

Effect of Marketing on Society

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Marketing and Society

“Society can exist without Marketing, but Marketing cannot exist without Society”

Marketing is the management process of anticipating, identifying and satisfying customers requirements. The various conventional marketing tools- advertising, branding, direct marketing, sales promotion, publicity and public relations.

Critics acknowledge that marketing has legitimate uses in as much as it connects goods and services to consumers who desire them. However some aspects of marketing, especially promotion and advertisements are subject to criticisms. They argue that product promotion is an attempt coming from the goods and service providers to influence demand. Advertising has become such an inextricable part of our lives that one cannot really imagine life without it. Although we hardly ever notice, advertisements leave an indelible mark on our minds, especially the vulnerable groups like children and adolescents.

Effect of Marketing on society, in particular on Vulnerable Groups

Marketing and society, the **commensuration** of the two words raises a few eyebrows, as it is highly debatable. On the one hand, Society thrives on the marketing efforts of the Companies, while another school of thought argues that marketing makes the society more materialistic. Today, striking a balance between the two is the challenge faced by the marketers.

Ethical expectations are a vital part of business environment. The society expects the business to be ethical and desires corporate executives, at all levels to apply ethical principles- in other words, guidelines as to what is right and wrong, fair and unfair, and morally correct- when they make business decisions.

“Selling nakedness with Clothes”

Advertisers are traditionally use techniques to which children and adolescents are more susceptible, such as product placement in TV shows, tie-in between movies and fast food restaurants, to mention a few. It's all a kids play anyway with today's youngsters having profound influence over purchases in all kinds of product categories. They have become the center of aspirations of the family. Therefore there exist many marketing evils that lure people to buy even when not required.

The picture of the relationship between marketing and society is, however, contested. Marketing has often been criticized for encouraging excessive consumption, hedonistic life style and producing a consumer culture where products and services are the core of social identity at the expense of other 'traditional' values.

Just as in an under developed economy, marketing can be an avenue for publicity of indigenous products and services thereby generating income, similarly in developing and developed economies, where competition for the share of the customer's pocket is high, marketing can lead to attitudinal and lifestyle changes and problems

The Wimpy's or Narula's ads offers free ice-creams to students who have excelled in their examinations, free collectible coupons or tattoos inside chips packets, and other such advertising gimmicks. These tactics do not add any value to the product being offered but only lure consumers to buy a product they otherwise may not have bought- leading to another group of people who entice these students to enroll for a weight reduction programmed! Is this a way to contribute to the society?

Sex is used in commercials to sell every thing from beer to shampoo to cars. New research is showing that teenager's exposure to sexual content in the media may be responsible for earlier onset of sexual intercourse or other sexual activities leading to increased number of HIV positive cases.

Alcohol producers (US) spend \$ 5.7 billion/year on advertising and promotions. Research has found that adolescent drinkers are more likely to have been exposed to alcohol advertising. Studies confirm that there is a direct link between advertisements of junk food and obesity among adolescents.

Calvin Klein's "Pornographic" Ads :

During the summer of 1995, Calvin Klein, the clothing designer, unveiled a new advertising campaign for CK jeans. A series of print ads, bus posters, billboards, and TV spots featured adolescent-looking models in a variety of provocative poses, many with their underwear casually exposed. In one of the most notorious television spots, a young man was shown leaning against a dingy paneled wall, an off camera male voice talked to him " You got a real nice look" the gravely voice said , "How old are you? Are you strong ?You think you can rip the shirt off you?

That is a real nice body. You work out? I can tell.

The ad campaign generated a storm of protests. Commentators denounced the ads as just one step short of child pornography. The conservative American Family Association threatened a boycott of stores selling the jeans and called for a Government investigation. Some magazines including *Seventeen*, refused to carry the ads. At the end of the campaign(had run for a few weeks), Klein withdrew the ads voluntarily.

Violence and sex are just **two of the many values** that media industry is accused of promoting to viewers, and many believe these themes could have a serious impact on what happens in Society.

Companies have been trying to mould the opinions of the public to suit their interests. A case in point is, the efforts undertaken by the cigarette manufacturers such as Philip Morris and R.J. Reynolds. As criticism mounted about the health effects issues associated with smoking, these manufacturers identified segments of the population that both opposed and support smoking restriction. Although non-smokers want restrictions these companies have argued that smokers also have rights. By emphasizing this theme, the Companies have tried to frame the debate in terms of balancing the rights of the smokers and non-smokers, setting reasonable expectations and finding ways to create common ground for compromise.

Examples like the above can be found in plenty across the globe where marketers have tried through various mediums to over-shadow the negative effects of the products that they sell to make it more attractive to consumers and thereby making it profitable for themselves.

