

ACCEPTANCE OF PRODUCTS FOR TELEVISION ADVERTISING

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ABSTRACT

Due to the regulatory shifts occurring in the television advertising industry, media guidelines utilized to determine which products are acceptable for broadcast have changed. This study requested from all U.S. commercial broadcast stations, descriptions of the standards and types of products deemed acceptable for airing. The results of this study indicate inconsistency in the advertising guidelines employed and products accepted for broadcast.

Regardless of the directives (or absence) of any code or self-regulation interests, no television station today must accept any commercial advertising it does not wish to carry (Heighton and Cunningham 1984; Parsons, Rotfeld, and Gray 1987). All station managers may review each commercial submission prior to broadcast and decide if he or she wishes to include it in the broadcast schedule. Therefore, any advertiser wishing to reach the audience of a large, influential, or significantly-targeted program or station must meet the station's standards for acceptable advertising in order to reach those audiences.

Although, the ongoing clearance procedures of the three major broadcast networks, including the practices and concerns of a few large stations, advertising agencies and advertisers have been described in detail by several studies (e.g. Best 1985; Kaplan and Houlberg 1988; Sewell and Jennerjahn 1982; Zanot 1985), none have specifically addressed the practices and/or standards applied to a range of "controversial" products.

A need exists to determine the extent of guidelines (or lack thereof) currently applied by United States commercial broadcast stations for "controversial" products. This study reports on the national application of media guidelines utilized by media companies by employing a surrogate measure (i.e., a market-basket of "controversial" products; liquor, feminine hygiene products, abortion services, sexual reference ads, beer or wine).

SELF-REGULATION & MEDIA POWER

Advertising regulation activity, both by government and self-regulation by business, imposes limitations on what, where and how different products can be advertised. Since regulation by peers is easier and often more "painless" than government

action (LaBarbera 1980; Stern 1971), business leaders find self-regulation desirable, and it has been noted by many as "effective control," or "the most efficient tool for curbing excesses and illegality in advertising" (Colford 1987a; LaBarbera 1980). However, an inherent limitation on all organization self-regulation codes resides in their inability to impose meaningful sanctions on members. Accordingly, they are dependent on member cooperation which, in turn, often requires the "encouragement" caused by the members' fears of government regulation (Armstrong and Ozanne 1983).

On the other hand, media owners and management are free to require more from advertisers than might be legally requested by government (LaBarbera 1983; Wyckham 1987). Such media power is the major form of advertising regulation in many other countries and (e.g. Neelankavil and Stridsberg 1980; Rijkens and Miracle 1986) descriptions of the clearance process imply it possesses similar ubiquitous potential for consumer protection in the U.S. (e.g. Miracle and Nevett 1987; Linton 1987; Zanot 1985).

There is a history here. Until 1982, the National Association of Broadcasters (NAB) code for good practices was not just another trade code to which members could adhere as they chose (see: Davis 1987; Heighton and Cunningham 1984; Krum and Greenhill 1972; Linton 1967; Maddox and Zanot 1984). While similar to trade association standards for members' ethical practice (as discussed in LaBarbera 1980; 1983), the NAB code influenced business activities beyond those of the member broadcasters. While ostensibly voluntary, carrying the only direct member sanction of withdrawal of permission to display the Seal of Good Practice, the organization actively interpreted the guidelines and determined which commercial submissions would be considered acceptable. The NAB provided an office, staff and budget for screening commercial submissions on behalf of member stations (Heighton and Cunningham 1984). NAB employees interpreted Code guidelines and reviewed commercials for agencies and advertisers prior to submission to stations for possible broadcast.

From the advertiser's point of view, dealing with a single office provided an ease of clearance instead of dealing with every station manager for national advertisers buying time from individual stations (commonly known as "national spot buying"). While fewer than two-thirds of the television stations followed the voluntary code, the Code-abiding stations accounted for (about) 80% of broadcast audiences (Linton 1967; 1987; Maddox and Zanot 1984). For the member stations, the NAB provided resources and staff which they might not otherwise be in a financial position to allocate for clearance decisions. For consumers, the Code

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strictures forced many advertisers desiring to reach the large audiences of the networks and code members to abide by the NAB Code.

