

# Reconciling western consumerism with a complete ban on unsolicited advertisement

Boris Škorić

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## Abstract

By way of thought experiment I take the extreme standpoint that All Unsolicited Advertisement Is Evil and that it should be banned from public life. First I argue why current advertising practices fundamentally clash with western democratic values such as basic human rights, moral integrity, sustainability and principles of fair competition. Finally I discuss how a ‘utopian’ ad-free yet healthy western consumerist economy could be achieved.

## 1 Introduction

Advertisements are a part of our life. We see them in newspapers, magazines, webpages, TV broadcasts, billboards and sports matches. We hear them on the radio. We are phoned by call centers. We receive leaflets in the mail, and spam in the email. We also find ads on cars, packaging, zeppelins, banners and tickets. In fact, a lot of existing surface area and bandwidth is taken up in this way.

We are so used to this constant exposure that we do not seriously question it, in spite of its annoyances. ‘It is part of life’, we say. ‘It is an integral part of our economy. The free market cannot function without it. Our favorite free newspaper would not exist without the ads. This conference would be too expensive without the sponsors. This free search engine could never exist without ads.’

Everybody seems to agree that advertisements are a necessary evil. I find that a very interesting statement: it implies that we all agree that advertisement is evil. And since we are good citizens, who always try to banish evil from society, it would imply that we should be making a serious effort to realize a ban on advertisements in its many forms and guises. This is of course a big leap of reasoning, and one should not adhere too much to logical rigor in matters of sociology and politics. And yet ..., wouldn’t it be nice if we could do without all those intrusive messages hammering on our senses from all directions, manipulating us to do things against our own interests?

This essay has its origin in a number of failed attempts to explain to friends and colleagues why I react so adversely to advertisement. This led me to systematically list the pros and cons of advertisement in its current incarnations, in order to rationalize my hostile feelings. Making up the balance, it turns out that the cons ought to outweigh the pros if one takes the extremist stance that western democratic values (individualism, freedom of choice, physical integrity, moral integrity, transparency, fair competition, etc.) have to be taken really seriously. The main issue is a conflict between the constitutional rights of individuals on the one

hand (which our politicians profess to value highly) and the interests of the advertisement industry and big companies on the other hand. Most of the argumentation in this essay is of course far from new; whole books have been written about the subject, and thousands of publications in the form of newspapers articles, scientific papers, blogs etc., many of them discussing the issues far more eloquently than I ever could. However, many of these publications are not solely concerned with advertising itself, but combine their analysis with the harmfulness of the advertised products. In contrast, this essay concentrates on the act of unsolicited advertisement as a bad thing, mentioning harmful products only as a side issue. Furthermore, many critiques of advertisement attack the free market. This essay does not. I hope that my concise overview of arguments and counter-arguments is useful. I believe that my characterization of the current advertising infrastructure as effecting by default *a form of unfair competition* is somewhat original.

In Section 2 the beneficial sides of advertisement are listed. Section 3 discusses the harmful effects on society, and pits them against the pros where applicable. Finally, in Section 4 I discuss an alternative construction that could get rid of the harmful side of ads without losing the benefits. In short, doing something about the *unsolicited* nature of ads should cure most of the problems.

## 2 Arguments in favour of advertisement

We list a number of commonly used arguments why advertisement is indispensable. Some of these arguments are disputable, and will be rebutted in Section 3. The others play a central role in Section 4.

- A. Informing the customer.** Ads provide valuable information to customers in various ways: (i) which (new) products and types of products exist; (ii) which shops, vendors and distribution channels exist; (iii) pricing, discounts, special offers.
- B. Enabling competition.** Advertisement allows new businesses to draw attention to themselves. Typically, markets are dominated by well established ‘old’ vendors. Ads from an innovative new business can draw away dissatisfied customers from the established vendors. Similarly, established businesses can compete by announcing special deals, price cuts etc. in ads. In these ways ads enable healthy competition.
- C. Support of cultural activities.** Many cultural activities benefit from sponsorship: big sports events, concerts, media events, and conferences, to name a few. The sponsor financially supports the activity, and in return gets brand recognition.
- D. Enabling free services.** Some magazines and (online) newspapers are completely financed by advertisement incomes. Ads also play a role in generating revenue from freely accessible search engines. This construction allows people to enjoy such services for free, whereas without ads they would have had to pay.
- E. Stimulation of consumer spending.** Ads entice people to keep their money rolling, thus preventing stagnation and fueling the economy.

