To the Graduate Council:

I am submitting herewith a thesis written by Shirley P. Wagner entitled "A Study of Advertising Policies of Television Stations in Tennessee." I have examined the final copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Communications.

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We have read this thesis
and recommend its acceptance:

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Accepted for the Council:

The Graduate School

A STUDY OF ADVERTISING POLICIES OF TELEVISION STATIONS IN TENNESSEE

A Thesis

Presented for the

Master of Science

Degree

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Shirley P. Wagner

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ABSTRACT

A combination of mail questionnaire and telephone interview was the data gathering method for a survey of commercial television stations in Tennessee listed in the 1982-83 Television Factbook. Fourteen stations, out of nineteen, participated in the study. One was omitted from the data, however.

The purpose of the study was to examine advertising policies and practices among television stations since the NAB code was dropped. The questionnaire was designed to, basically, determine station's guidelines in accepting and rejecting ads, types of complaints received from viewers, and spot particular problems that might have appeared since the demise of the code. In addition, broadcasters were asked their opinion on the future of self-regulation in broadcast advertising.

The results indicated that approximately one-half of the participants have a written code that they adhere to. Several indicated that the old NAB code was, basically, being used. Participants reported that most ads were reviewed by a designated person prior to their being aired. The program director was most frequently listed.

Stations reported that they have received few complaints about their ads. Violence, nudity, and sex in movie ads were most frequently mentioned. The majority of participants reported that ads in their markets were scrutinized about the same as when the code was in effect.

The majority of participants expressed optimism for the future of self-regulation in broadcast advertising. The optimism, however, was accompanied with concerns, cautions, and challenges for the industry.

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CHAPTER I

INTRODUCTION

When voluntary codes of conduct are adopted by large industries, most codes promote good public relations while providing guidelines for members. The guidelines are to minimize abuses that might bring about government regulations. In Broadcasting in America (1982), Sydney W. Head and Christopher H. Sterling saw two sides to self-regulation codes.

> . . . they enable the more enlightened (or more prosperous members of an industry) to insulate themselves from the proverbial bad apples in the barrel that otherwise tend to corrupt all the rest. Self-regulation also has a dark side, however. It can be used as a smoke screen to conceal illegal restraint of trade (p. 507).

For example, some industries might set up strict and costly guidelines that competitors cannot comply with; consequently, they are driven out of business.

Codes of conduct and programs of advertising self-regulation are probably more numerous than one might realize. Industry groups such as advertising associations, special industry groups, trade associations, and media associations have some form of advertising self-regulation.

Priscilla A. LaBarbera pointed out in the Journal of Marketing (1983) that self-regulation programs provide benefits to the government, consumer, and the industry. The government benefits from advertising self-regulation programs in that cases filed with the

Federal Trade Commission (FTC) are drastically reduced. This leaves members free to devote resources to new issues and to settle unresolved cases. Consumers benefit in that advertising is more truthful and tasteful than it might otherwise be. In addition, consumers have a recourse for their complaints. The industry's benefits include greater advertising effectiveness, forestallment of government regulations, effective resolution of complaints, and enhancement of public relations.

Unfortunately, advertising self-regulations are not without costs. Costs to the government include possible infringement of policing authority. In addition, the Justice Department and the FTC must monitor for possible anticompetitive abuse. Consumers must deal with potential industry bias. "In terms of the social costs to consumers many advertising self-regulation programs have limited or no public participation . . . codes usually reflect the value judgments of industry members rather than consumers" (LaBarbera, 1983, p. 59). Costs to the industry for providing self-regulation often cause discord among members. It is difficult for members to agree on a code of ethics or ethical standards. A major cost to the industry, however, is the "threat of antitrust violation because self-governing standards may lead to reduced competition" (LaBarbera, 1983, p. 59).

The broadcasting industry has had a self-regulation program since 1925 when the National Association of Broadcasters (NAB) code of ethics and standards was established. The radio code was written

in 1937; the television code was added in 1952. One cannot estimate benefits that the government, consumer, and broadcasting and advertising industry have received while this code was in effect. Unfortunately, cost must also be considered.

The NAB used moral suasion in administering its self-regulation program for the most part. The NAB rarely needed to use more severe sanctions. "In 20 years the National Association of Broadcasters has sent out less than 20 notices concerning advertisers and advertising agencies that refuse to cooperate" (LaBarbera, 1980, p. 31). Stations that repeat violations are denied the use of the "NAB TV/ Radio Seal of Good Practice." If advertising agencies violated the code and refused to correct the violation, the NAB sent notices to television stations advising them of the violation. The broadcasters had the option of airing commercials made by violators or rejecting them.

The NAB was charged with an antitrust suit on July 14, 1979. The suit charged that the NAB's television code commercial time standard violated the antitrust law. The code's ban on "piggyback" commercials into less than 60 seconds was declared illegal. United States District Court Judge Howard Greene heard the case and ruled that the code's "prohibition on multiple product advertising in spots of less than one minute violated antitrust laws and he set for trial two other standards--restricting time for commercials per hour and per program" ("Act Wants to," 1982, p. 62).

After the antitrust suit in 1979, the NAB suspended its code, dismantled the Code Board membership and sought a settlement. The proposed settlement required that the NAB drop three advertising standards--article five of section nine, article one through five of section 14, and all of section 15.

Article five of section nine dealt with multiple products announcement. A multiple product announcement is defined as "one in which two or more products or services are presented within the framework of a single announcement" (Broadcasting Cablecasting Yearbook, 1982). The code specified that advertisements of several products could not be scheduled in less than 60 seconds. They were permissible, however, when they appeared as a single message to viewers. The code clearly defined when and how this would be permitted. Section 14 covered time standard for network-affiliated stations; section 15 covered time standards for independent stations.

Since the NAB has dismantled its code, the networks, individual stations, and the national division of the Council of the Better Business Bureaus are left with the burden of determining what viewers will see in program content and advertising on television.

Statement of the Problem

The purpose of this study is to examine policies and practices that television stations in Tennessee are using for local and national spot advertisements since the NAB code was relinquished. The topic is timely in that deregulation is on the agenda of

broadcasters, Federal Communication Commission (FCC), and Congress. A study of this type is important to others who might benefit from the research, e.g., practitioners and academics. Broadcasting and advertising has an impact on people. Some fear that in absence of the NAB code, broadcasters and advertisers will air tasteless commercials. On the other hand, others believe the opposite; broadcasters and advertisers will become more sensitive.

Part of the NAB television code dealt specifically with advertising standards. The standards had very detailed categories of: (1) presentation of advertising, (2) claims, (3) advertising of medical products service, (4) contests, (5) premiums and offers, (6) time standards for network-affiliated stations, and (7) time standards for independent stations. Other parts of the code dealt with program standards and subscribers. The code held viewers as well as broadcasters responsible for serving the public. The code's preamble stated in part:

> The viewer also has a responsibility to help broadcasters serve the public. All viewers should make their criticisms and positive suggestions about programming and advertising known to the broadcast licensee. Parents particularly should oversee the viewing habits of their children, encouraging them to watch programs that will enrich their experience and broaden their intellectual horizons (Broadcasting Cablecasting Yearbook, 1982).

Since the code has been dismantled, station managers write their own guidelines, or handle each issue as it arises, to determine which commercial is acceptable or unacceptable for viewers. John MacGregor, station manager at WJTV, Jackson, Mississippi, says

it is unlikely that there will be radical changes "because the people who grew up under the code have a natural resistance to change" (Paskowski, 1983, p. 66).

Clayton Brace, station manager of KGTV in San Diego, also says there has been little change. "We are not seeing advertisers going crazy, testing new techniques--oh, there's a little of it, but not much. . . . Broadcasters are responsible people" (Paskowski, p. 67). Vice president and general manager at KCMO-TV (changed to KCTV), Kansas City, Philip Jones, says that a sense of responsibility has always been present. It was not created by the NAB (p. 67).

On the other hand, some broadcasters are clearly being tested despite their attempts to self-regulate. Eugene Bobi, president and general manager of WGHP-TV, Greensboro-Winston Salem-High Point, reports that since the code was dropped he has been approached about adding liquor advertisements. ". . . we're not going to carry it. We don't feel it's necessarily a viable product for mass media. Besides, there are seven and one-half pages of church listings in the Greensboro-High Point phone book. You have to be cognizant of the nature of your audience" ("Absence of NAB," 1983, p. 56). William G. Moll of Harte-Hanks Communications says that the taste of the mass audience is the taste that must be considered. One commercial aired in San Francisco might be considered in good taste for that area, but in poor taste for Knoxvillians. During a panel viewing of foreign commercials, James Coppersmith of WCVB-TV in Boston

told fellow broadcasters that America would probably see new types of commercials in five to ten years. He reminded them of the days when sanitary napkins and hemorrhoid remedies were taboo. "The world is changing, and stuff like this may very well be what the world is coming to in television" ("Forging Standards," 1983, p. 100).