Advertisers, agencies and even some critics would point to the NAB Code as a strong and effective force on advertising practice. While many scholars would note it to be an ineffective screen in that tasteless and/or deceptive advertisers could always find non-code stations to carry their commercials, faced with the choice of abiding by the Code or incurring the expense and possible public relations headaches of making two sets of ads for Code and non-Code stations, advertisers generally chose the former. For example, the NAB Code restrictions discouraged lingerie manufacturers from using live models in commercials (Sloan 1987). Hard liquor advertisers decided that print media would be more efficient than limited use of broadcasting via the non-code stations, except for ads specially targeted to Spanish speaking people, since Spanish language stations would accept hard liquor ads (Colford 1987b).

However, the Justice Department sued the NAB under the anti-trust laws, claiming that the Code sections recommending limits on numbers of commercials per hour artificially increased the demand for time, limited its supply and, thus, raised its price. As a settlement, the NAB suspended all Code activities in 1982, including procedures to review commercials, procedures which were not part of the original complaint. Currently, although some broadcasters fear renewed FCC regulation might force a return to some type of regulation (Henry 1988), the Code's present authority is that of an influential ghost.

THE CHANGING BROADCASTING LANDSCAPE

When the NAB dropped the Code Authority and its procedures, the three major broadcast networks -- Capital Cities/ABC, CBS and NBC -- presented written codes that they would follow which incorporated many aspects from the NAB code (Maddox and Zanut 1984; Linton 1987). While they often do not agree with each other on actual clearance decisions for individual ads (see Heighton and Cunningham 1984), the written network guidelines have become visible standards for the industry, often carrying an influence akin to that previously held by the NAB (Davis 1987; Henry 1988).

Yet, it would be an error to presume that these guidelines are followed by as many stations as the code. Although case examples provide insight into clearance practices of some stations (e.g. Kaplan and Houlberg 1988; Zanut 1985), they may not provide insight into practices throughout the industry.

Even at the network level there is increasing ambiguity. In 1988, NBC, CBS and ABC all made extensive cuts in their clearance departments (Henry 1988; Gordon 1988), with both CBS and NBC cutting their advertising clearance staffs by 50% over the last three years. At this time, it is uncertain just what impact this will have on actual advertising practice, but, at the very

least, it increases the importance of local standards applied by the individual stations and their respective owners. For example, stations might trust some ads in the belief that they had already passed network screening (Hayes and Rotfeld 1989).

All of this seems particularly important when it is placed in the larger context of the business of broadcast communications -- and the resulting broadcast advertising landscape -- being in a state of flux. There has, for example, been a boom in station growth, with several hundred small independent stations going on the air since 1982. Further, the networks have been losing their share of audience as more stations go on the air and other television options such as cable networks and local hook-ups grow. Today, in aggregate, there are more broadcasters including an increase in the number of weak to marginal independents (i.e., non-network affiliate operations) (Channels 1988). Due to this changing broadcast market, agreement on a Code may be much more difficult today. Even if the NAB Code is resurrected, it would find its adherents to be a smaller percentage of the broadcast operations, representing a smaller segment of the daily audiences and not commanding as much power as it did before. This is not because stations desire a code less, rather, their interests, concerns and values have become increasingly varied.

Thus the forces operating on broadcast managers increasingly may become similar to those operating in other media. Rotfeld and Parsons (1989), for example, failed to find any obvious, strong, pattern of formal oversight and control in advertising clearance for magazines, and concluded that magazine clearance, at best, can only be a spotty form of consumer protection.

RESEARCH QUESTIONS & EXPECTATIONS

After screening a commercial submission, media managers may 1) request alterations in commercials due to taste concerns or fit with the audience; or 2) request the advertiser to provide substantiation that claims are true; or 3) reject the commercial as unacceptable subject matter. Of course, some station managers may accept all commercials, while other managers might deem similar commercials unacceptable.

Requests for substantiation can lead to ad rejection if the advertiser is unwilling to adjust the ad or cannot adequately support the claims. However, a television station would have to increase its resource commitment to send ads back for substantiation, in addition to risking the loss of revenue from a lost commercial sale (Hayes and Rotfeld 1989). In a tight market for local advertising dollars, simple economics would discourage many stations from ever questioning submissions. Since managers are often evaluated on the profitability of their station, ad rejection is likely to be even rarer than simple requests for substantiation or revisions to fit station taste concerns.