### 3 What is so bad about current advertising practices?

It hardly needs arguing that there are bad sides to advertising as practiced today. Still, I will spell out in detail its harmful effects on society, so that there is absolutely no doubt left about this point. In a nutshell we have: the propagation of lies, criminally intrusive behaviour, the wasting of resources, physical and mental harm to citizens, the use of psychological manipulation, the kidnapping of communication channels, and unfair competition. These points are listed in Section 3.1. They counterbalance most of the positive aspects given in Section 2. This is discussed in Section 3.2.

#### 3.1 The bad stuff

- 1. The fostering of lies.** Market forces naturally push companies into immoral behaviour. In order to increase profit they are constantly tempted to make use of outright lies, misleading statements, deliberate omissions and other forms of deceit in their advertisements. Every country has extensive legislation that details which kinds of utterances are allowed in ads and which constitute a breach of the ‘code of conduct’. Advertisers are of course always pushing the limits. This creates an atmosphere of untruthfulness and deceit; a moral hazard that is at odds with western ideals such as transparency and moral integrity.
- 2. Violation of privacy.** There is a long list of astonishingly rude and intrusive advertisement practices. [5, 3, 4]. The intrusiveness often borders on the criminal, and sometimes transgresses this border (e.g. spam). Again, market forces push companies in this direction. The magnitude of the spam problem shows to which lengths advertisers are prepared to go when left unchecked. However, even the less annoying forms of advertisement, when added up, form a large intrusion into the private lives of citizens. The percentage of our waking time that we are exposed to advertisements of some form is significant. One can argue that the constitutional right to privacy, when taken seriously, encompasses the right to use public bandwidth without being assaulted by unsolicited ads.
- 3. Harm to citizens.** Ads coax people into doing things that are against their best interests. The best known examples of ensuing physical harm are the case of the tobacco industry and the fast-food industry. Furthermore, it has been shown (see e.g. [6]) that the beauty ideals portrayed in ads can cause serious feelings of uncertainty, inadequacy and depression, especially for women, often leading to eating disorders. Ads can also coax people into bad financial decisions, such as borrowing and spending too much.
- 4. The use of psychological manipulation.** Advertisers are engaged in a form of psychological warfare against consumers. Any and all known techniques that are not illegal (or are illegal but hard to prove) will be used to lure consumers into buying products. Known tricks are emotional blackmail, appeals to fear, the association of advertised products with sexiness, machismo or coolness, unspoken but implied claims about improved health, pseudo-scientific language, and special smells in shopping centers.

As technology advances, the arsenal of techniques will grow and become more potent. It is not even relevant to point 4 whether there are harmful psychological effects; the use of psychological manipulation is bad enough in itself. One can argue that the use

of advanced manipulation techniques clashes with ‘physical integrity’ as guaranteed by human rights.

- 5. Subversion of communication channels.** Advertisement is a major source of revenue for broadcasters, newspapers, magazines, internet providers and online services. This leads to a situation where the operator of the communication channel becomes dependent on the advertisers. The saying “he who pays, decides” is then fully applicable. The advertisers influence the contents of the channel in a way that is beneficial to their own pockets. The effects are insidious and very hard to pinpoint. One ill effect is the diminishing of truly public broadcast channels, which is especially dangerous for the future of independent journalism and democratic voicing of opinions. Hence, free is not always best.
- 6. Waste of resources.** According to some sources, worldwide spending on advertising in 2006 exceeded \$390 billion [1]. The numbers are frightening. All that money could have been spent differently, e.g. on salaries, improving products, lowering prices, or paying dividends to shareholders.
- 7. Unfair competition.** The current laws on advertisement work in favour of big companies, and against small ones. Companies with deep pockets can afford to spend more on ads, thus reaching a larger audience. Hence, irrespective of the merits of their products, bigger companies have an advantage by default. This can be considered unfair.

### 3.2 Counter-arguments against the ‘pro’ arguments

We now provide counter-arguments against the benefits listed in Section 2. The following observations are immediate when we pit the ill effects 1–7 against the benefits A–E:

- Argument A comes out unscathed.
- Argument B is directly opposed to drawback 7.
- Argument D is directly opposed to drawback 5.

Points C and E have no direct opposite. Drawback 5 applies to C to some extent. A medical conference may for instance become biased if it is sponsored by the pharmaceutical industry. Against C one also can put the following counter-arguments. (i) If a company found it interesting to sponsor a conference in the first place, then it may also be prepared to *donate* money (without any favors in return), though probably a smaller sum. (ii) Sports flourished even before the onset of sponsorship.

Argument E is in conflict with points 3 and 4 to some extent. Apart from that, arguments in favour of spendthrift are dubious. The fact that something is good for a country’s economy (in whatever way that is measured) does not imply that it is good for the citizens of that country. Note too that the current economic crisis was partly caused by unrestrained spending of borrowed money.

## 4 Achieving ‘Ureklamia’

Could it be possible to do away with the bad sides of advertising, while not losing too much of the good ones? The surprising answer is: Yes, this should be very easy in theory.