Some questions arise. What are stations using as guidelines in determining acceptable and unacceptable commercials? Is the old NAB code still, basically, being followed? Are stations receiving more, fewer or about the same number of complaints about ads? These questions will be explored in this study. Hopefully, insight will be gained about how television stations in Tennessee are coping since the code has been dropped. Information obtained in this study might be valuable in subsequent studies.

CHAPTER III

LITERATURE REVIEW AND BACKGROUND

Existing studies on advertising self-regulation programs are fairly new. This thesis research includes studies and other related data from the scholarly journals. The trade journals were the most helpful in constructing the chain of events leading to the demise of the NAB code. While several publications followed the day to day events prior to and after the antitrust suit, Broadcasting and Advertising Age offered the most explicit information. The positions of the FCC and FTC came from a variety of sources.

The author was unsuccessful in obtaining any information from the NAB office in Washington, D. C. The librarian stated that she was not allowed to discuss the code nor divulge any information about the antitrust suit.

A thorough literature search was conducted in an effort to include all germane studies. Information compiled from the data is included throughout this thesis.

National Association of Broadcasters

While broadcasting in America is regulated by the FCC, most of the rules by which it lives are set by the industry itself. Broadcasting rules and guidelines were contained in the NAB radio and television codes.

The NAB was founded in 1922. The NAB, broadcaster's trade association, was originally started in 1929 to provide broadcasters with some representation before Congress. "Thus, its first role was almost entirely that of lobby organization" (Quaal and Martin, 1969, p. 216). Since that time, the functions and services have grown and increased in complexity. The NAB code of ethics and the NAB standards of commercial practice were originated March 25, 1929. The NAB has grown as broadcasting has expanded. Offices are maintained in New York, Washington, D. C., and Hollywood.

The Code Authority General Manager position was appointed by the NAB president and approved by the Board of Directors. It was the Code Authority's duty to: (1) review advertising and program material, (2) resolve complaints concerning television programming, (3) define and interpret the television code, (4) be liaison officer with the government, (5) keep code subscribers informed of complaints and attitudes of the public, (6) review and monitor certain program series of subscribers, (7) make recommendations to the Television Code Board, and (8) recommend amendments to the television code. The Code Authority could choose a staff large enough to properly carry out the duties listed above.

The Television Code Board was composed of not more than nine members appointed by the president of the NAB. The members were chosen from stations subscribing to the codes. The Board's duty was to (1) recommend amendments to the television code, (2) consider appeals made by the Code Authority, (3) prefer formal charges to the

Board of Directors concerning possible loss of displaying the code seal by code violators, and (4) be available to the Code Authority General Manager for consultation on all matters affecting the television code (Broadcasting Cablecasting Yearbook, 1982, p. D-20).

In addition to the Television Code Board and the Code Authority, the NAB has other departments of Public Relations, Research, Broadcast Management, Engineering, Government Affairs, Legal, Station Services, and State Association Liaison (Quaal & Martin, 1969, p. 216).

When the NAB met in January 1983, budgets were set for fiscal year 1983 (April 1, 1983 through March 31, 1984). Costs for that period of time were estimated as $9,211,065; income was estimated as $9,387,500. A breakdown of the budget is as follows:

Science and Technology	$530,176
Government Relations	958,050
Legal	653,300
Public Affairs	626,900
Broadcasting	359,665
Membership	857,660
Station Services	989,693
Research	643,900
Administrative	3,591,721

In Broadcasting ("Laid Back in," 1983, p. 39), it was noted that membership dues for the fiscal year would not increase since television code expense of $491,429 had been eliminated.

The NAB code required all member stations to prescreen ads prior to their showing. The major areas of concern were personal care products, children's toys and children's premium products involving health claims. LaBarbera (1980, p. 30) writes:

> Executives of the NAB report that approximately 95 percent of advertising originally submitted for screening are rejected and require modification. According to those executives, rejections are largely due to overlooked details (such as grass appearing to be too green in a children's commercial rather than a deliberate attempt to be dishonest).

In Issues in Broadcast Regulation (1974), Stockton Helffrich attempted to clear up what the NAB did and did not do. While there are lots of misconceptions about the code, the NAB responds to needs in a logical way. "Basically, most of code interpretations came about from rather logical responses to manifest needs, and when we talk about manifest needs, we usually talk about priorities, what's sticking out like a sore-thumb that needs something done about it. And that may be in the area of either programming or advertising" (p. 89).

Helffrich discussed sensitive areas of advertising (or what might be considered borderline). Several years ago, Northern Paper Mills wanted to buy time for advertising its toilet paper. At that time this was definitely considered a sensitive area. Would viewers accept such ads? The spot ads were devised so that a shopper pushing a shopping cart through a super-market tossed in a variety of paper products--facial tissue, paper towels, paper napkins, and finally toilet tissue. "So this broke the ice and seemed to do it

without shocking anybody, and slowly we got around, thirteen weeks later, to deciding that they could then do a specific brand name commercial for one of the tissues; and that's the way toilet tissue advertising began" (p. 90).

The NAB attempted to be thorough in setting up guidelines. In order to get guidance in the area of advertising for rheumatism and arthritis, the NAB went to leading medical schools. They also established a Medical and Science Advisory Panel of approximately thirty members of volunteers. The volunteers came from areas such as dental specialist, headache clinics, internists, and any other medical areas one might name. "The people have helped us a great deal in sorting out in advertising copy that which is reasonable and that which is plain hogwash" (Helffrich, p. 91). In order to deal with problems that might arise in advertising of such products, the NAB had guidelines in areas of weight reducer copy, testimonials, and toys.

Despite the NAB's attempt to set standards to please viewers, the NAB codes were suspended in June 1982 after U. S. District Court Judge Harold Greene ruled that "piggyback" provisions are a per se antitrust violation. The antitrust suit challenged portions of the television code standards for the number of commercial minutes per hour, number of commercial announcements per commercial break, and number of products that could be advertised in a 30 second commercial. The suit was settled when the NAB accepted a court order barring it from reviving those sections of the code.

Private codes such as the one set up by the NAB were made unlawful by the antitrust statute, the Sherman Act, in that it prohibits agreement among competitors. Subscribing to the code was strictly voluntary, however. In addition, a subscriber could subscribe to the code yet not adhere to it. The NAB was powerless under the antitrust law to punish subscribing members who did not follow the guidelines (Head & Christopher, 1982, p. 508).

Federal Communication Commission

When Newton Minow became chairman of the Federal Communication Commission (FCC) in 1961, he immediately irritated broadcasters. "Mr. Minow provoked the broadcasters in his first appearance at their annual NAB convention with, among other castingations, his 'vast wasteland' reference" (Quaal & Ward, 1969, p. 208).

Broadcasters believe that the FCC is intruding when it becomes involved in television programming and commercial issues. Most broadcasters believe that the FCC should be concerned with licensing and maintaining proper technical standards.

The FCC and broadcasters have often disagreed about advertising regulations and program content. A phrase in the Communication Act requiring radio and television stations to operate in the "public interest, and necessity" is a source of the disagreement. A problem lies in the fact that it is extremely difficult to get regulators and broadcasters to agree on just what the phrase means. Broadcasters and the FCC alike are not in complete agreement. The

disagreement causes misunderstanding on both sides. "Some members of the FCC have interpreted the phrase as a command to act as watch-dog over the content of programs and advertising. . . . Ever since the issuance of the 'Blue Book' in 1946 [see Appendix], a threat of government regulation of programs and commercial practices has hung over broadcasting" (Quaal & Ward, 1969, p. 208). In these areas, broadcasters prefer self-regulation over government regulation. Quaal and Ward (1969) believe that the solution to industry standard problems is self-regulation. They see, however, a deviant station owner or manager, interested in the station as a source of income, as an obstacle in achieving a good self-regulation system. "Given a market of several stations, one operation that undercuts the rate card, accepts questionable advertising or approves sub-standard programming can force some other stations in that market to become competitive. Before long, the general image of broadcasting in the area can be damaged" (Quaal & Ward, 1969, p. 215). Quaal and Ward point out that few people are able to recognize marginal operators. However, the public is aware of stations that maintain high standards consistently. "It may be time for those stations to inform the public of the reasons for their favorable images" (p. 215).

At the present, the FCC wants to deregulate broadcasting. The Wall Street Journal reports that if Congress agrees and changes the law, stations will not constantly need to defend their job of serving the community. In that report Jeanne Saddler says that the five members of the FCC want to give station owners more discretion in

deciding what is good for the public. This is in the form of program content and advertising. Mark Fowler, chairman of the FCC, says that broadcasters are working at serving the public's interest and are usually successful in doing so. James H. Smith, general manager of KRON-TV in San Francisco points out that good broadcasters know they must be good local broadcasters in order to survive the competition of television via satellite and cable ("Push to Deregulate," 1984, p. 35).

Advertising

At the turn of the century, advertising was unrestricted. Daniel J. Murphy (1963) reports that it was reckless, bold, and vigorous. He describes that time period:

> It was a period of rapid expansion and economic growth. Technological discoveries made it possible to expand production to replace hard labor with power-driven machinery. This increased consequently the amount of goods available for marketing. Advertising even then was showing indications of its future phenomenal progress. It had come a long way from its early vocal beginning of the street criers--to signs, to pamphlets, to newspapers. It became a vital factor in the economic growth of the country (Ethics, Advertising and Responsibility, p. 131).

