” isn’t there?

Let’s attempt, as the Potter Box requires us, to define the situation. First, currently there are two basic forms of advertising on the Internet:

1.Advertisers creating their own “web pages,” where the potential consumer is offered myriad choices on behalf of advertisers such as Levi Strauss, Saturn, Colgate-Palmolive, Toyota, Kellogg’s, and a host of others. The sites may be more or less product intensive, ranging from in-depth information options about product characteristics and performance to more entertainment- and diversion-based efforts such as Levi’s, which has offered an electronic magazine about deejays, clubs, and other “cool web sites.”

2. Buying an ad on someone else’s web site, either to deliver a specific message or to direct viewers to the company’s own site. For example, the luxury automobile maker Lexus has found that the largest number of visitors