

A STUDY OF ETHICS IN INDIAN ADVERTISING INDUSTRY

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ABSTRACT

Can we escape ourselves from advertisements? Consumers are bombarded with more than 1500 commercial messages a day. For most companies, the question is not whether to communicate but rather what to say, how to say it, to whom and how often. To reach target markets and build brand equity in this cluttered market advertisers sometimes overstep social and legal norms. Advertising as a communicating medium is pervasive, powerful force shaping attitudes and behavior in today's world. At times it goes beyond the traditional role of 'fair and truthful' information and represents obscene, undesirable and unethical scenes giving a detrimental result mainly on the young generation of the society. The ethical aspect of Indian advertisement is enormously imperative for restoration of our Indian culture, norms, belief, heritage and ethics.

INTRODUCTION

The Indian advertising industry is the most influencing business today. It has developed from a small-scale business to large scale full-fledged industry. It has emerged as one of the main industries and tertiary sectors and has broadened its horizons be it the creative aspect, the capital employed or the number of personnel involved. Indian advertising industry in a very short span of time has carved a position for itself and positioned itself on the global map. The Indian economy today is on a boom and the market is on a continuous path of expansion. As the Indian market is gaining grounds, advertising vehicle has every reason to celebrate. Today Business is looking up at the advertising media as a tool to cash in on fruitful business opportunities. Growth in business has led to a successive boom in the advertising industry as well.

WHAT IS ETHICS?

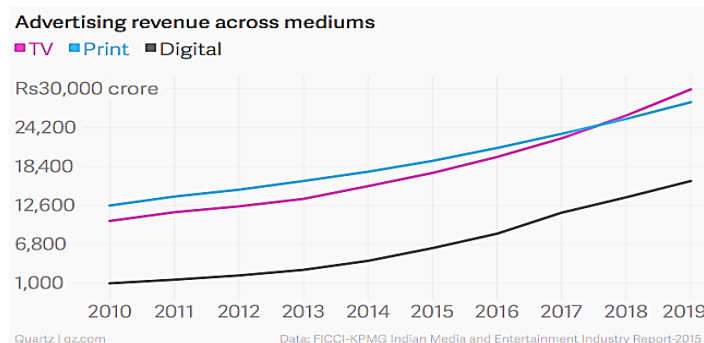
Ethics means “Good Conduct” or “Conduct which is right in view of the society and the time period”. On common consent, various modes of behavior and conduct are viewed as “good” or “bad”. In other words, we can say that Ethics are the moral principles and values that govern the actions and decisions of an individual, a group and an organization as well. Ethics is a choice between the right and the wrong. It is governed by a set of principles of morality at a given time, place in a given society.

ETHICS IN ADVERTISING

Advertising has an ethical value. The mixing of art and facts in advertising communication are submissive to ethical principles. In today's competitive and buyer oriented market, advertisements have to be truthful as well as ethical also. If an advertisement is ambiguous, the credibility of the organization is lost and thus builds a negative impact on the Organizational image. It directly hinders the reputation of the business. To view the genuineness in advertisement, it has to be viewed from consumer's point of view rather than from legal point. The advertising industry has been often criticized for putting out misleading or exaggerated claims in respect of product, goods and services advertised.

GROWTH OF ADVERTISING INDUSTRY IN INDIA

The Indian Media & Entertainment (M&E) industry is the fastest growing industry followed by China (14 per cent), Russia (12 per cent) and Brazil (11 per cent) and is projected to grow at 17 per cent compounded annual growth rate (CAGR) between 2012 and 2016. Its various segments -film; television, animation, print and Out-of-home advertising (OOH) among many others-have witnessed remarkable growth in the past few years. The Indian M&E industry is expected to continue its strong growth momentum over 2012-2017 to reach an overall -revenue of 2,245 billion INR at a CAGR of about 18%. Television, the largest E&M sector, is expected to grow at about 18% CAGR over 2012-2017, driven by growth in subscription payment and advertising revenues. The entire M&E landscape is witnessing a shift; thanks to cable digitization, wireless broadband penetration, increasing direct-to-home (DTH) penetration, digitization of film distribution and growing internet usage. Overall, the industry is expected to register a Compounded Annual Growth Rate (CAGR) of 15 percent to touch Rs 1,45,700 crore by 2016.