In subsequent years, advertising has been defined and described in many ways. It is said to be means of informing, persuading, causing people to buy products and services they do not need, and serving business. In Ethics, Advertising and Responsibility, William C. McInnes (1963) has a different definition. "The specific task of advertising is to implement the selling process by bridging the

communication gap between producers and consumers" (p. 8). In persuading, bridging the communication gap, or what ever function one chooses for advertising, the industry has received vast criticism from the public.

In the early part of the twentieth century, the public demanded that the industry be restrained by ethics. Their demands led to the Food & Drug Act of 1906 and the Federal Trade Commission Act of 1914. In the 1930s, advertising drew strong criticism for exploiting consumers. A consumer movement began which led to more federal regulations. In 1938, the Federal Food Drug and Cosmetic Act was passed and the Wheeler-Lea Amendment was adopted. This amendment gave the FTC more power in serving as watchdog over false or deceptive advertising.

During the 1940s and 1950s advertising continued to grow. Changes were taking place in that television was a growing medium and ad agencies were becoming more sophisticated in their research. Murphy (1963) writes in Ethics, Advertising and Responsibility that ad agencies combined "philosophics of marketing" and "psychologies of motivation" to create consumer wants and needs. He reports that new techniques brought concerns for both the consumers and the advertisers.

> The consumer, on the one hand, is general unsophisticated, unorganized, and for the most part defenseless. On the other hand, the national advertisers and his agency, with their sophistication, experience and technique, make their primary thrust with relentless pressures toward the consumer, in part educated and skillful, but for the most part uneducated and gullible. This primary thrust may be in

> print, in picture, or in sound; it may be dramatic and emotional. In any event, it is persistent and persuasive (p. 133).

Over the past several years, however, the U. S. has gone from an era of consumer protection to the current era of deregulation. Deregulation was the subject of a 1964 speech made by Ronald Reagan on behalf of Senator Barry Goldwater's bid for the presidency. The theme of that speech was that government imposes too many regulations on businesses. That theme was sounded again by President Ronald Reagan in his inaugural address. He promised in that address to make government "work with us, not over us; to stand by our side, not to ride our back" ("One of Their," 1981, p. 23).

Mark Fowler, FCC chairman, served as communication counsel to Reagan in his 1976 and 1980 presidential campaigns. At that time he was part of a communication law firm, Fowler & Meyers, and was known for his regulatory, pro-business approach. When Fowler was named to the FCC in 1981, he vowed to make deregulation an important part of his chairmanship; consequently, the marketplace would serve as a standard of measurement. Rules believed to be unreasonable and a burden to broadcasters would be scrutinized. If the rule could not survive the scrutiny, it would be thrown out. Fowler believed that under the marketplace approach, broadcasters should be given the responsibility to judge how they should compete for viewers and listeners ("Toothless Watchdog," 1982, p. 82).

Advertising Self-Regulation Programs

The advertising industry has, in fact, had a self-regulatory mechanism for more than ten years. The National Advertising Division of the Better Business Bureau (NAD) and the National Advertising Review Board (NARB) both handle complaints about truth and accuracy in advertising. While the NAD does not have specific written rules, it comments on presenting products in unsafe settings and correct usage of terms. Each case is reviewed separately. In a 1978 poll by Gallup Organization for NARB, consumer's most frequent complaint was that advertising did not present a truthful or accurate picture. Most consumers complained about advertising being in poor taste . . . personal products and ads that insulted the intelligence ("Can Advertising Regulate," 1981, pp. 38-39).

Long before Judge Greene's decision, the American Advertising Federation (AAF) and the Council of Better Business Bureau (CBBB) started a program of advertisers self-regulation at the local level. A function of the BBB is to monitor ads and take up issues directly with advertisers. Cities participating in this program form a review committee from advertising agencies, local advertisers, and representatives from the general public. The committee is called upon to resolve individual advertising matters. Chairman of the Monroe, Louisiana, Review Board, Hugh Balfour, believes that few cases will come before the board. "What we're hoping is that the very fact that we organize this board will serve as a deterrent to questionable

advertising" ("17 Cities," 1982, p. 18). Input on the local level from consumers, media, ad agencies, advertisers, and government is important in strengthening the self-regulation program, according to William H. Tankersley, Council of BBB president and then AAF president, Howard Bell (p. 18).

Advertising self-regulation programs are by no means limited to a few. In the Journal of Marketing (1980), LaBarbera lists 22 groups that have advertising self-regulation programs (p. 34). The programs are sponsored by four major industry groups--advertising associations, media associations, special groups, and trade associations (Table 1). Advertising self-regulation programs have become increasingly popular for the most part from 1912 through the 1970s. The oldest self-regulation program is the Council of Better Business Bureau (CBBB), which started in 1912. Two groups adopted self-regulation codes in the 1920s; four adopted codes in the 1930s; two adopted in the 1940s; four adopted in the 1950s; three adopted in the 1960s. In the 1970s, the number of groups adopting codes jumped to twelve.

Of course, these groups range from small to fairly large in size. Their self-regulation budgets are also widely varied. For example, LaBarbera reported in the Journal of Advertising (1980) that in 1979, the United States Brewers Association's budget was $25,000, the CBBB's budget was $800,000. In addition to the $800,000, they allocated $175,000 to its CARU and $500,000 to its NAD. The Motion Picture Association of America charges a fee of $800 to $600 for rating films (p. 32).

TABLE 1

SELF-REGULATION ADVERTISING PROGRAMS

	Year Started
ADVERTISING ASSOCIATIONS	
American Advertising Federation (AAF)	1965
American Association of Advertising Agencies (AAAA)	1924
Association of National Advertisers (ANA)	1972
Business Professional Advertising Association (B/PAA)	1975
MEDIA ASSOCIATIONS	
American Business Press (APB)	1910
Direct Mail/Marketing Association (DM/MA)	1960
Direct Selling Association (DSA)	1970
National Association of Broadcasters (NAB)	
Radio	1937
Television	1952
Outdoor Advertising Association of America (OAAA)	1950
SPECIAL GROUPS	
Children's Advertising Review Unit (CARU)	1974
Council of Better Business Bureaus (CBBB)	1912
Automobiles and Trucks	1978
Carpet and Rugs	1978
Charitable Solicitations	1974
Home Improvements	1978
Household Furniture	1978
National Advertising Division/National Advertising Review Board (NAD/NARB)	1971
TRADE ASSOCIATIONS	
American Wine Association (AWA)	1949
Bank Marketing Association (BMA)	1976
Distilled Spirits Association (DISCUS)	1934
Motion Picture Association of American (MPAA)	1930
National Swimming Pool Institute (NSPI)	1970
Pharmaceutical Manufacturers Association (PMA)	1958
Proprietary Association (PA)	1934
Toy Manufacturers Association (TMA)	1962
United States Brewers Association (USBA)	1955
Wine Institute (WI)	1949

Source: LaBarbera, 1980, p. 34.

In the LaBarbera study, executives of the groups with advertising self-regulation programs were asked to list criteria that made self-regulation programs effective. Thirteen suggestions stemming from that study are listed in Table 2.

While self-regulation programs have some combination of code, code enforcement, acceptance of complaints, inner audit, and some form of public awareness, public involvement is essential for an effective self-regulation program. "Consumers are likely to give credibility to advertising if its producers adopt a well publicized program of advertising self-regulations" (LaBarbera, 1980, p. 27).

In a study by Richard W. Pollay, Judy Zaichkowsky, and Christina Fryer published in Journalism Quarterly (1980), results indicate that despite the flurry of advertising self-regulation and government regulations during the 1970s, advertising still lacks basic information that could be provided to the consumer. "This suggests the traditional economic defense of advertising as a source of information for the consumer is a weak one indeed for television advertising" (p. 445). The highest level of information was provided for motor vehicles, appliances, and major durables. The least information was provided in advertising of food products--including snacks, meal, and beverage. The authors point out, however, that the study gives television advertising more credit than previous studies did.

> This study does indeed give television more credit for being informative than do the previous studies, particularly with respect to the number of ads exhibiting no information at all. Marquez found 56% totally uninformative, and Resnick and Stern report 50.8% without identified

TABLE 2

LABARBERA'S CHECKLIST FOR AN EFFECTIVE ADVERTISING PROGRAM

1. Is there a written advertising code of ethics?
2. Do code provisions deal with specific consumer problem areas?
3. Has legal counsel been obtained to reduce the risk of antitrust violations?
4. Are provisions clear and unambiguous?
5. Is the ethical code and complaint procedure widely publicized and advertised to members of the industry, the government, and the public at large?
6. Is the industry's advertising systematically monitored to identify code violations?
7. Is the code administrator independent of the industry?
8. Are members of the grievance committee representative of the public and industry?
9. Are these procedures for due process?
10. Are penalties imposed for code violations?
11. Is there an appeals procedure?
12. Is the program audited periodically and is the public informed about the results of the audit?
13. Is the code revised periodically?

Source: LaBarbera, 1980, p. 38.