Brazil was home to 170 million people and at least 30 million were smokers. Thus it was a surprise to some when this country became a tougher place to sell tobacco than in the United States or Europe. The Brazilian government ordered that graphic warning be placed on cigarette packs by tobacco companies. One warning had a caption that alerted pregnant women that smoking can cause premature, asthma-prone infants. Besides the graphic warning labels, Brazil ordered a reduction in tar and nicotine levels of all cigarettes sold in the country.

As the world's third-largest tobacco producer and top leaf exporter, employing nearly 2 million people who were mostly farmers, Brazil's anti smoking drive took priority over the country's economic interest !

This paper attempts to study the impact of marketing on vulnerable groups like children across the world. Issues relating to marketing to children and adolescence of countries belonging to these divisions are addressed. In particular this paper would concentrate on the

impact of marketing on consumption of products and the negative effects that each pose to this vulnerable segment.

Puffing and Coughing and all fall down!

In the United States of America, the tobacco industry spends over \$15.4 billion a year, more than \$42 million a day, on advertising and marketing to attract new smokers and to keep people puffing away.

A Massachusetts Department of Health study found that cigarette advertising in magazines with high youth readership increased after the state tobacco settlement, in which the tobacco companies agreed not to market to kids. In addition, a study in the New England Journal of Medicine found that in 2000, tobacco companies spent \$59.6 million in advertising expenditures for the most popular youth brands in youth-oriented magazines.

Marketers when constrained by Law to market directly to vulnerable groups like children and adolescents have found circuitous route of spreading their message to these groups. Cigarette and spit-tobacco companies continue to advertise heavily at retail outlets near schools and playgrounds, with large ads and signs clearly visible from outside the stores. Evidence has consistently shown that teens prefer to smoke the brands that tobacco companies spend the most money, marketing.

A survey released in March 2006 showed that youth are more than two times as likely as adults to recall having seen tobacco advertising, whereas only 28 percent of adults recalled seeing a tobacco ad in the two weeks prior to the survey. A study in the Journal of the National Cancer Institute found that teens are more likely to be influenced to smoke by cigarette advertising than by peer pressure.

With declining sales in the U.S. due to all the successful anti-tobacco advocacy and state government action, the tobacco industry has started going overseas for its future markets—could be to developing and under developed countries. The industry has to reach young people with its advertising if it hopes to addict a new generation of smokers.

Tobacco marketing is like a balloon – you squeeze one end and it gets bigger at the other. As more and more countries impose total or partial bans on tobacco advertising, the industry is getting better and better at finding creative new ways to publicize their brands.

The tobacco companies even use religion in their advertising by creating religious icon calendars featuring their cigarette brands!

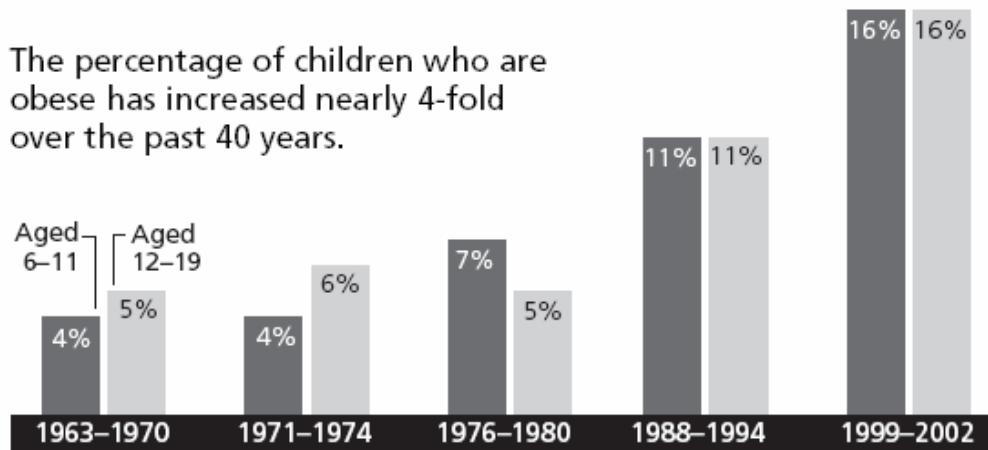
Food Marketing to kids- I'm Lovin' it?

Anyone who has ever shared a grocery store aisle with a child has most likely heard the pleas and frantic demands for the junk food. Parents seeking to encourage healthy eating habits can feel overwhelmed and completely outmatched by slick, seemingly relentless advertisements hawking the latest high-sugar, high fat, or high-sodium goodie to their kids.

Yet parents can say “NO” They are free to restrict their children’s exposure to advertising and to deny requests for unhealthy products. Commercial interests and rights can be curtailed to protect a compelling public interest, but striking an appropriate balance between the public good and constitutionally protected individual or corporate right to freedom of expression can be challenging.

