

Enhancing or Inhibiting Advertising's Sustainability: An Overview of Advertising Standards Organisations in Australia

Robert Crawford, University of Technology, Sydney, Robert.Crawford@uts.edu.au

Ruth Spence-Stone, University of Technology, Sydney, Ruth.Spence-Stone@uts.edu.au

Abstract

The Advertising Standards Board (ASB) and its predecessor, the Advertising Standards Council (ASC), have been responsible for regulating advertising content in Australia since 1974. Research on these bodies has highlighted their respective operations, but it has inadequately investigated their impact on the industry's public image. The completion of the ASB's first decade of operations provides an opportunity to compare the structures and decisions of both organisations and the balance they have struck between the interests of industry and those of the public. In addition, this paper presents new research on public attitudes towards advertising and its regulation. The findings raise questions as to the sustainability of the current approach to self-regulation in Australia.

Keywords: Advertising, Advertising Standards Board, Advertising Standards Council, Public Opinion

Enhancing or Inhibiting Advertising's Sustainability: An Overview of Advertising Standards Organisations in Australia

Introduction

As a highly public form of communication, advertising has long attracted criticism, and its efforts to refute such claims have been an integral part of the industry's quest for legitimacy (Crawford, 2008). It is hardly surprising then, that the chairman of the Advertising Standards Board (ASB), Robert Koltai, would use the Board's inaugural report to proclaim that '1998 heralded a new era in advertising self-regulation' and that the ASB lay a 'strong foundation for the future of advertising self-regulation in Australia' (ASB 1999, p.2). Taking up from where the defunct Advertising Standards Council (ASC) had left off, the ASB also hoped to avoid the criticisms levelled at its predecessor, such as its propensity to protect advertiser interests rather than regulating them (Windshuttle 1988, p.398) and the unrepresentative state of its board (Strickland, 1996a, p.26). As the ASB has recently completed its first decade of operations, it is timely to assess it in light of Koltai's assertions.

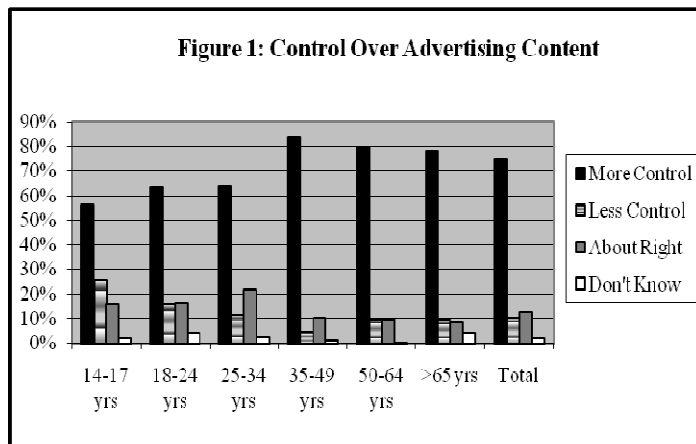
Research on the ASB during its first decade of operation has provided revealing insights into the different aspects of the ASB's operations with various examinations of the self-regulatory framework (Kerr & Moran, 2002), the profile of complainants (Volkov, Harker & Harker, 2002a; Volkov, Harker & Harker, 2002b; Volkov, Harker & Harker, 2005a; Volkov, Harker & Harker 2005b), the attitudes towards gender portrayal (Jones, 2003; Harker, Harker & Svensen, 2005) and the complaints about alcohol advertising (Jones & Donovan, 2002; Jones, Hall & Munro, 2008). These latter studies are indicative of a general shift in focus in advertising standards research and popular press away from the ASB itself towards issues pertaining to perceived vulnerable groups, such as children (Harker & Harker, 2008). Such issues are not the concern of this paper. Analyses of the ASC explored the effectiveness of the ASC and its self-regulation activities (Blakeney, 1986; Harker & Wiggs 2000; Harker, 2000; Harker, 2004) as well as the Council's decline in 1996 (Pearson, 1999). Only a handful of studies have compared the two organisations (Harker & Wiggs 2000; Harker 2001; Harker, Harker & Volkov, 2001; Kerr & Moran, 2002). While informative, these studies have not undertaken a long-term comparison of the two bodies' decisions, nor have they reflected on the ways that such decisions affect the industry's public image. Focusing on these issues, this study will examine long-term patterns in advertising self-regulation in order to gauge the state of advertising standards in Australia and, indeed, their sustainability.