> information cues. This study, on the other hand, shows only 16% of ads as informationally vacuous (p. 445).

When one considers the number of ads that allude to social or psychological benefits, it is not surprising that information is low. The study did, however, reveal that ads containing the most information were typically "hard sell" ads.

Various other studies have explored the possible utility of advertising. Results of these studies suggest that advertising satisfies a need for information. In some instance, it serves a psychological and social need. Garrett J. O'Keefe, Kathaleen Nash, and Jenny Lin conducted a study on the perceived utility of advertising (Journalism Quarterly, 1981) to determine several aspects regarding the utility of advertising. They sought to determine the following:

1. To what extent do individuals find advertising in each medium useful?
2. What demographic characteristics are associated with perceived high and low utility?
3. To what extent is the degree of attention paid to advertising in the medium related to perceived utility?
4. To what extent is perceived utility associated to overall exposure of a particular medium?

The results of that study revealed that newspaper ads were perceived to have the highest utility. Television was slightly ahead of magazines and radio was last. Dennis F. Hale (1980, p. 64) found

that newspaper readers strongly supported newspaper advertising. Only a small minority of readers desired fewer ads in that study. In terms of demographic characteristics, lower income level and lesser educated respondents found the broadcast medium to be more useful than the respondents of higher status. Women paid more attention to print ads and perceived greater utility from them than men. The overall rate that respondents were exposed to the medium along with the amount of attention paid to ads were significantly associated with the respondents perceived utility of advertising. Hale suggests that the lower income readers might be more interested in the price of certain items than news of foreign countries and local government.

Problem Areas

Problem areas of personal products, puffery, deception, and substantiation in advertising will briefly be focused on in this chapter. An indepth coverage of each topic is beyond the scope of this paper.

Personal Products

When advertisers initially sought broadcast time to advertise personal products in the 1950s, the NAB banned such commercials. That ban, however, was gradually lifted. Feminine hygiene spray commercials were aired in 1969, followed by hemorrhoid remedy ads in 1971, sanitary napkin, tampon, and douche ads in 1972, and pregnancy

test kits in 1978. Many viewers are offended and embarrassed by such commercials. Gary W. Shinners writes about the possibility of such ads being constitutionally censored (Federal Communications Law Journal, 1982).

> Public displeasure with the electronic broadcast media may soon shift from its focus on the excessive programming of violence and obscenity to the advertising by broadcasters of commercials for the most intimate of personal products. Encouraged by the results in Pacifica, Congress may succumb to the pressure of outraged viewers and institute a ban on these advertisements. Such legislative action, however, would raise serious constitutional questions in light of the First Amendment constraints on the government's power to regulate commercial advertising on the broadcast media (p. 88).

Shinners points out that while the government may assure more supervision over speech, a ban is unlikely. "An absolute ban on personal products advertisements is foreclosed by the First Amendment" (p. 89).

Puffery

Advertising has long been criticized for its puffery. The exaggerated praise of a product or service in advertising is thought to be harmless and often discounted by an audience. Puffery consists of praise of a product, yet not specifically stating fact. It is often thought of as an opinion. A product is labeled as "the best" meaning that there is none better. However, it might be common knowledge among some viewers that the product is not the best. Others might not have such knowledge; consequently, puffery does, in fact, have the capacity to deceive a large portion of the public.

Herbert J. Rotfeld and Ivan L. Preston (1981) believe that evaluation of puffery claims made by the FTC should be based on empirical investigation instead of its standard nonempirical approach. "There is no support in the research evidence for the ancient idea that puffery is always obviously false to consumers, who will, therefore, reject it as a basis for purchasing decision" (p. 15).

Deception

In early 1982, the FTC chairman, James Miller, entered into the "deceptive" ad rule controversy. He wanted the FTC to retain jurisdiction over unfair and deceptive acts and practices. However, he wanted the law amended to define "actionable fairness and deception." Richard L. Gordon reported in Advertising Age that Miller requested the following be written into law:

> A deceptive act or practice is a material representation that (a) is likely to mislead consumers, acting reasonably in the circumstances, to their detriment, or (b) that the representer [advertiser] knew or should have known would be misleading (7/26/82, p. 58).

This request brought concern from one of his FTC commissioners, Patricia P. Bailey. In Advertising Age (4/12/92) Commissioner Bailey expressed concern in that it was the first major challenge to alter the FTC's prohibition against deceptive trade practices in 44 years. "I oppose changing the deception standard, as do my fellow commissioners" (p. 10). She expressed concern that changes would legalize what is considered deceptive now.

In this dispute, the ad industry sided with Commissioner Miller and announced support of congressional action to withdraw FTC's authority to regulate deceptive practices. The problem lies in the fact that the words "deceptive" and "unfair" are much too general to serve as guidelines for judging ads. An editorial in Broadcasting ("Ad Industry Votes," 1982, p. 42) reported that the FTC always ties unfairness and deceptiveness together in acting against advertisers.

The Economist referred to the FTC as a "toothless watchdog"--reduced power yet trying to police advertising. "At one time, fully half of television's big advertisers had disputes pending with the FTC" (1982, p. 82). Perhaps the most famous case involved Listerine mouthwash. In that dispute, the advertiser was forced to discontinue ads and run new corrective ones.

While the FTC is separate from the advertising industry's self-regulation programs, some advertisers are concerned that industry programs might become weaker if the FTC becomes weaker (p. 87).

Substantiation

FTC Chairman Miller is also involved in the ad substantiation controversy. He asked that the ad substantiation doctrine be reviewed by members of the FTC as well as other interested individuals. He urged the ad industry to endorse a survey he masterminded and exchange information with colleagues. In a questionnaire prepared for their completion, one section specifically dealt with the

relationship between the FTC and self-regulation bodies. Those questions are as follows:

1. To what extent are the decisions by the network clearance departments or by the self-regulation units based on FTC decisions and orders, policy statements, or guides?

2. Do the networks or self-regulation units use FTC policies or decisions to justify their decisions about ads?

3. Do the types of claims pursued by the FTC and self-regulation units differ? If so, please explain.

4. What effect does the FTC's ad substantiation program on self regulations?

5. How have decisions by the networks or the self-regulatory units differed from those of the FTC?

6. What has been the effect of an ad substantiation order against an advertiser on an advertiser? On manufacturers of the same product? Please provide any specific data.

7. What has been the effect of an ad substantiation order against a specific ad agency on that agency? On ad agencies that handle accounts for competing products?

8. What has been the effect on advertisers/as agencies of decisions by the NAD, the NAB, or courts under the Lanham Act? (Advertising Age, October 25, 1982, p. 1).

In Television/Radio Age (November 29, 1982), Sanford Josephson writes about the possible cost of the advertising industry having to substantiate their claims. Josephson writes that Daniel Jaffee, vice president of the American Advertising Federation, believes that substantiation might lead advertisers to become more general in their claims. FTC Commissioner Miller points out that some advertisers and ad agencies have trouble distinguishing between material that needs to be substantiated and material that does not. Objective claims require substantiation and subjective claims do not. Solinger &

Gordon's Kenneth Oltarsch says that it "cost money" to have proper substantiation. In looking for sources for reviewing national advertising, he sees few. The NAB code is gone and with the Better Business Bureau he sees no real enforcement (p. 36).

In Advertising Age (December 20, 1982), Miller says that a deceptive ad causes injury to a consumer when the ad induces the consumer to give up "something of value" in the form of money or by simply giving up the opportunity to buy another product (p. 14). Deceptive ads have also caused injury to a consumer when the consumer gives up personal time for shopping for a deceptively advertised product such as bait and switch items.

While sellers have the right, under the first amendment, to represent their products any way they choose, they cannot lure consumers under false or misleading ads. In some cases, the FTC might be overly cautious by restraining ads that would not deceive consumers.

In the Northwestern University Law Review (1982), Vickie A. O'Meara writes that the FTC should rely more on research studies about consumers' purchasing process in determining what might be deceptive in ads. "Neither the FTC nor the judiciary have experienced much difficulty in deciding whether an advertisement is deceptive. Yet research in consumer behavior suggests that deception is far from easy to determine" (p. 947). Instead of relying on its own impression of advertising in determining what might be deceptive in ads, O'Meara believes that the FTC should rely more on research. "If the FTC is to determine whether consumers are likely to act

because of misleading ads claims, then it must consider information processing studies which explain the extent to which advertising influences purchase decisions" (p. 967).

Prognosis

As the U. S. moves from a period of one regulated by the government to one regulated by the marketplace, there is speculation that consumers, advertiser, and broadcasters will suffer. On the other hand, many believe that the marketplace will force self-regulation programs that will better serve the consumers and industry.

Stanley E. Cohen, writer for Advertising Age, expressed his concern over the Adam Smith theory in the marketplace.

> Under Adam Smith theory, markets function best when left to seek their own levels, so there is no allowance for public policy intervention. The theory left no room for Justice Department's antitrusters to take into account the fact that the broadcast industry codes had been adopted in response to demands by government and viewers that the industry reduce clutter. All that concerned them was that the codes appeared to represent restraints of trade that raise advertising rates by creating a scarcity of prime time.