## 4.1 Abolishment of unsolicited advertisement

The important thing is to curb only *unsolicited* advertisement. The guiding principle is that *citizens who are not deliberately looking for product information should not come into contact with ads*. That would require a clear separation of the communication channels used for advertisement. What would this mean in practice? For instance, radio and TV channels dedicated to ads (which already exist), with no ads allowed on any other channel; web sites dedicated to product and service information, with a ban on ads for all other sites; no more billboards, neon signs, call centers and spam; leaflets only on subscription; emails and search engines without ads. Basically, it would amount to a world in which, if you run into advertisement, it is entirely your own fault.<sup>1</sup> Exceptions to this rule would be things like shop signs and brand names on products.

In order to improve the fairness of advertising, a government may run a database (DB) service and adopt a law stating that anyone who wishes to advertise in any form whatsoever is obliged also to provide correct factual information in this DB concerning product specs, pricing and sales channels.<sup>2</sup> Those consumers who are only interested in facts are then able to look up the facts without having to endure the whole charade of insinuations and misleading statements currently associated with ads. Having a well-structured DB makes it easy for consumer organizations and watchdogs to spot misinformation. Furthermore, the DB system results in comparable bandwidth to all companies, regardless of their wealth (curing point 7 in Section 3.1). As a consequence, consumers who use the DB will tend to base their decisions more on product merits and pricing than on hyped brand names.

## 4.2 Making up the balance

If a society were to be re-structured à la Section 4.1, how would it score in terms of the listed good and bad points? First of all, it would have none of the bad points 1–7. Furthermore, point A would obviously be preserved, since consumers would always be able to look up any information they need, e.g. on dedicated web sites. Points B–E are less straightforward, and we need to elaborate a bit.

If consumers are in charge of the way they access commercial information, notably product specs, then competition will focus more than today on the quality and pricing of products. That sort of competition should be better for society than the kind we see currently.

The support of cultural activities by sponsorship would be gone (except if companies are willing to make anonymous donations). That would undeniably be a loss. Yet, a healthy society should be able to find another way to stimulate its culture, e.g. by taxes.

Likewise, many free services as we know them today would be lost. The loss to society should not be underestimated. To keep them running, an alternative business model would have to be found. Fortunately, services such as search engines and free newspapers involve low costs, at least when spread out over the number of users. Hence, it should be possible to go from free to ‘very cheap’. I do not pretend to know how such a transition can be made, but I pose it as a research question.

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<sup>1</sup>What does this remind us of? The situation sketched here is reminiscent of porn. Porn is ostensibly nonexistent in many societies, yet in overwhelming amounts available ‘under the counter’ and on shielded off websites that you do not accidentally run into. So we have a precedent for the banishment of certain abundant matters from the public eye.

<sup>2</sup>Many electronics shops already provide such information on their own website.

Finally, there is the argument about enhanced consumer spending (E). This was adequately killed in Section 3.2.

In summary, we would have a very healthy society indeed, an ad-free, fair, consumerist utopia or, better put, Ureklamia<sup>3</sup>. As far as I can see, the only problems worth mentioning would be the loss of sponsorship and the need to find new business models for services that are currently sustained by advertisement. Countries have faced far worse problems and come out triumphant.

## 4.3 The struggle

### 4.3.1 Conflict of interests

All the above is of course just theory. Would it be feasible to attempt realization of the ‘Ureklamia’ of Section 4.1? Let us first examine a more ethical question: Would it be morally right to do so? As we have seen above, the central issue is the conflict of interests between two groups, the advertisement industry, big companies, printing industry and broadcasters on the one side, versus private citizens and small companies on the other side. To put it poignantly, the main question is ‘Whom does a government represent, its citizens or the big companies?’. Western democracies have traditionally been proud to present themselves as a place where the rights of the individual citizen are strongly protected and taken very seriously. Hence, there should be a moral obligation to try to create Ureklamia. In the matter of advertisement one could say democratic governments have not put their money where their mouth is.

### 4.3.2 The fight with words

*Freedom of expression* is an often used argument against restrictions on ads; advertisement is interpreted by its proponents as a form of expression which cannot not be curbed without violating freedom of speech and expression. Here not only the message, but also the channel is important, i.e. it should be allowed to voice any opinion over any channel. This pro-advertisement argument cynically misrepresents what freedom of expression stands for. First, restrictions on ads (such as the Ureklamia proposal above) do not disallow the use of TV, printed matter or the internet for ads. Furthermore, it is acknowledged in many countries’ laws that freedom of expression is not absolute. It can be limited when the voiced opinion or communication method is in conflict with other freedoms/rights, such as the right to privacy and the right not to be mindfucked. Finally, human rights were written down to protect individuals against governments and large organizations. Invoking a human right to harm individuals is a perversion<sup>4</sup> of the original purpose.