THE ADVERTISING STANDARDS COUNCIL OF INDIA

The Advertising Standards Council of India (ASCI), established in 1985, ensures the protection of the interests of consumers and is committed to the cause of Self-Regulation in Advertising. ASCI was formed with the support of all four sectors connected with Advertising that are advertisers, advertising agencies, media (including Broadcasters and the Press) and others like PR Agencies, Market Research Companies etc.

The Consumer Complaints Council is the ASCI's heart and soul. It is the dedicated work that is led by a group of esteem people which has given tremendous thrust to the work of ASCI and the movement of self-regulation in the advertising.

ASCI CODES

The Advertising Standards Council of India (ASCI) (1985) has adopted a Self-Regulation code in Advertising. It is a commitment to truthful advertising and to fair competition in the market-place. It stands for the fortification of the legitimate interests of consumers and all concerned with Advertising - Advertisers, Media, Advertising Agencies and all those who help in the creation or placement of advertisements.

ASCI HAVE ONE OVERARCHING GOAL

To maintain and enhance the public confidence in advertising, ASCI seek to ensure that advertisements confirm to its Code for Self-Regulation which requires advertisements to be:

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

TOP 10 ADVERTISING AGENCIES IN INDIA

SL. NO.	NAME OF COMPANY	CORPORATE OFFICE	YEAR OF ESTABLISHMENT	BUSINESS
1	Ogilvy & Mather Ltd	New York, USA	1948	Advertising, Marketing
2	GWT Hindustan Thompson Associates	New York, USA	1864	Advertising & Marketing
3	Rediffusion – DY&R	New Delhi, India	1985	Advertising
4	Mudra Communications Ltd	Ahmadabad, Gujarat	1980	Advertising & Marketing
5	McCann-Erickson India Ltd	U.S.A	1930	Advertising
6	Pressman Advertising and Marketing Ltd	Kolkata, West Bengal	1960's	Advertising
7	FCB-Ulka Advertising Ltd Corporate office	Mumbai, Maharashtra	1961	Advertising
8	RK Swamy BBDO Advertising Ltd Corporate office	Mumbai, Maharashtra	1973	Advertising
9	Trikaya Grey Advertising (India) Ltd	New York, U.S.	1917	Advertising, Entertainment, Marketing
10	Chaitra Leo Burnett Pvt Ltd	Chicago, United States	1992	Advertising

Source: top10companiesinindia.com

ASCI GUIDELINES

- Automotives& Safety** - Advertisers are encouraged to represent advertisements, in a manner that promote safe practices, eg. Wearing of helmets, fastening of seatbelts and not using mobiles/cell phones while driving, etc.
- Educational Institutions** - Parents are known to make great personal sacrifices to facilitate their children to get the right education. A significant amount of advertising activity that is currently taking place is vast variety of educational programs which are being offered.
- Foods & Beverages** - Advertising can have a positive influence by encouraging a healthy, well balanced diet, sound eating habits and appropriate physical activity. Therefore caution and care should be observed in advertising of Foods & Beverages especially those which contain a relative high fat, sugar, salt, chemicals etc.

4. **Disclaimers in an Advertisement** - “Supers” should be clearly understandable and on TV advertisements should be held long enough so that the full message could be read by an average viewer on a standard domestic TV set. Therefore a proper minimum size of lettering of “Supers” and its holding time on the TV screen is required.