Desires to enforce strong clearance concerns could logically depend upon a station's market posi-

tion. In other words, the "larger" a station, the higher its rejection rates. However, print media studies failed to discern any relationship between circulation and various measures of strictness of procedures (Goldstein 1986; Parsons Rotfeld and Gray 1987; Utt and Pasternack 1986). More directly for the concerns herein, television stations' "size" data are not so readily available. A simple assessment of the size of the market-area served by the station would be a grossly inadequate definition. The larger the market area, the more stations it might support, such that every city will contain some small and relatively weak stations. There are also factors of the station's program line-up, hour-to-hour ratings and average advertising time charges which change frequently. In addition, rates are often informal and unpublished and economic income statements are confidential. Overall, past research suggests, a meaningful stable surrogate for audience power or station size has not been readily delineated due to all these inter-related and confused variables.

However, it is easy to assess the station's treatment of various types of products. Stations' willingness to accept ads for certain products indirectly indicates the strictness of the stations clearance procedures. In other words, the number and nature of products rejected could be a surrogate indicator of the nature and direction of a station's consumer protection and advertising self-regulation concerns. Their reported frequency of accepting or rejecting commercials for these "controversial" products could indicate how willing the stations are to use the clearance process for audience protection or to respond to viewer complaints.

The NAB code specifically banned the unlikely advertisers of fortune telling, occultism, astrology, phrenology, palm reading, numerology, mind reading "or subjects of a like nature," plus hard liquor, fireworks and mail order fire arms. Of course, it is unlikely that any station could consider any of these, other than hard liquor, as a potential major source of revenue. But liquor, plus contraceptives, sexual references, feminine hygiene products, beer or wine and abortion services, were all seen as potential problem areas in past code revisions or past research on other media (e.g. Rotfeld and Parsons 1989). To a certain extent, station treatment of these products provide an indication of basic consumer protection concerns. The research question then becomes: how readily will a station reject or question claims (or advertising styles) for these legally acceptable products (i.e., liquor, contraceptives, feminine hygiene, sexual reference products, etc.) that might be a source for consumer harm or audience irritation.

METHOD

A preliminary questionnaire was presented to several television time sales people and station managers. Following its presentation, personal interviews with the same subjects were utilized to revise the pretest questionnaire. The revised questionnaire was then pretested with a different

group of television station managers and the results were used to construct the final questionnaire.

Final questionnaires were sent to all 836 commercial television stations' listed in Standard Rate and Data Service (SRDS) for December 1986 excluding satellites, stations that solely rebroadcast the programming and advertising content of another station. A personally signed cover letter and a postage-paid reply envelope were enclosed with the questionnaire. The letter was addressed to the station manager, since prior interviews indicated they were as involved with clearance as they were with all other day-to-day operations of the stations. Follow-up inquiries were sent to nonrespondents three months after the first mailing.

RESULTS

The Respondents

Responses were received from 426 stations (51% response rate). A broad mix of station organizations were represented with 73% of the responses from network owned or affiliated stations and 27% from independent stations. The actual respondents were primarily management (55%), with sales areas coming in a distant second (16%). No other job title was claimed by more than twelve respondents.

The Products

Table 1 presents a listing of products television stations would never accept. Products never accepted ranged from liquor (86%) and x-rated ads (83%) to Beer (2%) and direct marketing (1%).

Substantiation and Rejection of Ad Submissions

Substantiation was requested for an average of 10% of commercials submitted for broadcast, only 3% of ad submissions were ultimately rejected, and there was a strong, positive correlation between commercial substantiation requests and ad rejection ($r=.525$; $p<.01$). Many stations appear to take their advertising clearance responsibilities seriously, even to the point of rejecting ads and losing revenue. However, there is a wide variation in the stations' advertising regulation activities. Some stations requested substantiation of almost all commercial submissions, but six percent of the stations never requesting substantiation and eleven percent of the stations had not rejected any ads over the last six months.

Stations more willing to accept ads for feminine hygiene products, beer, and ads containing sexual references were significantly less likely to either request substantiation or reject ads in general (Table 2). Willingness to accept feminine hygiene ads had the strongest correlations with decreases in requests of substantiation of commercial claims (Spearman corr = $-.205$, $p<.01$) and rejection rates (Spearman corr = $-.208$, $p<.01$).