The research undertaken in this study consists of two parts. In order to ascertain public perceptions of advertising standards, a telephone survey was commissioned (Roy Morgan, 2009). Conducted in the first week of September 2009, six questions were posed to a nationally representative cross-section of men and women. Four of the questions were compared with results obtained for the same questions posed in 1974, 1979, and 1982, and two questions were added to elicit current attitudes towards controls over advertising content and media. The second section is based on the content analysis of the data and commentary contained in the annual reports produced by the ASB from 1998 to 2007 and those for ASC for 1976-8 to 1998. The datasets are based on the figures cited in each annual report rather than the periodic compilations (which contained numerous errors).

A Public Perspective on Advertising

A national telephone survey conducted by the Roy Morgan agency in September 2009 reveals generally positive attitudes towards advertising, with 76% of respondents agreeing that 'advertising is essential'. This figure is consistent with those identified in 1974 (77%), 1979 (77%), and 1982 (74%) (Roy Morgan, 1982). This generally positive attitude is underscored by the response to the question of whether 'advertising is good for keeping you informed about things you can buy' – almost 87% of respondents agreed (mirroring the results from previous surveys). At a glance, the fact that only 41% of respondents agreed that 'advertising paints a true picture of the product advertised' seems less than flattering. However, this figure is a significant increase on positive response to the previous surveys (20% in 1974, 22% in 1979, and 26% in 1982). Moreover, this figure contrasts vividly to the US, where 'less than one-quarter of TV commercials are [sic] considered honest and believable' (Belch & Belch, 2007, p.721).

However, the response to the survey was not entirely positive. An overwhelming percentage of respondents (88%) agreed that 'advertising often persuades people to buy things they don't



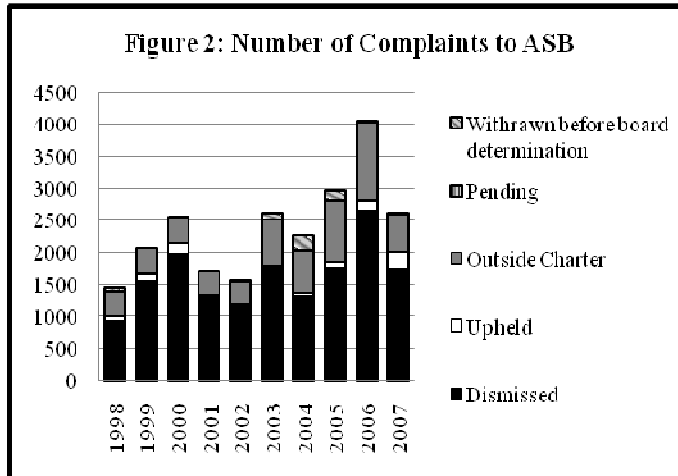
need' – a slight increase on the previous surveys. This potential to create artificial wants led an equally significant proportion of respondents to call for greater controls over advertising. As Figure 1 reveals, almost 75% agreed that there should be 'more control over advertising content to meet community standards'. While these figures display an abiding concern about advertising's influence and, indeed, advertising standards, respondents

were less forthcoming when it came to specific details. When asked which media outlets required further control over their advertising content, only television elicited a significant response (53%) with the internet (18%) coming a distant second.