As the United States’ childhood obesity rate reaches epidemic proportions, debate has intensified regarding the role that food and beverage marketing has played in shaping the diets and health of children and youth. Obesity rates in children have more than tripled over the past four decades.

The percentage of children who are obese has increased nearly 4-fold over the past 40 years.



Source: Adapted from Institute of Medicine (IOM), Food Marketing to Children and Youth: Threat or Opportunity? December 2006, figure 2-1, p. 2-4.

The consequences of childhood obesity are severe, influencing children’s mental, physical, and social well-being and resulting in significant health care expenditures. Despite the fact that obesity in children is becoming increasingly common, obese children continue to be stigmatized and discriminated against by their peers, leading to low self-esteem, negative body image, and sometimes depression. The physical disorders associated with childhood obesity include hypertension, glucose intolerance / insulin resistance, and orthopedic problems.

Commercial advertising and other forms of marketing directed at children have risen in concert with increasing caloric intake, undesirable dietary changes, and escalating obesity rates. Spending on all advertising and marketing directed at children and youth in 2004 totaled approximately \$15 billion. Roughly two-thirds (\$10 billion) of these marketing dollars were spent to promote food, beverage, and restaurant products. The nature of these efforts has also diversified as food and beverage manufacturers have pursued a broad variety of marketing strategies including Internet-based “advergames,” in-school promotions, and cross-marketing with movies and other forms of entertainment, in addition to the more familiar forms of television advertising.

Advertising is clearly effective in increasing both requests for and sales of promoted products, and the role of marketing in shaping children’s overall diets and influencing their risk of obesity is self-evident. Increased exposure to television advertising is associated with both increased dietary intake and increased adiposity in children.

Advertising dollars spent on products geared toward children and youth grew to a total of \$15 billion in 2004.



Source: IOM, Food Marketing to Children and Youth, pp. 4-32 and 4-33.

Companies like Kraft announced it would no longer market Oreos to younger children, McDonald's promotes itself as a salad producer and Coca-Cola said it won't advertise to kids under 12- but the truth is blaringly opposite. When the Bush Administration attacked the WHO's global anti-obesity initiative, it criticized what it called the "unsubstantiated focus on 'good' and 'bad' foods." Of course, if fruits and vegetables aren't healthy, then Coke and chips aren't unhealthy.

While such a strategy is so ridiculous as to be laughable, it is already having real effects. In less than a month after Cadbury Schweppes, the candy and soda company, gave a multimillion-dollar grant to the American Diabetes Association, the association's chief medical and scientific officer claimed that sugar has nothing to do with diabetes, or with weight. Industry has also bankrolled front groups like the Center for Consumer Freedom, an increasingly influential Washington outfit that demonizes public-health advocates as the "food police" and promotes the industry point of view. Beauty lies in differences but the tragedy is that it holds good even for the ugly facts!

Not just Child's Play!

Toys have long been an important promotion item when marketing to children. In fact, the amount of money spent each year on sales promotions for kids is estimated to exceed \$1.4 billion, a figure that surpasses the amount spent on advertising to children. Toys as premiums are a major weapon in the battle for market share between Burger King and McDonald's, for instance, and toys are used effectively as premiums for cereals, candies, and other products marketed to children. Even banks use toys as an incentive to encourage parents to open savings accounts for their kids.

If toys are for children, how appropriate it is for the age, skills, and abilities of the group you are targeting? In 2004, an estimated 210,300 children were treated in U.S. hospital emergency rooms after toy-related incidents, and 16 children died. Acting upon this The Consumer Product Safety Commission (CPSC) offered various safety guidelines for different age groups of children.

CK example 'Selling Nakedness Through Clothes'

Where na means haan!

Children in India constitute 18.7 per cent of the world kids' population and one-third of our country's population is under the age of 15 years. A survey by AC Nielsen, showed that an average child watches TV for about three hours on weekdays and 3.7 hours on weekends. Apart from the programmes, the children also view a lot of the advertisements. This makes kids better consumers of advertising. Also their minds are not as cluttered as adult minds so they absorb message faster, and this receptiveness translates into pester power. Pester power is the new buzzword in marketing circles and the country's business houses have realized that the child is the key to loosen his parents' purse-strings. This is suggestive from the fact that the television media is flooded with children's channels as they are sure there would be brands to advertise on them.

A study conducted by Millward Brown and IMRB showed that kids influence decision making on categories beyond those just meant for kids 35 markets in Asia Pacific, including Hong Kong, Manila and Mumbai, showed that recognition of corporate logos happens at the age of six months, brand name requests begin by the age of three years, differentiating between brand values happens by age 10 and brand loyalty begins by the age of 11.