Proponents of advertisement often deny that it has harmful effects or, if they acknowledge it, they say that only vulnerable groups such as children need to be protected to some extent. I enjoy pointing out the weaknesses in these standpoints. Let us first look at the flat denial. It is effectively contradicted by (i) the fact that every country has some version of a ‘code of conduct’ for advertisers in order to limit the damage done; (ii) the ongoing efforts of consumer organizations to restrict ads for tobacco, alcohol and other harmful products.

Then let us look at the standpoint that only vulnerable groups need protection. This leaves the question open who is vulnerable. There seems to be a broad consensus that children<sup>5</sup>

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<sup>3</sup>*Ουρεκλαμια*, from the ancient Greek *ου*=no and *ρεκλαμα*=advertisement.

<sup>4</sup>Though, one has to admit, inventive and amusing.

<sup>5</sup>The soft drink sponsorship programs (‘pouring rights’) in US schools [8] are almost beyond belief, and

certainly belong to that category. In view of the large number of women afflicted with feelings of depression and inadequacy due to the portrayal of beauty ideals, one has to count a fraction of the global female population as a vulnerable group as well. There are bound to be many others, who are less easily pinpointed, e.g. exceptionally gullible or poorly educated adults. Given that these groups exist but are hard to identify, and that vulnerable groups need protection, it follows that the whole population has to be protected, just to be on the safe side.

Furthermore, there is something strange about the idea that there exists a non-vulnerable group, comprising the vast majority of the population. This would be a group of balanced, mentally strong individuals who can be pummeled by ads without ill effects. But if they are invulnerable, then advertisement has little effect on them; why spend money on bombarding them with ineffective ads? The answer is of course that the ads are by no means ineffective. There are complete scientific journals dedicated to the study of marketing and advertisement impact. *There is no non-vulnerable group.*

### 4.3.3 The real struggle

The ethical aspect is of course only part of the equation. Governments have to be realistic, not only idealistic. Even if everyone agrees on what has to be done, completely transforming a country's advertising infrastructure is a far from trivial task. The financial risks are significant; I will not pretend to understand them, but propose it as a research subject for economists. But those are just minor problems compared to the required political struggle. The pro-advertisement camp will defend their vested interests like lions, using all their considerable resources to prevent the transformation.

In the world of TV broadcasting one gets a glimpse of the lengths they are willing to go to in order to protect their income sources. Ever since recording devices became good at recognizing commercial breaks, the transitions between programs and commercials have been deliberately obscured, and it even happens that commercial utterances are embedded straight into TV programs. An absolute nadir was reached in 2003 when SonicBlue was sued to death [2] over its 'ReplayTV', which was able to skip commercials. In the aftermath, commercial recording devices were not equipped with the skipping capability. Clearly the advertisers and TV networks are convinced that it is their godgiven right to push commercials at viewers even if the viewers clearly prefer not to watch them. Imagine what would happen if they ever get *really* threatened.

Is all hope then lost? Of course not. Recent events concerning spam and telemarketing show that advertisers are not invincible. Many countries now have anti-spamming laws. In some countries, telemarketers are obliged to verify a do-not-call registry before harassing people at home; ignoring this registry is an offense.

I finish this essay with a fascinating example. In the Brazilian city of Sao Paulo (11 million citizens), billboards and neon signs became so invasive that there was a public outcry. In 2006 the mayor successfully outlawed billboards and other forms of invasive advertisement by introducing legislation [7], in spite of strong opposition from the advertisers.

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demonstrate a spectacular failure of the US government to finance its education system and to protect its children.

## 5 Summary

In this essay I have listed the benefits and drawbacks of advertising and pitted them against each other. If one takes an idealistic stance one can conclude that western democratic governments have failed to live up to their proclaimed ideals of protecting the constitutional rights of individuals, and have instead largely caved in under pressure from the advertisement industry, the media and large brands. I have sketched how, in theory, *unsolicited* advertisement could be banned from the public eye without harming free market mechanisms, and actually even improving fairness of competition. The guiding principle is that information should be readily available for consumers, but that one should get exposed to advertisement only if one is actively looking for it. The greatest loss would be the disappearance of free services which are currently financed from ads. Alternative business models will have to be found to preserve these services in an ‘almost-free’ form that people are still willing to use. This is an interesting research subject for economists.

Finally I have briefly touched upon the problems one can expect if anyone is brave or foolish enough to attempt the transition to ‘Ureklamia’ in practice. Violent opposition is to be expected from the advertisement industry and the media.

## Acknowledgements

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