The ASB's Decade of Decisions

The statistics listed in the ASB's annual Review of Operations provide a unique portrait of the ASB's activities, not to mention the public's key concerns. In the ten-year period spanning 1998 to 2007, the ASB has handled 23,846 complaints. Importantly, Figure 2 illustrates the decisions the ASB made in response to the complaints it received. It is immediately apparent that the majority of complaints are dismissed by the ASB. Over the course of the ASB's first decade, 68% of total complaints were dismissed, 25% were deemed to be outside of the ASB's charter, and only 4% were upheld. The reorganisation of the ASB's website in 2006 has meant that the number of complaints rejected for being outside the charter will continue to decline, as complainants outside of the ASB's remit are directed to the appropriate authorities. Thus, while self-regulation appears to be taken seriously, the low percentage of complaints upheld raises serious questions as to what degree the decisions of the ASB serve the interests of the public over those of the advertising industry.

Figure 2 also shows the fluctuation in complaint numbers and, while the annual *Review of Operations* notes them, there is scant reflection on their causes. The downturn in 2001, for example, was redundantly explained as being ‘entirely due to a reduction in the overall volume of public complaints’ (2002, p.4). Similar vagaries also accounted for some of the peaks. The increase in 2005 was thus attributed to ‘the growing awareness and interest of



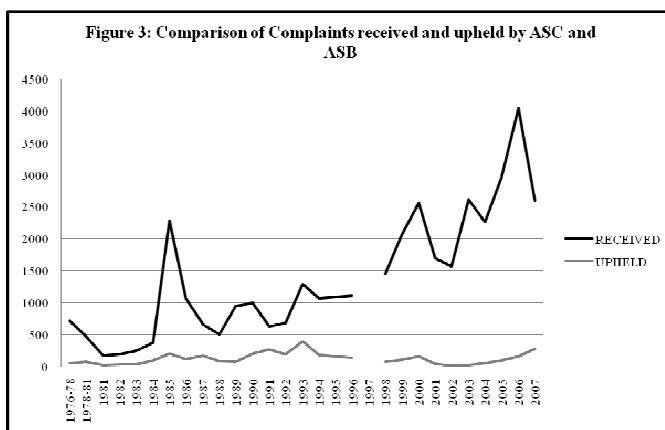
consumers in having a free and transparent system for handling complaints about advertising’ (2006, p.11). However, some reports did recognise that public relations initiatives highlighting the ASB and its function resulted in an increase in the number of complaints (2000, p.4; 2006, p.3; 2007, p.8).

Over the course of the ASB’s first decade, the primary issues attracting complaint have been relatively steady. Annual reports reveal the key areas of

complaint for an average year were: Discrimination/Vilification (27%), Sex/Sexuality/Nudity (26%), Health & Safety (12%), Violence (12%) and Children (3%). This pattern not only illustrates those issues that upset audiences, it also suggests that a section of the advertising industry has *consistently* chanced its luck. Such transgressions appear to have undermined the industry’s attempts to improve its reputation, providing further insights into the reasons why three-quarters of the respondents to the Roy Morgan survey agreed that there should be ‘more control over advertising content to meet community standards’ (Roy Morgan, 2009).

The ASB and the ASC compared

A comparison of ASB and ASC data provides further insights into the two bodies, their respective operations, and the balance of their decisions. Figure 3 highlights the difference in



number of complaints received by the two organisations. It is unclear whether this increase in complaints can be attributed to a greater willingness to complain, a decline of advertising standards, more effective regulations, better publicity campaigns or the impact of information technology. Some explanations can nevertheless be identified. The spikes in 1985 and 2006, for example, reflect concerted public relations campaigns.

Technology has also affected complaint levels. In 2001, 87% of complaints arrived via post and 10% via email. By 2007, this figure had reversed, with 84% via email and only 14% by post. The ease and speed with which complaints can be lodged has increased the ASB’s workload.