Cohen does not believe, however, that advertising will "return to the jungle." He adds, "After all, there is a new ethic in advertising that makes it unlikely that all the evils of the past will resurface in absence of an active FTC" (p. 42).

One month short of the one year anniversary of the demise of the NAB television code, Marianne Paskowski reports on some observations in Marketing & Media Decisions (December 1983). Alice Henderson, CBS vice president, program practices, says she does not see much

change in the clearing process. She says that there is no more sex or violence. However, she does mention one change. The NAB code forbade the actual consumption of beer and wine. Commercials are now showing actual consumption. "We weren't fooling anyone before. The camera shows a full glass of beer and cuts to a half empty one. What do viewers think that someone threw it into a plant?" (p. 65).

Ralph Daniels, NBC vice president, broadcast standards, and Harvey Dzoden, ABC director of broadcast standards, east coast, report that there has been no change in their advertising policy since the code was dropped. Dzoden adds that the network is open to change if advertisers' proposed changes are supported by evidence. While the network reports little or no change in their advertising practices, some ad agencies do report change.

Helen Marcus at D'Arcy-MacManus believes that the networks are tougher. "They fear they are being watched closely. They warned me too, shortly after the code was killed, that things would be pretty rough, that they would be checking on everything now" (p. 65). Marcus recently experienced difficulty clearing a Mazola oil commercial through the networks. The problem was caused by lack of uniformity at the networks.

> It used to be we would go through the NAB, and if the commercial was approved there, odds were it would not present any problems at the networks, and you were home free. But ABC said the heart-shaped visual used in the commercial was unacceptable, and we had to make another version for ABC. CBS did not accept the spot at all, and would not allow any reference to the heart. NBC took the original commercial, which is running (p. 65).

Jeff Edelstein, attorney with Hall, Dickler, Lawler, Kent, & Howley (specializing in advertising), also sees a problem with fragmentation. Since the demise of the code, there is no central figure to set guidelines; consequently, this could lead to fragmentation causing difficulties for advertisers and ad agencies alike. "Many stations review ads and each could conceivable come up with different interpretations and policies" ("Absence of NAB," 1983, p. 56).

Paskowski reported that Richard Pollett, assistant general counsel for J. Walter Thompson has seen no change. ". . . while some people may say that life got tougher without the code, I don't agree, because NAB's central clearance handled only certain product categories like cholesterol, toys, children's and premiums. . . . The NAB code never really concerned itself with comparative ad claims. Each network had and has its own printed standards on comparative advertising, and nothing has changed" (p. 66).

Rosemary Nelson, attorney for Young & Rubicom, believes that networks are less "Pollyanish" than the NAB was. Nelson notes changes in personal care product ads. She believes that networks are not as uptight as they were right after the code was dropped (p. 66).

Panelists attending the New York chapter of American Women in Radio and Television agreed that few changes would come from the demise of the NAB code ("Dropping the NAB," 1983, p. 81). Elaine Reiss, senior vice president and general council of Ogilvy & Mather, believes that different versions of commercials will be aired in different regions of the country. For example, commercials

acceptable in the West might not be acceptable in the East. At that same seminar Ronald H. Smithies, director of the NAD/CBBB reported few complaints from consumer groups. Smithies said that the majority of complaints have come from individuals. Smithies as well as other participants at that New York AWRT seminar agree that hard liquor will not be advertised on television or radio in the near future (p. 89).

Action for Children's Television (ACT), headed by Peggy Charren, filed comments asking that Judge Greene allow NAB code provisions regarding advertising to children. That Boston based activist group argued that the court "has the authority, and indeed the duty, to consider the public interest in the area of children's television advertising" ("Act Wants to," 1982, p. 62). In regard to children's advertising, the code prohibited the following:

> 1. Children's advertising should not mislead as to the products usefulness and performance.
>
> 2. Appeals involving health matters should not be directed primarily to children.
>
> 3. Program personalities or cartoon characters should not deliver commercials prior to or immediately following shows in which they star.

Charren gave the NAB credit for taking care of certain problems in the area of children's advertising. She believes that the FCC has a problem in that the children's issue is now "on the FCC's back" ("Absence of NAB," 1983, p. 55).

Marianne Paskowski reports in Marketing & Media Decisions (December 1983) that rumors of networks allowing ads with live models

modeling intimate apparel is apparently just that--a rumor. "All three networks say no change is being contemplated" (p. 138). Fay Rosen, Maidenform sales promotional manager, says she has seen no loosening of standards. Maidenform's holiday campaign will focus on the theme "be lovely in feeling and attitude, delicate imagery, and concentrate on the gift giving aspect. It certainly won't be anything out of the norm in what the networks accept," Rosen added (p. 138).

Television/Radio Age ("Absence of NAB," 1983) reported that most stations have formed their own advertising codes. Areas most stations mention as sensitive areas of advertising are items advertised to children, food with cholesterol content, and feminine hygiene products. Gary Cummings, CBS station vice president and assistant to the president, says they put their own guidelines together. ". . . earlier this year we put together our own advertising guidelines, some of which are simplifications of what was in the code. We're getting rid of some of the minute detail in areas such as personal products. Overall, our guidelines are more generalized. We're very concerned that we maintain high standards and that we review these closely" (p. 55).

Peter Kizer, vice president of the broadcast division of the Evening News Association, says that most stations will have their own codes and he sees problems in that they are not formalized through an organization. He sees one difference, however. "We might not have

everybody speaking the same voice, and we might tend to be a little more strict until we get more experience" (p. 55).

Joel Chaseman, president of Post-Newsweek stations, expects to see some experimenting and some leading by example. "It simply leaves it up to each of us. We don't have a book to look at for the answers" (p. 56).

Michael Kievman, executive vice president (television) at Cox Communications, expressed concern for the future. "Long-range, I expect erosion. It will perhaps begin very slowly in the acceptance of questionable advertising. Some of the categories may break down, and some of the time standards may break down" (p. 56). However, on the more optimistic side, Dr. William Baker, president of Westinghouse Broadcasting and Cable, says that stations might devise strong codes. "There could be a sidebar effect--to see who has the best codes" (p. 56). Dr. Baker said that his television group dropped the NAB code more than ten years ago because it was too weak.

Gert H. W. Schmidt, senior vice president of Harte-Hanks Broadcasting and Entertainment Division, stresses the importance of each station having a written code of ethics. "It could get them out of a bundle of trouble. If they don't, they could leave themselves open for lawsuits." Schmidt believes, however, that for the most part stations will adhere to their community's standards. "There may be a few who will stray, but I believe the discipline will be generated by the citizens in their communities" (p. 85).

Paskowski reports (1983) that despite the uncertainties or fears regarding the future, the Advertising Division of the Council of Better Business Bureaus has not had an increase of challenges or complaints on television. The three networks' standards departments report that they have not had an increase in pressure from activist groups (p. 138).

CHAPTER III

METHODOLOGY

Questionnaires for this study were mailed to commercial television stations in Tennessee that were listed in the 1982-83 edition of the Television & Cable Factbook. This particular edition was used because it was the last edition compiled while the NAB code was in effect. (Practicing stations while the code was in effect. The author is aware that new stations exist; however, they were not under the code.)

Television stations in Tennessee were chosen for several reasons: (1) because of the author's interest in affairs of the home state, (2) proximity to The University of Tennessee, (3) good history of cooperation with The University of Tennessee, and (4) the number of stations (small enough to take a census). The stations contacted are as follows:

WKPT-TV	Kingsport-Johnson City-Bristol
WJHL-TV	Johnson City-Bristol-Kingsport
WBBJ-TV	Jackson
WINT-TV	Crossville (formerly WCPT)
WTVC-TV	Chattanooga
WDSI-TV	Chattanooga (formerly WRIP)
WRCB-TV	Chattanooga
WDEF-TV	Chattanooga
WZTV-TV	Nashville

WTVF-TV	Nashville
WSMV-TV	Nashville
WKRN-TV	Nashville (formerly WNGE)
WREG-TV	Memphis
WPTY-TV	Memphis
WMC-TV	Memphis
WHBQ-TV	Memphis
WTVK-TV	Knoxville
WBIR-TV	Knoxville
WATE-TV	Knoxville

The first questionnaire (see Appendix) was mailed to sales managers at the 19 television stations on April 23, 1984. A pre-addressed stamped envelope was enclosed with the questionnaire. The questionnaire was in booklet form--8-1/2 x 11 sheet folded in half. Questions were printed on both front and back side of paper. A cover letter was enclosed asking managers to complete and return questionnaire, or if they preferred they could answer questions via telephone at a later date. Stations not returning questionnaire by May 24, 1984 were telephoned and asked for a telephone interview.

The questionnaire contained a variety of closed response, dichotomous, multiple choice, ranking, and open ended questions. In an attempt to encourage participation, the questionnaire was kept as short as possible without omitting data needed to make the study worth while. Follow ups were made as long as stations indicated that they were working on the questionnaire, intended to work on the

questionnaire, or would grant a telephone interview. The number of call backs ranged from one to five. However, the majority responded after the first or second call.