LAWS GOVERNING ADS

The ads which offends the provisions of the following Acts of Government of India or various State Governments will not be accepted by ASCI

ETHICAL ISSUES IN ADVERTISING:

Advertising is a highly observable business activity and any trail off in ethical standards can often be risky for the company. Some common examples of ethical issues in advertising are as follows:

- Vulgarity / Obscenity used to gain consumers’ attention
- Misleading information and deception

SELF REGULATION BY THE ADVERTISING INDUSTRY

With the increasing criticism of advertising, advertisers have devised self regulation to ensure true and accurate messages. Moreover, with the advent of new communication and information technologies, the national policy makers have also become less willing and less able to intervene. Since print and audio-visual media exercise the essential freedom of speech and they are financed by advertising revenues, media has always resisted curbs thereby constraining the capacity of national governments to influence media. Further, the business also realizes that the long term profitability of the organization depends upon acting responsibly.

AGENCIES INVOLVED IN SELF REGULATION

A number of agencies are involved. These can be classified into the following:

- Advertising trade associations
- Advertising Standards Council of India (ASCI)
- Advertising Association of India (AAAI)
- Press Council of India
- Prasar Bharti
- Individual media and media groups
- Code for commercial advertising on Doordarshan
- All India Radio Code for commercial advertising

ASCI's code of Self Regulation says: "Advertisements should be truthful and fair to consumers and competitors within the bounds of generally accepted standards of public decency and propriety. Not used indiscriminately for the promotion of products, hazardous or harmful to

society or to individuals particularly minors, to a degree unacceptable to society at large".

Unfortunately despite several laws meant to protect consumers against such unfair trade practices, false and misleading advertisements continue to exploit the consumer. Outdated laws, poor enforcement of them are some of the lacunas in order to control advertising. The need of the hour is better laws in keeping with the times, better enforcement, corrective advertisements, better self-regulation by industry independent regulator to regulate health and children -related advertisements.

NEED FOR CONSUMER ACTION

1. As empowered consumers we should not be gullible to risky advertisements. Children are easily swayed by the false claim of the advertisers and fall in the trap of the greedy advertisers. Therefore one should not blindly follow the advertisements and use logic and reasoning before purchasing anything.
2. MRTP Act had the powers of taking suo motu action whereas the Consumer Protection Act or ASCI, does not have such powers. Only if a consumer or industry complaints to the Consumer Courts or to ASCI then the action can be taken. By the time the action is taken by these bodies to either withdraw or modify the offending advertisement the advertisement has already conveyed the false message. Therefore, it is time to make some amendment in the Act and to give powers to the consumer courts for suo motu action so that they can take up cases of false advertisements on their own.
3. Several consumers and consumer organizations such as, Consumer Voice are fighting against the misleading advertisements. Magazines such as, Consumer Voice, Insight publishes advertisements running a column on misleading advertisements. They also request consumers to share their opinions regarding various advertisements so that any advertisement which is deceptive and false can be brought to the notice of the regulators.
4. Further many colleges and schools have started Consumer Clubs where discussions are being carried on unethical advertisements. Kamala Nehru College is the first college in Delhi University for taking this initiative. If consumers feel that an advertisement is not true they can write to Advertising Standard Council of India also.
5. Regarding misleading advertisements related to banks, consumers can complaint to the Reserve Bank of India (RBI). Grievances regarding false advertisements by telecom companies can be made to Telecom Regulatory Authority of India and insurance related matters to IRDA.

CONCLUSION

The ethical aspect of Indian advertisement is vital for restoration of our Indian culture and heritage. As Indian culture is getting intermingled by the western culture it has been influencing our country to a great extent. Telecasting and publication of obscene, indecent advertisement shows the percolation of western culture in India so, to protect our culture, norms and ethics regulations from such unethical advertisements are very important. Instead of decrease in the numbers of unethical and obscene advertisement they have shown considerable increased. This clearly represents that the laws controlling advertisement is not properly put into practice. This is further pouring in more and more unethical advertisements. Hence, proper and regular execution of the law is highly essential in our country.

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