The most significant difference between the ASC and the ASB concern upheld complaints. Despite the criticisms levelled at the ASC for its apparent reluctance to uphold complaints

(Strickland, 1996a, p.26; Pearson, 1999, pp.337-8), Figure 3 reveals that the ASB has dismissed more complaints than its predecessor. Only 50% of complaints to the ASC made it through the filtering process to be heard by members, whereas the corresponding figure for the ASB is almost 100% (Harker, 2001, p.17). While the ASB places all complaints on an equal footing, it might have a negative result, as decisions may be based on comparisons rather than a complaint's individual merits. Commenting that 'I am still amused ... at the sometimes petty approach of some citizens to very mild attacks on their sensibility in certain ads', ASB member John Brown infers that some screening was desirable (ASB, 2003, p.8). It should also be noted that the ASB's workload also differs from the ASC insofar as the public only contributed some 75% of the complaints to the ASC. The remainder generally involved advertisers attacking competitors' claims (Harker, 2000, pp.202-5). Such complaints are now handed to the Advertising Claims Board (leaving the ASB to focus on the public's complaints).

The discrepancy in upheld cases indicates that the ASC and ASB's differing operational structures have also affected their decisions. Unlike its predecessor, the ASB cannot compel advertisers to comply with its decisions – an issue that had been initially highlighted by the Australian Consumers' Association (Burbury, 1997; Hornery, 1997). The ASB has since stressed that it enjoys the full support of advertisers, agencies, and media proprietors (ASB, 1999, p.2; ASB 2000, p.3). While the 2000 Windsor Smith billboard controversy revealed that advertisers ignoring ASB decisions could be brought into line by co-operative media outlets (Wells et al, 2008, p.83), such dependence on media co-operation places the ASB in a problematic position. With negative decisions directly affecting its collaborators' primary source of income, the ASB must be cautious as it can ill-afford to alienate the media and therefore its own authority.

The ASB and ASC decisions also reflect organisational differences. The ASC board comprised a chairman, nine members and four alternative members. Although most members had advertising links (as advertisers, agents, or media representatives), Kerr and Moran claim that they 'served as individuals' whose backgrounds, education, and public service brought 'a wide range of experience and interests' (2002, p.194). The ASB sought a more representative board. Its inaugural 16-person membership included 9 women. Only 8 members had media backgrounds (although not necessarily advertising). Kerr and Moran, however, conclude that the ASB members' lower standards of education and public recognition means that the ASB 'lacks the depth of skill of its predecessor' (2002, p.201). In both bodies, the chairman has wielded extensive influence. Sitting in on closed ASC meetings, Harker explained how the 'chairman often overrode the prevailing view ... the chair decides what complaints will be heard ... Those that do make it are often considered and determined in less than four minutes' (Strickland, 1996b, p.30; Harker, 1996). Although the ASB has sought to ameliorate this issue by instituting a rotating Chair, the comments and initiatives that followed Koltai's departure in 2005 indicate that he also exerted significant influence in the decision-making process. Accused of using the ASB as a 'fiefdom' (Lee, 2006) to advance the advertising industry's interests (Canning, 2005), Koltai's departure was used by new Chief Executive Officer, Fiona Jolly (whose background significantly lay in the public service) as an opportunity to enhance the ASB's accessibility to the public (ASB, 2005, p.3).

Although the codes governing the ASC and the ASB's activities generally cover the same issues – discrimination, sex, health and safety, and children – their differing categorisations and, indeed, the addition of further categories (which serve to clarify complaints rather than expand the body's remit) make it difficult to establish an overarching pattern with any real

accuracy (Kerr & Moran, 2002, pp.197-9). Some patterns, however, can be discerned. Concerns about advertising to children have generally remained consistent whilst concern about health and safety issues has increased. Complaints about discrimination also increased but the ASC's categorisation of such advertisements was somewhat uneven. Nevertheless, the data reveals that the majority of complaints to the ASC and the ASB have related to matters of taste, decency and morality. While the ASC had categories for complaints specifically concerning these issues, the ASB does not. It is a deliberate decision that reflects Koltai's misgivings about any regulation of taste and decency in advertising (Canning, 2004). This point was not lost on members. ASB member Thomas Keneally thus criticised the Board for 'its powers do not include judgment on the basis of that vague yet important issue of taste' (ASB, 2003, p.9). To this end, it seems that the matters of greatest concern raised by the public over the longest period of time are the very matters that are excluded from review.