The questionnaire was designed to basically learn the following: (1) unusual requests for air time stations might have received since the demise of the NAB code, (2) sales managers attitudes and opinions about advertising guidelines (or lack of) since the code was dropped, and (3) stations present policies in regard to advertising.

In this survey, a combination of mail questionnaire and telephone interview was chosen because both are easy to manage, fairly inexpensive, and follow up is fast. Of course, this author is aware that the mail questionnaire generally yields low response and limited information. In an effort to counteract low response, respondents were offered a copy of the results of the study. Another limitation in the study is that telephone calls might require several call backs before the sales manager is reached. Interviews are also time consuming and the potential of bias is present in the study. The author has taken precautions in trying to eliminate interviewer, nonresponse, and questionnaire bias.

CHAPTER IV

RESULTS AND DISCUSSION

The nineteen Tennessee commercial television stations listed in the 1982-83 TV & Cable Factbook were selected for this study. Of the nineteen contacted, fourteen participated in the study, but one station, WINT, is presently off the air and is not included in results given below. Since the 1982-83 Factbook was published, three stations participating in the study adopted different call letters. WDSI, Chattanooga, is formerly WRIP; WKRN, Nashville, is formerly WNGE; WINT, Crossville, is formerly WCPT. (See Table 3 for details.)

Twelve participants are network affiliates and one is independent. Ten are on the VHF band and three are on UHF. Five participants are located in the "top 50 markets," six are in the "51-100 markets," and one is located outside the "top 100 markets."

Very few questions on the questionnaire went unanswered. In reporting the results, omissions will be referred to as "no response." Stations and individuals will be identified only when permission has been granted.

Twelve stations reported that they subscribed to the NAB code while it was in effect; one reported that it did not. Six stations reported that they do not presently have a written code. Seven stations reported that they have written codes that they adhere to. Three of those seven stations reported that the old NAB code was still followed. The remaining four did not send copies of their

TABLE 3

TELEVISION STATIONS PARTICIPATING IN STUDY

Call Letters	Markets	Network Affl.	Ind.	VHF	UHF
WRCB	Chattanooga**	x		x	
WBBJ	Jackson***	x		x	
WJHL	Johnson City**	x		x	
WKPT	Kingsport**	x			x
WATE	Knoxville**	x		x	
WBIR	Knoxville	x		x	
WTVK	Knoxville	x			x
WHBQ	Memphis*	x		x	
WMC	Memphis	x		x	
WKRN	Nashville*	x		x	
WSMV	Nashville	x		x	
WTVF	Nashville	x		x	
WZTV	Nashville		x		x

*Top 50 markets.

**501-100 markets.

***Outside top 100 markets.

code as requested. One station reported, however, that its code was being revised.

Ten stations reported that all local and national (excluding network) ads were reviewed for acceptability on behalf of their station prior to being aired. Three stations reported that not all ads were reviewed prior to being aired. These stations did not give reasons for failing to review all ads. Therefore, it is not known if stations are lax in some instances, or if there is some justification for not reviewing all ads. In addition, it is not known

what percentage of ads is reviewed and what percentage is not. The program director was most frequently listed (six times) as the person who routinely reviews ads for acceptability. The sales manager was listed once and the operations manager was listed twice. The general manager, assistant manager, and continuity director were listed once.

The general manager most frequently has the final say in marginal ads. Marginal in this content is defined as an ad that might be considered by some to be offensive as to taste, accuracy, or subject matter. Nine stations listed general manager, two listed program manager, and one listed president. Thirteen stations have rejected ads in the last five years. The reasons for ad rejections in the past five years are listed in Table 4. The reason given most frequently was for movie ads containing some combination of nudity, sex, and violence. One participant described unacceptable movie ads as "too obnoxious and too frightening." Nine respondents rejected one or more movie promotions. Unsuitable products were listed next most frequently with feminine personal products, firearms, fireworks, and fortune telling specifically mentioned. False claims were listed three times, once in connection with weight loss and once in connection with a television rental store. The third false claim was not identified. One participant rejected an ad for a lottery in connection with a furniture store. The thirteen stations reporting that they rejected ads in the past five years did so while the NAB code was in effect.

TABLE 4

REASONS FOR REJECTING TELEVISION ADS

Frequency	Reasons
1	Bad taste in local ads (details not given by respondent)
3	False claims (example: weight loss, television rental store, and a third false claim was not specified)
1	Lottery (in connection with a furniture store ad)
9	Sexual and violent themes, nudity, obnoxious and frightening (movie ads)
1	Poor technical quality
4	Unacceptable products: feminine personal products firearms fireworks fortune telling

Questions 7 and 8 are similar in wording and meaning; consequently, some of the answers are the same. Question 7 is as follows: What has been your experience with complaints about ads you've run in the past five years? The replies are as follows: very few complaints received, very minor and biased complaints, viewers express their views then drop the subject--never follow up, viewers objected to movie ads, viewers objected to beer ads aimed at young people using a sports role model, and viewers complained about time periods ads run in. One participant reported that mothers of small children complained because movie ads scared children. Two participants

added that complaints were taken seriously and their stations answered immediately. Another participant stated that changes were made if several complaints were received.

The second part of Question 7 asked participants: If you have received complaints, were they for local or national ads? Participants were asked to check local, national spot, network, or all. Five participants reported complaints for both local and national spot ads. Complaints for local and national spot advertising were listed four times each. Network advertising was listed three times. This indicates that problems were not more local or national, but both.

Question 8, closely related to Question 7, is as follows: What are some complaints you received from viewers about advertising? The replies to that question are similar to the replies to Question 7. The complaints listed were for: beer ads aimed at young people, children saw particular spots and parent was upset, interruptions, irrating talent, questions of taste, health remedies advertised during meal time, movie ads too adult in nature, standards--taste and content, violence and nudity, and violence in children's viewing time period. One participant mentioned a particular sore spot with some of his viewers. A network ad ran for a particular fast food restaurant which was not located in the viewing area. The ad was for a special breakfast "only $1.59." The respondent said irate viewers complained because the ad was running in the area, yet the area did not have the restaurant. Two participants did not respond to Question 7.

In dealing with such complaints, how does one measure the validity of the complaint? In order to learn what criteria television stations in Tennessee use, participants were asked how they judged validity of viewers' complaints. Individual responses to that question are listed in Table 5. A review and evaluation of the objectionable ads by management was the most common means used to judge validity of ads. Six stations reported that an evaluation was made by management. In one case, an outside source was sought. Two stations used the number of complaints to judge validity; one station looked for written, signed, and constructive complaints; another station used station policy, overall market acceptability, and documentation as guidelines. One respondent believes that most complaints should always be considered valid. "Most complaints are about subjective matters. Therefore, in the complainers' view, all are valid." One participant did not respond to the question.

Participants were asked to indicate which of the following produced most of their local ads: station, ad agency, advertiser, or other (to be specified). Ten participants reported that ad agencies produced most of the local ads for their stations. Two stations reported that the majority of local ads were produced by the station. One response was omitted because both ad agency and station were checked. A cross tabulation was made of Questions 7b (If you have had complaints, were they for local or national ads?) and Question 10 (Who produces most of the local ads for your station?) to determine if particular patterns might be present. For example, did

TABLE 5

CRITERIA STATIONS USED TO JUDGE VALIDITY OF VIEWERS' COMPLAINTS

Response
Are complaints written, signed, and constructive.
By the number of complaints received.
Most complaints are about subjective matters; therefore, in the complainers' view, all are valid.
Occasionally opinions are sought from outside sources.
Reviewed by station management team.
Reviewed by program director, sales manager, account representative, and general manager.
Reviewed by program director, sales manager, and general manager.
Review spot second time and double check to see what time period they are airing.
Review of spot and number of complaints.
Station policy, overall market acceptability, and documentation.
View suspect commercials and re-evaluate acceptance.
Volume of complaints.

stations using ad agencies to produce the majority of local ads receive complaints about local ads, or did stations producing local ads receive complaints about local ads? No patterns were spotted in the cross tabulation. Both stations using ad agencies to produce local ads and stations producing their own ads receive complaints about local ads. However, one station producing its own ads listed complaints about national spot advertising--not local.

Participants were asked to rank a list of the kinds of advertising they believed to be most objectionable to viewers (1), next most objectionable (2), and so forth. Liquor ads, ads for personal items, too many ads, live models modeling undergarments, poorly produced ads, and hard sell ads were chosen because these items were most prevalent in the literature search. The mean rank of the results is listed in Table 6. Ads for personal items are clearly believed to be most objectionable to viewers. Liquor ads are next most objectionable with a mean rank of 2.4. Live models modeling undergarments was third most objectionable, hard sell ads ranked fourth, too many ads ranked fifth, and poorly produced ads ranked sixth. "Other" (explicit sex) was listed as most objectionable by one participant. "Other" was omitted from the mean rank in Table 6, however. Three participants did not rank items. One commented, however, that taste is the key element. "I don't think people care as long as good taste is observed."

