## Utah State University DigitalCommons@USU

All Current Publications

**Current USU Extension Publications** 

9-1-2010

# How Advertisers Mess with Our Minds and Wallets

Ann House Utah State University

#### Recommended Citation

 $House, Ann, "How Advertisers Mess with Our Minds and Wallets" (2010). \textit{All Current Publications}. Paper 166. \\ http://digitalcommons.usu.edu/extension\_curall/166$ 

This Factsheet is brought to you for free and open access by the Current USU Extension Publications at DigitalCommons@USU. It has been accepted for inclusion in All Current Publications by an authorized administrator of DigitalCommons@USU. For more information, please contact digitalcommons@usu.edu.





September 2010

### How Advertisers Mess with Our Minds and Wallets

Ann House, Extension Assistant Professor, Utah State University **Utah Saves Statewide Coordinator** 

Consumers are entitled to expect truthful advertising regarding the products and services they purchase, and advertisers have a legal obligation to comply. Under federal and state laws, making false, misleading or deceptive claims about the quality, nature, purpose and cost of any product or service is illegal.

We can thank strong consumer policy, and federal and local efforts to enforce these policies so that the advertisements we see and hear are truthful.

We see and hear thousands of ads each year. Many sound like this, "I have a great product for sale. It is a pill that taken daily will help you lose weight and have the abs of a body builder. I will sell you 90 tabs, a 3-month supply, fully guaranteed for \$39.99."

Deep down we probably are aware that a simple pill will not do what the ads claim, but this ad is legal. If you notice ads on TV and in magazines for weight loss pills, this is exactly the sort of claim you see and hear. The average American will have seen two million commercials by the time he or she reaches the age of 65. And that is just television advertisements. Ads are a part of our lives. They direct us to stores, to restaurants, to travel destinations, and to merchandise. They serve an important purpose; advertisements let people know about services, about current offers, and ads allow companies to compete in the market.

How is a consumer able to sort through these two million-plus ads we will see in our lifetime to understand exactly what we are purchasing? Most days we can barely handle our personal financial management and planning. Additionally, our best efforts at budgeting often take a back seat to the lure of marketing and advertising. How can we protect our earnings, and how can we make spending decisions based on value, on need, and on deliberate choice? We can learn the basics of how marketing works and we can learn about our rights as consumers.

The Federal Trade Commission, FTC, regulates most advertising we see in this country. The Commission requires of all business that:

- Advertising must be truthful and nondeceptive;
- Advertisers must have evidence to back up their claims: and
- Advertisements cannot be unfair.

As you hear ads and see them in print or on TV, you will find that almost all of them follow these rules. Very seldom do business make false claims and are then required to pull their ads. Businesses depend on consumers to use their services, and they don't want the negative publicity of having the federal government intervene with a court order. Consumers have a long memory when it comes to which businesses to trust, and businesses can't survive without customer loyalty.

How then do advertisements get away with telling us we will lose weight or tone our abs with a simple pill? They use legal ways to get around the regulations. One way is by using what is called, fuzzy qualifiers. In the pill ad at the beginning of this article, it stated that if taken daily the pills will help you to lose weight and have the abs of a body builder. The word "help" is a fuzzy qualifier. The pills may help, of course you may have to eat less and exercise, too. Many ads have these qualifiers. Words such as "usually," "typically," and "often" are used by advertisers. Another example is; "This toothpaste usually whitens your teeth in 2 weeks." Take out the word "usually" and the company could be in trouble.

Other ways businesses keep ads legal are by using comparisons, making implied claims, using "puffery," and by subliminal messaging. In this article's pill ad, the pills were "guaranteed." Rereading the ad, we see that what are guaranteed are the 90 pills for \$39.99. To find out more about how companies market their goods, go to <a href="http://ftc.gov">http://ftc.gov</a> or do a search on the Internet.

In addition to gaining knowledge about how marketers capture our interest and our trust, we also need to know about our rights as consumers. Our basic rights fall into five categories; to be heard, to choose, to be informed, to be safe, and to have avenues of redress. We can thank the U.S. consumer movement of the past 50 years for these rights. The basics to consumer rights were first articulated by President John F. Kennedy in 1962. For more information go to Facts for Consumers at <a href="http://www.ftc.gov/bcp/edu/pubs/consumer/general/gen06.shtm">http://www.ftc.gov/bcp/edu/pubs/consumer/general/gen06.shtm</a> or to

Interestingly, but not at all surprising, the funeral home industry is highly regulated by the FTC. For consumers, this can be a very vulnerable time so there are added protections in place. See <a href="http://www.ftc.gov/bcp/menus/consumer/shop/funeral.shtm">http://www.ftc.gov/bcp/menus/consumer/shop/funeral.shtm</a> for more information.

In addition to the FTC, there are other regulatory commissions such at the Food and Drug Administration (FDA), Federal Deposit Insurance Corporation, and Alcohol, Tobacco and Firearms as well as state and local laws. In 1997 the FDA issued new rules which allow television and radio ads to promote specific drugs with less detailed information about side effects and precautions than is required of print ads. New research indicates that since then U.S. adults see about 16 hours of TV drug ads a year.

Advertising; we can't get away from it, nor do we want to, as it helps us with consumer decision-making. But, the next time you see a pill advertised that assists us in losing weight while we sleep, remember marketing ploys, and stick to your spending goals and budgeting plan.

#### References

Bryant, J. and Oliver, M. B. (2009). Media Effects; Advances in Theory and Research. Lawrence Elbaulm Assoc., N.Y., p. 474.

Federal Trade Commission. (1983, October). FTC Policy Statement on Deception. Retrieved June 28, 2010, from <a href="http://www.ftc.gov/bcp/policystmt/addecept.htm">http://www.ftc.gov/bcp/policystmt/addecept.htm</a>

Some Statistics on Television in America. Retrieved July 26, 2010 from,

http://www.intisaarul.netfirms.com/some statistics o
n\_tv.htm

Utah State University is committed to providing an environment free from harassment and other forms of illegal discrimination based on race, color, religion, sex, national origin, age (40 and older), disability, and veteran's status. USU's policy also prohibits discrimination on the basis of sexual orientation in employment and academic related practices and decisions.

Utah State University employees and students cannot, because of race, color, religion, sex, national origin, age, disability, or veteran's status, refuse to hire; discharge; promote; demote; terminate; discriminate in compensation; or discriminate regarding terms, privileges, or conditions of employment, against any person otherwise qualified. Employees and students also cannot discriminate in the classroom, residence halls, or in on/off campus, USU-sponsored events and activities.

This publication is issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Noelle E. Cockett, Vice President for Extension and Agriculture, Utah State University (Finance& Economics/Finance/2010-01pr)