Capitalizing on this marketers now believe in "catch them when they are young" because if they can get teens glued to their brands they have consumers for life! By 2030, in the markets studied, there would be 800 million tweens (that's the pre-teen age group between 9-14 years). The research also showed that six out of 10 children pester an average of nine times even after their parents say 'no' to a particular request, and that 80 per cent of all brand

purchases by parents with tweens are controlled by their children. The study was published as a book called ‘BRAND child’.

Pester Power research indicates that 30 per cent of fast-moving consumer goods (FMCG) purchase decisions are influenced by kids, they also influence selection of brand for non-kids category like refrigerator, music system, car to mention a few. In some ways, kids always provide expert opinion especially since they know a lot about modern technology, and advertisers do understand the impact of pester power. This probably is the reason why children are associated with seven out of ten commercials.

The situation today is even more delicate because today they can effect purchase with increased pocket money. Preteens are thus definitely having a greater say in the whole buying decision-making — and they should since the borders of consumption are no longer age-restricted.

In India, the ad spend per year on products meant for kids but purchased by parents, like health drinks, is 12 to 15 per cent of the total Rs 38,000 million. Ad spend per year on products meant for children and also bought by them, like chocolates, is seven to eight per cent.

So, innovative marketing strategies are increasingly targeting kids, directly or indirectly. A growing number of ads feature kids. The Maruti ad with the little Sikh boy, the Hutch ad with the boy and the dog, the LG TV ad with the bespectacled boy, and several Pepsodent ads- are all evidence of marketing to an irrational audience like kids.

“Kids are responsible for making an ad a hit or flop”, says Prasoon Joshi of McCann Erickson. He also moves on to say that if a kid likes an ad, he remembers it and keeps repeating it, and soon enough the parents are humming the tune as well.

Today’s advertisements interfere with the traditional value system of our children. In our country, there are no standards as yet as far as advertising for children is concerned remarks Prasoon. Prahalad Kakkar makes a bold statement stating that Consumerism is my bread and butter but he is unclear whether it is correct to convert kids to consumerism at the age of 3 or 5!

China at the cross roads

One family one child policy has led to substantial disposable income in the hands of family members. Marketers have fully utilized this situation. People have become more materialistic, look for American life style- Designers hand bag, expensive cooling glass. This might fuel economy but at the cost of savings. Loyalty between employee and the employer is fading- Youngsters are quitting the job even if they get a few dollars more, leading to a very high attrition rate.

Greater urbanization, wherein joint families are disappearing with the movement of some two thirds of 1.3 billion people moving to cities looking for jobs. Changing the family fabrics with foregoing cultural values, destroying value system of society.

Conclusion

“Making Bucks Ethically”

Look at Starbucks marketing policy:

“Marketing to Youth Starbucks customers are people of diverse ethnic, income and age groups with varying tastes and interests. They embrace the diversity and strive to provide excellent customer service by offering products that are relevant to their customer base and their varying interests and tastes, including some products which may appeal to young people. While the Company’s overall marketing, advertising and event sponsorship efforts are not directed at children or youth, Starbucks has a long history of supporting community activities and events important to their customers, including young people.

Campaign and Sensitivity Review

Starbucks marketing materials and promotional campaign undergo a formal “*sensitivity review*” process prior to their approval and distribution. This process led by marketing, involves a panel of Starbucks employees from key parts of the organization-such as Customer relations, Public affairs, Corporate Social Responsibility, Internal communications and Legal- The purpose of the panel is to identify in advance and to avoid disturbing marketing materials that could be inadvertently appealing to youth, racially offensive, widely contentious or culturally insensitive. If consistent feed back is provided from members of the panel about a potential issue, the marketing team adjusts the materials or campaigns to alleviate the issue.

It is the ‘Dharma’ of the **marketers** to look for all possible ways to improve sales, market share, profitability and stake holders interest as long as it is ethical, legal and non-injurious.

The **Government** takes initiatives to curb the negative influences of Marketing on Society, but when it comes to economic interest of the country, does consumer interest matter to them? Here is where the scale of balance is required. Government can restrict or even ban advertisements such as- Cigarette ad, Junk food ad, if there is a significant public health risk. One solution that is non controversial and would relatively easy to implement is to educate children and teenagers about the effects of advertising- media literacy. Curricula should be developed that teach young people to become critical viewers of media in all its forms, including advertising. Media education seems to be protective in mitigating harmful effects of media, including the effects of cigarette, alcohol and food advertising.

Parents have a major role to play and have to maintain an atmosphere of warmth, affection, support, positive communication and understanding with the children, for a brighter Society.

In future, we need to produce reflective managers who are aware of the complex relations between marketing theory, practice and society and the way that theory and practice can impact on the world we live.