All thirteen participating stations report that they have not received pressure from activist groups, minority groups, or

TABLE 6

ADS PARTICIPANTS BELIEVE VIEWERS WOULD STRONGLY OBJECT TO, RANKED FROM MOST OBJECTIONABLE (1) TO LEAST OBJECTIONABLE

Type of Ads	Mean Rank
Ads for personal items	1.8
Liquor ads	2.4
Live models modeling undergarments	2.9
Hard sell ads	4.3
Too many ads	4.9
Poorly produced ads	5.3

special interest groups to air or not air certain commercials.

Questions 13 and 14 dealt with advertising to children and the use of children's personalities or cartoon characters to deliver commercials prior to or immediately following shows in which they appear. Participants were asked if they used any production device or technique to separate ads designed for children from program content. Participants were asked to name the device or technique used. Seven participants reported that no production device or technique was used to separate ads from program content. Three stations reported the use of bumpers, and one station reported that a panel judges spots, then decides where spots can run. Two stations did not respond to the question.

Participants were asked if they allowed children's program personalities or cartoon characters to deliver commercials prior to or immediately after shows in which they appear. Ten stations

reported "no," one station reported "yes," two stations reported that the question did not apply to their station. The two respondents reporting that the question did not apply to their station did not give details; therefore, it is not known why the question does not apply in these two instances.

The next two questions dealt with liquor. The first question: Do you have any plan now or for the foreseeable future to accept liquor advertising? Eleven participants replied "no"; however, one remarked that this could change if the situation changes. Another station reporting "no" added that it was against state law. One participant did not respond to the question.

The second question dealing with liquor: In ads for restaurants, night-clubs, and other businesses which permit liquor by the drink on the premises, do the establishments' ads sometimes refer to "lounge," "cocktails," "good drinks," "two for the price of one," and so forth? Ten participants reported "no." One stated, "Have no such advertising on the air and not soliciting their ads." One respondent reported that "only lounge" was used. One participant replied "don't know."

With broadcasters and advertisers regulating themselves, many viewers and special interest groups fear that broadcasters might start accepting ads from, heretofore, unacceptable products and services. One question was designed to learn what unusual requests for air time the participants might have received and their response to the request. Palm reading, mind reading, hypnosis, fortune

telling, fireworks, firearms, games of chance, unorthodox health practitioner, and other (to be specified) were listed on the questionnaire. Participants were asked to check items that they received requests for. In addition, they were asked to indicate their response to the request.

Two participants received requests for palm reading; both requests were denied. One participant received a request for mind reading which was refused. Six participants reported requests for hypnosis. Four stations accepted and two refused. Two stations received requests for fortune telling; both refused. One station received requests for both fireworks and firearms; both requests were refused. None of the participants reported requests for games of chance. One participant reported a request for unorthodox health practitioner. "Unorthodox health practitioner" was not defined on the questionnaire; therefore, the exact nature of this request is unknown. The station receiving this request did not clear the order, however. Under the category, "other," one station listed a request for topless go-go which was denied. Another participant listed chiropractic services (this might be considered unorthodox in some instances) which was accepted. Ads for chiropractic services are fairly common in most markets. That same station received a request for acupuncture. That request was also cleared. One participant responded to the question with N/A, another stated that he could not recall any such request, and two stations did not respond.

Participants were asked if they accepted ads for employment services and chiropractic services. If ads were accepted, were they restricted in any way? All thirteen participants reported that they accepted ads for chiropractic services. Eleven participants reported that they accepted ads for employment services. One participant said that his station had no ads for employment services to date, but would consider after reviewing spot. One participant did not respond to the question.

In terms of restrictions, one station reported that an internal panel judged content of ads. Two stations mentioned valid claims as their concern. One replied, "Must be valid claims." Another stated, "Must be validated to our satisfaction." It is important to recognize that each station has its own version of what is valid. One participant reported that ads for employment and chiropractic services were no more restricted than ads for any other service.

In some areas of the country, local ad clubs work with the Better Business Bureau and community in some advisory capacity to settle disputes over advertising or help set standards. Participants were asked if they have an ad club in their city (or town) and if it has any bearing on ad standards in the community. Twelve participants reported that their city (or town) had such a club, while one reported that there was no such club in their area. Four stations reported that the club in their area did not have any bearing on ad standards in the community. Eight reported that the ad club in their area did have some bearing on ad standards in the community.

Participants reported varying degrees of influence the clubs had, however. Several respondents made favorable comments about the ad clubs. One reported that the "small, but excellent club" did have a bearing on ad standards in the community. Larry Landaker of WTVF, Nashville, reported: "(The) local ad club is strong." The bearing it has on ad standards in the community is "through commitment to raise the standards of all advertising practices," he added. In Chattanooga, Dennis Siewert of WRCB, replied, the "ad club is working closely with the Better Business Bureau on ad standards." This appears to be the case in many areas outside the state according to various publications.

Participants were asked if, in their opinions, local and national spot ads in their market were scrutinized more closely, not as closely or about the same since the NAB code was dropped. Eleven participants believe that ads are scrutinized about the same. One participant believes they are not scrutinized as closely while one believes they are scrutinized more closely. The results of this question do not support the belief that in absence of the code, advertising (and broadcasters) will become less scrupulous. The results, however, support the belief that the majority of broadcasters and advertisers as ethical, professionals have won the trust of their viewers. Consequently, the audience is not looking for evidence of unethical practices.

Participants were asked to comment on the future of self-regulation in broadcast advertising. The majority of comments

expressed optimism for the future. The optimism, however, was accompanied with concerns, cautions, and challenges for the industry. "We will have to watch and be on the lookout for unscrupulous advertising more closely than ever before. Anticipate reviewing more ads." An East Tennessee respondent shares similar sentiments. "Because the public owns the air waves, I think it is the duty of each station to serve the public as if the public were our own children. Strive to give an honest picture but deliver messages with extreme caution. Don't sensationalize." One respondent expressed concern over the length of commercials. "It can easily become no regulation, i.e., stations would like to keep the base commercial length 30 seconds. This is being challenged by major agencies and clients."

Dennis E. Siewert, WRCB-TV, Chattanooga, believes that broadcasters should look to the marketplace. "(I) feel that stations will, through the marketplace, take a stronger position on advertising standards than has been the case in the past." A. C. Elliott, WKRN-TV, Nashville, points out a challenge in the future of self-regulation in broadcast advertising. "It will improve only if we take more seriously our mandate, and put less emphasis on profit margin." In addition, Elliott points out some special needs of the industry. "More talk, more strategy, more concern for commercial broadcasting and <u>its</u> place in the spectrum," we need it all, he added. Another participant wishing to remain anonymous sees fragmentation at the marketplace as a challenge to broadcast advertising. "Fragmentation at (the) marketplace through cable and new independents may

require lower rates and higher inventory." Finally, Larry Landaker of WTVF-TV, Nashville, shares his opinion--most of which is also shared by his colleagues.

> Most broadcasters favor self-regulation. However, the wise broadcasters know that it is essential to maintain a high degree of community awareness and involvement. Local communities simply won't tolerate a station to operate without regard for fairness and the well being of its citizens. Provided stations stay tuned to their communities and provided they exercise judgement, the future for self-regulation is very favorable. Out of self-regulation should come better, more creative programming, hopefully local in nature--a result of a more competitive atmosphere.

CHAPTER V

SUMMARY AND CONCLUSIONS

As stated in the first chapter of this thesis, the purpose was to examine policies and practices that Tennessee television stations were using for local and national spot advertising since the demise of the NAB code. The questionnaire was designed to determine station's guidelines, changes and/or problem areas, and the opinions of broadcasters in regard to the future of broadcast advertising.

Fourteen of nineteen Tennessee television stations participated in the study. One station did not meet the criteria for this study; consequently, it was omitted and data for thirteen stations are used. Most participants subscribed to the NAB code while it was in effect. About one-half reported that they presently have a written code that they adhere to.

While not all stations have a written code, these six stations have constructed guidelines for accepting and rejecting ads. In marginal cases, stations often use an internal panel of judges, outside sources, overall market acceptability, and station policy. Marginal is defined as an ad that might be considered by some to be offensive as to taste, accuracy, or subject matter.

Three stations (23 percent of those participating in this study) reported that not all ads were reviewed prior to being aired. Since those stations did not indicate reasons for not reviewing all ads,

it is not known if stations are lax in some instances, or if they are justified in failing to review all ads.

Some stations reported that they have rejected requests for air time while the NAB code was in effect, as well as after. Participants most frequently rejected movie ads containing some combination of nudity, sex, and violence followed by ads for unacceptable products and false claims. Requests for palm reading, mind reading, fortune telling, fireworks, firearms, and topless go-go were refused; ads for employment services and chiropractic services were accepted. Participants believe that viewers would strongly object to ads for personal items, liquor, and modeling of undergarments. According to the mean rank in Table 6, page 48, participants believe that viewers would be more tolerant of poorly produced, hard sell, and too many ads.

The majority of participants believe that local and national spot ads in their market are presently scrutinized about the same as before the demise of the code. This might suggest that perhaps few changes were anticipated.