It should be noted that the questionnaires were sent at the very start of the Surgeon General's call for "safe sex" advertising. It was only in

the latter half of 1988 that the country and various broadcasters began to see condom advertising as an acceptable tool in the battle against AIDS; many television stations may still be unwilling to accept condom advertisements because they wish to avoid controversy (Christopher 1986; Colford 1987c; Kaplan and Houlberg 1988), but the pressures and resulting changes were revealed by a few written comments. One respondent specifically noted that "the AIDS problem" is prompting a reconsideration of current policy. The President/CEO of a corporate owner of several television stations enclosed a memo on a new corporate "Policy on Condom Advertising." The stations will now accept the product subject to 3 conditions:

- "1. The announcements may be broadcast only in late night time periods (11:30 to sign-off in Eastern Time Zone, 10:30 to sign-off in Central and Mountain Time Zones.)
- "2. The announcements must meet the station's normal standards of good taste; and
- "3. The announcements must relate the use of condoms only to the prevention of disease (AIDS or venereal to the prevention of disease (AIDS or venereal disease) and may not relate the use of condoms to prevention of human reproduction."

While most station audience profiles are not as clearly delineated as they are for magazines, the stations did express awareness for the audiences in different dayparts and for different types of programs. Some products would be accepted or rejected depending on the nature of the predominant audience at the times requested by the advertiser. As the general manager of a network Owned and Operated (O&O) station wrote, "The fact is, there are restrictions on ads during certain times and programs. There is a special sensitivity to children's ads and family viewing times. An ad may be OK to air but only after 10 p.m. or never in kids' programming."

DISCUSSION

With the cessation of NAB Code authority, there is no longer a central office to set guidelines for the larger or more dominant stations. While the trend towards greater fragmentation in all media for deciding what advertising they would accept and how they may best serve their distinctive audiences may be inescapable, this lack of consistent standards for clearance procedures and the noted variance in applications, presents several potential problems for consumers.

Most directly, the clearance process provides television viewers in the United States uneven protection from false, misleading, or tasteless ads, with some stations appearing to have a rigorous clearance process while other stations have haphazard or non-existent clearance procedures. Many stations take their consumer protection responsibilities seriously enough to lose advertising revenue, but others will not reject paid commercial submissions except in the most extreme

cases. Some claim not to reject any ads as long as the advertiser has the cash.

While some media companies might be examples of how the clearance process can be strong force of advertising regulation, it would be a gross error to presume that their practices are typical. In fact, some believe that market forces plus self-regulation have virtually eliminated all false and misleading advertising. Yet there remain various incentives for advertisers to "skirt the truth," to try and mislead by statement, implication or omission, or maybe to use ways that they know consumers might misunderstand literally true statements, in the hopes that the actual truth of the matter will never be ascertained (Preston and Richards 1988). For many products, from aspirin and other pain relievers to dog flea shampoos to automobiles, consumers may not be in a position to ascertain the veracity of claims. If these products are actually dangerous or adulterated, or if the claims are simply false, absent regulation, the truth may never be known.

More important, Zanot and Rotfeld (1983) and others studies illustrated and this data support a view that when print media or individual stations are involved, clearance can become a trivial concern for the advertiser. There are so many comparable vehicles available, that if one will not accept a commercial for minor concerns, another outlet with a comparable audience would readily be found without significant impact on media purchase plans. What this most clearly means for consumers is that, in many instances, neither the NAB code nor descriptions of the network procedures can by themselves serve as indicators of how well the clearance process has substituted for government involvement in consumer protection in the areas of advertising regulation. They may only indicate the upper limits of such protection.

TABLE 1

Products Never Accepted by Television Stations
N = 427

Product	Number of Times Mentioned	Percentage of Total Responses
Liquor	368	86.2%
X-Rated/Other		
Porn	353	82.7%
Abortion	288	67.4%
Astrology	237	55.5%
Contraceptive Devices	216	50.6%
Handguns	211	49.4%
Escort/		
Dating Services	172	40.3%
Opinion Ads	36	8.4%
Feminine Hygiene	15	3.5%
Beer or Wine	8	1.9%
Direct Marketing	5	1.2%

TABLE 2

INFLUENCES ON TELEVISION STATIONS' REQUESTS FOR
ADVERTISING CLAIM SUBSTANTIATION AND FINAL
REJECTION SPEARMAN CORRELATIONS

Degree Station Will Accept Ads For: ¹	Percentage of Commer- cial Submis- sions for Which Sub- station is Requested	Percentage of Commercials Rejected
Beer or Wine	-.094 (a)	-.166 (b)
Liquor	.073	-.048
Contraceptives	.001	.008
Feminine Hygiene	-2.05 (b)	-.208 (b)
Having Sexual References	-.103 (a)	-.094 (a)

¹Five point scale: Never Accepts = 1; Always
Accepts = 5.

(a) = p. < .05

(b) = p. < .01

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