Conclusions

The 2009 Roy Morgan poll provides a reaffirming snapshot of the state of advertising in contemporary Australia. Advertising is viewed as essential and informative. While respondents were less convinced that 'advertising paints a true picture of the product advertised', they were nevertheless more positive than respondents had been in the 1970s and 1980s. Such positive responses, however, are counterbalanced by the public's deep-seated concerns about advertising's coercive capacities and the need for greater regulation.

Public scepticism about the state of advertising regulation raises interesting questions about the ASB and its operations. Having increased accessibility, reviewed more cases, and appointed a more 'representative' board, the ASB only upheld 4% of complaints in its first decade of operations. In contrast, the corresponding figure for the seemingly aloof and less representative ASC was slightly under 17%. Such a discrepancy raises serious questions about the degree to which the ASB is serving the interests of the public. On the surface, the ASB clearly takes self-regulation seriously, as every complaint received is reviewed. However, unlike the ASC, complainants' fundamental concerns of issues pertaining to taste, morality, and decency are excluded from the ASB's remit and therefore remain unaddressed. Although the 2007 survey of the ASB's decisions reveals that they were 'broadly in line with community standards' (ASB, 2007, p.6), it fails to recognise the underlying weakness of the system, namely that the codes of practice governing the ASB's operations prioritise the interests of its key stakeholders – the advertising industry and the media. The advertising industry ignores these fundamental public concerns at its own peril and it is hardly surprising that 75% of respondents to the 2009 survey would feel that there should be 'more control over advertising content to meet community standards' (Roy Morgan, 2009).

This study also provides important insights into the sustainability of advertising within this self-regulatory framework. The ASB's first decade illustrates the limitations of advertising self-regulation identified by Jean Boddewyn: '[it] is essentially an educational and "consciousness-raising" task, which ... has to be performed in a "satisficing" rather than "maximizing" or "optimizing" manner' (1988, p.352). Self-regulation thus seeks to protect the advertising industry's sustainability. Given that Australians overwhelmingly regard advertising as essential and informative, it seems that the ASB has achieved this goal. Enhancing its sustainability should be the new goal, and the extension of the ASB's remit would provide an opportune starting point.

References

Advertising Standards Bureau (ASB), 1999. 1st Annual Report, Advertising Standards Board, Sydney.

Advertising Standards Bureau (ASB), 2000. Review of Operations 1999. Advertising Standards Board, Sydney.

Advertising Standards Bureau (ASB), 2003. Review of Operations 2002. Advertising Standards Board, Canberra.

Advertising Standards Bureau (ASB), 2005. Review of Operations 2004. Advertising Standards Board, Canberra.

Advertising Standards Bureau (ASB), 2006. Review of Operations 2005. Advertising Standards Board, Canberra.

Advertising Standards Bureau (ASB), 2007. Review of Operations 2006. Advertising Standards Board, Canberra.

Advertising Standards Bureau (ASB), 2008. Review of Operations 2007. Advertising Standards Board, Canberra.

Belch, G.E., Belch, M.A., 2007. Advertising and promotion: An integrated marketing communications perspective. McGraw-Hill Irwin, Boston, Mass.

Blakeney, M., 1986. Leaving the field – Government regulatory agencies and media self-regulation. UNSW Law Journal 9(1), 53-64.

Boddewyn J., 1988. Advertising self-regulation and outside participation: A multinational comparison. Quorum, New York.

Burbury, R., 1997. Controversial commercials: How easily are you offended? The Australian, 16 June, 24.

Canning, S., 2004. Crusade for the right to offend. The Australian, 12 February, 21.

Canning, S., 2005. Reform tipped for advertising watchdog. The Australian, 7 July, 19.