According to the participants' comments about the future of broadcast advertising, most express optimism. However, their optimism is mixed with concerns and challenges. Participant's concerns are that they must always be on the lookout for unscrupulous advertising. One participant believes that this must be combatted by viewing more ads. Another concern mentioned by a participant in the study is that broadcasters must strive to deliver their message with

caution--taking care not to sensationalize. Another participant expressed concern that broadcasters are under pressure by ad agencies and advertisers to lengthen the commercial.

One participant pointed out that broadcasters must deal with a challenge of fragmentation of the audience in the marketplace. This fragmentation is caused by new independent television stations and cable. Another participant sees a challenge in that stations must look to the marketplace for advertising standards.

In addition to the concerns and challenges, one participant reports that most broadcasters favor self-regulation. By maintaining involvement with the community and exercising good judgment he believes that self-regulation is likely to be more successful than if broadcasters ignore the needs and tastes of viewers.

In conclusion, people have raised questions all over the country about advertising policies (or lack of). What will broadcasters use as guidelines in determining acceptable and unacceptable commercials? Is the old NAB code still, basically, being followed? What about the frequency and nature of viewers' complaints? Are stations receiving more, less, or about the same number of complaints? This study has brought more insight into these questions. The study tells us how Tennessee television stations are coping with the lack of universal standards since the NAB code was dropped.

It is difficult to imagine that advertising will return to the bold, reckless, and vigorous vehicle it was at the turn of the century. Uncertainties, however, remain about the future of self-

regulation in broadcast advertising. For example, unregulated cable competition might bring about changes unforeseen at this time.

Any additional research in the area of self-regulation in broadcast advertising should explore the influence that the Better Business Bureau might have on setting advertising standards in the community. In 1983, Janie M. Harris found that the Knoxville Better Business Bureau was not the answer to advertising problems involving consumers and businesses. While the Better Business Bureau had strong interests in improving its involvement in local advertising activity, the staff lacks experience in evaluating advertising. In several cities, however, the Better Business Bureau has a strong position in the advertising community. They often work in conjunction with the local ad club in some advisory capacity.

Subsequent studies in this area should explore reasons why all ads are not viewed prior to being aired. Under what circumstances does this occur? How many ads are not viewed? Has this always been the station's practice? If not, when did it develop?

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APPENDICES

APPENDIX A

BLUE BOOK--A 1946 document of the FCC entitled "Public Service Responsibility of Broadcast Licensees" outlined the responsibility of broadcasters to the public.

APPENDIX B

College of Communications
THE UNIVERSITY OF TENNESSEE, KNOXVILLE, TENNESSEE 37996-0313

Graduate Studies/Communications
Research Center (615) 974-6651



A STUDY OF ADVERTISING POLICIES

AMONG TELEVISION STATIONS IN TENNESSEE

1. Please answer all questions as fully as possible.
2. Mail the pamphlet to us in the envelope provided.

(For publication purposes): May we have permission to quote you by name? _____yes _____no

Would you like to receive a copy of the final report resulting from this questionnaire? _____yes _____no

Communications Research Center
Room 98, Communications Building
University of Tennessee
Knoxville, Tennessee 37996

April 23, 1984

Dear Sales Manager:

All around the country, people are asking what will happen to television advertising since the NAB code has been dropped. People ask what guidelines, if any, will be used? Will ads change in any way?

At the University of Tennessee, a survey is being conducted through the Communications Research Center to study station policies and practices in regard to advertising. Each television station in Tennessee is being contacted, and each station's participation is essential for the success of this study.

We realize that you are extremely busy; therefore, we have made every effort to keep questions to a minimum. If you do not wish to complete our questionnaire by mail, may we call you?

If you choose to complete the questionnaire by mail, please complete and return in the enclosed self-addressed envelope within a week. If we have not received your reply by May 1, 1984, we will follow up with a telephone call.

If you want your answers to remain anonymous, be assured that your wishes will be respected.

Thank you for your time and participation.

Sincerely,

Shirley P. Wagner
Research Assistant
424 Boxwood Square
Knoxville, Tennessee 37919

Michael W. Singletary
Coordinator
Communications Research Center
Room 98, Communications Building
Knoxville, Tennessee 37996

Enclosure

SALES MANAGER QUESTIONNAIRE

Call Letters _____ Location _____ Date _____

Sales manager or designated representative: _____

1. Which of the following are applicable to your station?

_____Network affiliate	_____VHF	_____Top 50 market
_____Independent	_____UHF	_____51 - 100 market
		_____Below 100 market

2. Did your station subscribe to the NAB code while it was in effect?

_____Yes
_____No

3. Do you presently have a written advertising code that you adhere to?

____Yes
____No

If yes, we would appreciate receiving a copy.

4. Are all local and national (excluding network) ads reviewed for acceptability by a designated person of authority on behalf of your station prior to their being aired?

_____Yes
_____No

5. What is the title of the person who:

(a) routinely reviews advertisements for acceptability?

_____
Title

(b) has the final say in marginal cases?

_____
Title

6. Have you rejected ads in the past five years?

_____Yes
_____No

If yes, can you tell us briefly the circumstances (when, why, what product, and so forth)?

If you have rejected an ad, was it while you were an NAB subscriber?

_____Yes
_____No

7. What has been your experience with complaints about ads you've run in the past five years?

If you have received complaints, were they for local or national ads?

_____Local
_____National Spot
_____Network
_____All of the above

8. What are some complaints you received from viewers about advertising?

9. What mechanism do you use to judge validity of viewers' complaints?

10. Who produces most of the local ads for your station?

_____Station
_____Ad Agency
_____Advertiser
_____Other, please specify_____

11. Which of the following do you believe your viewers would strongly object to? Please rank 1 through 6 (or 7). Write 1 for most objectionable, 2 for next most objectionable, and so forth.

_____Liquor ads
_____Ads for personal items
_____Too many ads
_____Live models modeling undergarments
_____Poorly produced ads
_____Hard sell ads
_____Other, please specify_____
_____

12. Have you received pressure from activist groups, minority groups, or special interest groups to air or not air certain ads?

_____Yes
_____No

If yes, by whom and in what regard?

13. Do you use any production device or technique to separate ads designed for children from program content?

_____Yes
_____No

If yes, specify_____

14. Do you allow children's program personalities or cartoon characters to deliver commercials prior to or immediately after shows in which they appear?

_____Yes
_____No

15. Do you have any plan now or for the foreseeable future to accept liquor advertising?

_____Yes
_____No

16. In ads for restaurants, nightclubs, and other businesses which permit liquor by the drink on the premises, do the establishments' ads sometimes refer to "lounge," "cocktails," "good drinks," "two for the price of one," and so forth?

_____Yes
_____No

If yes, which?_____

17. Please indicate with a check mark if time has been requested at your station for any of the following:

_____Palm reading
_____mind reading
_____Hypnosis
_____Fortune telling
_____Fireworks
_____Firearms
_____Games of chance
_____Unorthodox health practitioner
_____Other unusual request (please specify)

_____

If any have requested time, how did you respond?

18. Do you accept ads from employment services?

_____Yes
_____No

19. Do you accept ads for chiropractic services?

_____Yes
_____No

If yes, are they restricted in any way?

20. Does your city (or town) have a local ad club?

_____Yes
_____No

If yes, does it have any bearing on ad standards in the community?

21. In your opinion, are local and national spot ads in your market scrutinized more closely, not as close, or about the same since the NAB code was dropped?

_____More closely
_____Not as close
_____About the same

If there is change, why do you think that is?

22. In your opinion as a broadcaster, comment on the future of self-regulation in broadcast advertising.

23. Other comments you have:

THANK YOU FOR YOUR COOPERATION.

APPENDIX C

April 23, 1984

Mr. Thomas R. King
Tennessee Association of Broadcasters
Executive Park
4701 Trousdale Drive
Nashville, Tennessee 37220

Dear Mr. King:

At the University of Tennessee, a survey is being conducted through the Communications Research Center to study television station's policies and practices (in Tennessee) in regard to advertising. A copy of the questionnaire is enclosed for your inspection.

This study will be conducted by a graduate student in advertising under the direction of Professors Michael Singletary, Alan Fletcher, and Herbert Howard. We will appreciate any help you might give in encouraging stations to participate in the study.

Please be assured that we are friends of broadcasters and advertisers alike.

Sincerely,

Shirley P. Wagner

Shirley P. Wagner
Research Assistant

Enclosure

VITA

Shirley P. Wagner was born in Knoxville, Tennessee on May 30, 1939. She attended elementary school in Seymour, Tennessee, and graduated in 1957 from Harrison Chilhowee Baptist Academy. In December 1981 she graduated from The University of Tennessee, Knoxville, with a Bachelor of Science degree in Business Administration and a major in marketing.

While working on the Bachelor of Science degree, she worked as administrative assistant at the corporate office of Sterchi Bros. Stores, Inc. In 1980, she became secretary and treasurer of Wagner N/C Machining Corporation.

The author enrolled at The University of Tennessee, Knoxville, in the spring of 1982, where she began work on the Master of Science degree in Communications--with emphasis in advertising and broadcasting.

She is married to Henry D. Wagner, formerly of Cleveland, Ohio.