Crawford, R., 2008. But wait there's more: A history of Australian advertising 1900-2000, Melbourne University Press, Melbourne.

Harker, D. 1996. Advertising self-regulation: An assessment of the effectiveness of the Advertising Standards Council in Australia, Ph.D. thesis, Griffith University.

Harker, D., 2000. Complaints about advertising: what's really happening? Qualitative Market Research: An International Journal 3(4), 198-206

- Harker, D., 2004. Educating to improve the effectiveness of advertising self-regulatory schemes: The case of Australia. *Journal of Current Issues and Research in Advertising* 26(1), 69-84.
- Harker, D., Harker, M., 2008. Advertising in Australia: The big issues. *International Journal of Advertising* 27(5), 910-915.
- Harker, M., Harker, D., Svensen, S., 2005. Attitudes towards gender portrayal in advertising: An Australian perspective. *Journal of Marketing Management* 21(1-2), 251-264.
- Harker, D., Harker, M., Volkov, M., 2001. Developing effective advertising self-regulation in Australia: Reflections on the old and new systems. *Australasian Marketing Journal* 9(1), 7-19
- Harker, D., Wiggs, G., 2000. Three generations of advertising self-regulation: Learning from our forefathers. *Marketing Bulletin*, 11. Available from <http://marketing-bulletin.massey.ac.nz/#11>, accessed 23 June 2009.
- Hornery, A., 1997. Complaints about ads to go before new body. *Sydney Morning Herald*, 29 August, 7.
- Jones, S.C., 2003. Sexism is in the eye of the beholder: Does the Advertising Standards Board reflect “community standards”? In Guersen G., Kennedy, R., Tolo, M., (Eds). *Proceedings of the Australian and New Zealand Marketing Academy Conference ANZMAC 2003, Adelaide*, 41-47.
- Jones, S.C., Donovan, R.J., 2002. Self-regulation of alcohol advertising: Is it working for Australia? *Journal of Public Affairs* 2(3), 153-165.
- Jones, S.C., Hall, D., Munro, G., 2008. How effective is the revised regulatory code for alcohol advertising in Australia? *Drug and Alcohol Review* 27(January), 29–38.
- Kerr, G., Moran, C., 2002. Any complaints? A review of the framework of self regulation in the Australian advertising industry. *Journal of Marketing Communications* 8(3), 189-202.
- Lee, J., 2006. Standards bureau chief raises the bar. *Sydney Morning Herald*, 23 March, 33.
- Pearson, G., 1999. Disbanding an effective system for self regulation of advertising: Beyond the Media Council of Australia. *Journal of Consumer Policy* 22(3), 331-360.
- Roy Morgan, 2009. Telephone Morgan poll. 2-3 September.
- Strickland, K., 1996a. ACCC attacks standards council. *The Australian*, 22 August, 26.
- Strickland, K., 1996b. Standards Council falls victim to abuse. *The Australian*, 19 September, 30.
- Volkov, M., Harker, D., Harker, M., 2002a. Complaint behaviour: a study of the differences between complainants about advertising in Australia and the population at large. *Journal of Consumer Marketing* 19 (4), 319-332.

Volkov, M., Harker, D., Harker, M., 2002b. Opinions about advertising in Australia: a study of complainants. *Journal of Marketing Communications* 8(4), 229-242.

Volkov, M., Harker, D., Harker, M., 2005a. Who's complaining? Using MOSAIC to identify the profile of complainants. *Marketing Intelligence & Planning* 23(3), 296-312.

Volkov, M., Harker, M., & Harker, D. 2005b. People who complain about advertising: The aficionados, guardians, activists and seekers. *Journal of Marketing Management* 22(3), 379-405.

Wells, W., Spence-Stone, R., Moriarty, S., & Burnett, J. 2008. *Advertising: Principles and practice*, Australasian edition, Pearson, Sydney.

Windschuttle, K., 1988. *The media: a new analysis of the press, television, radio and advertising in Australia*, Penguin, Melbourne.