Advertising As An Institution Essay, Research Paper

How Advertising, as an Institution, Helped Create America’s Consumer Culture

It is impossible to escape. It is everywhere, and it is omnipresent. It is so ubiquitous that the human mind tends to become immune to it sometimes. The subject in which I am speaking of is advertising. But how does it, as an institution, affect us as consumers? More specifically, how does it affect our consumer culture? In the following essay, a number of factors will be discussed in detail that reflect how each one contributes to how advertising as an institution affects consumer culture in the United States.

I think it is most important to first define each of the two key terms in which I am discussing. The first, which is institution, is defined as ” a humanly designed method of handling certain problems of existence” (text pg. 12). In particular, advertising as an institution is “primarily designed to provide information on economic goods and services, but which now, under the impact of modern conditions, finds broader, noneconomic applications” (text pg.12). Socially, this institution influences our behavior pertaining to roles, and economically it influences where consumers disperse their wealth.

The second term that needs to be defined is consumer culture. According to the class text, culture is defined as “the sharing of names – and this includes the sharing of names of material objects” (52). Consumer, in my own terms which pertain to this essay, is defined as a person who buys material objects in order to fulfill either social, physical, or personal needs. Combining these two terms plainly means that consumer culture is the result of people buying material objects, for any reason, because of sharing names with other people of the same culture. A great example of this comes from the textbook. If an American meets another American while traveling abroad, they do not converse with each other about The Declaration of Independence. Instead they compare Jif and Peter Pan peanut butter in a playful manner (53).

After discussing the definitions of these two terms, I think that it is important to now look at the factors that cause these two terms to be related. First is the idea of Transmission versus Ritual views of Communications. The transmission view of communication “is seen as the transmission of signals or messages over distance for the purpose of control” (on-line class notes). An example of this, in terms of advertising, is that when we see a television commercial for a GMC Yukon, the commercial is intended to control our opinion about the product, and the intended result is for us to go out and purchase one. The Ritual View of Communication, on the other hand, “is the representation of shared beliefs” (online class notes). In other words, according to this view, the GMC commercial is intended to express to the audience cultural values or gender roles. Overall, it has been stated that the transmission view is much more popular than the ritual view. As a consumer, I agree that the transmission view holds more water than the ritual view. The transmission view is what advertising is all about: having an impact on consumer culture in a way that results in consumers becoming inclined to buy the advertised product.

Advertising as an institution has also had an affect on consumer culture on the world views of Tradition, Authority, and Classical Liberalism. In terms of tradition, “one of advertising’s primal messages is a call for change but would seem both alien and threatening when perceived from a world view of tradition” (text pg. 29). From a consumer culture standpoint in the U.S. in present time, the slogan “Change is Good” is heard and seen repeatedly. Tradition is okay to a certain extent, but in our consumer culture, Americans need change from time to time in order to keep our attention and interest.

Advertising can be limiting to the society and consumer culture if authority persuaded individual choice. The text states, “Even in highly structured societies there are apparently reasons to attempt to reinforce individual thinking and action, if not change it, and advertising can play a role” (text pg 29). I agree with this statement for a number of reasons. Mainly I agree with it because it gives American consumer culture freedom of expression, which either results in an acceptance or rejection of the product advertised.

Classical Liberalism is a very broad term that consists of four parts. The first is Egoism, which states, “A human individual is, by nature, self seeking” (text pg. 30). In other words, we buy what we buy for ourselves, whether we are aware of it or not. The second term is Intellectuism, which holds that “the individual is rational” in his or her buying habits (text pg 31). This term, described more in depth, means that consumers think before they buy, regardless of the impact that advertising has. The third term discussed is Quietism, which states, “A person will expend energy only when there is some definite promise of reward” (text pg. 31). From my own personal experience, I am not going to waste my time and energy to meet someone new, for instance, unless I am going to benefit from that relationship. Finally the last term is Atomism, which states, “The whole is nothing more than the sum of its parts” (text pg. 32). All of these terms definitely apply to my behavior and me both socially and economically. But the two that describe me the best are Egoism and Intellectuism.

Another term that is involved in how advertising affects our consumer culture is Symbolic Interactionism. Without getting into a long, detailed, and confusing definition of this term, it simply means that when we see a symbol or sometimes a stereotype, we as consumers immediately know what product is being advertised. When we see the golden arches, it is immediately recognized that there is a McDonald’s nearby.

The Cultivation Theory also plays a role in the advertising/consumer culture relationship. This term is described that “mass media, especially television, is believed to cultivate and acculturate the audience through repeated exposures. Viewers are likely to adopt a common worldview, common roles and common values as they consume relatively more television” (on-line notes). In my opinion, this term and symbolic interactionism are very closely related. It all really boils down to repetition. The more times a consumer is exposed to a product or symbol, the faster he or she will develop an opinion and knowledge of that product. This in term affects our consumer culture as a whole.

National advertising is also a part of the correlation between advertising and consumer culture. This new avenue allows manufacturers to “achieve market power in their dealings with distributors” (text pg. 105). As a result of this new trend, the manufacturer is able to make the distributor buy his brand at his price. This does not necessarily mean that the manufacturer will increase his sales, but it does mean that instead of asking the distributor what price to sell his product, he merely tells him. Unfortunately for consumers, this causes us to buy smaller quantities of products at higher prices. I believe that this affects our consumer culture in such a way that it will make us look more closely at competitors products because of the higher prices.

Is advertising free for consumers? Apparently it is not. According to the text, “Americans pay for advertising, and they pay extra for most of the goods promoted in the advertising” (pg. 120). Compared to forty percent in 1940, sixty-five percent of newspapers were advertisements in 1980. In essence, consumers were paying more for advertisements than they were for the editorial matter in newspapers. The reason why newspaper publishers do this is because they turn more profit by selling ads to numerous companies. Editorial matter does not make these publishers a lot of money, but the ads do. Obviously, the result is less reading material, and more advertisements.

A negative aspect of the advertising/consumer culture is the term monopoly. This occurs when a company completely dominates its industry, and I will discuss it from an advertising perspective. An example of this is the case in 1982 involving the cereal giant Kellog. In short, this company had become so powerful that it was not operating under “competitive conditions.” Their dominance had prohibited new entrants from entering this industry, thus causing less competition. Because they were so strong in this industry, Kellog was accused of overpricing their products by fifteen percent because they had no competition. Eventually the case was thrown out, but it does reflect the power advertising has on an industry. As far as the majority of consumers knew, because of advertising, cereal was Kellog. This in turn gave the company the window of opportunity to charge consumers what they wanted.

One question that consumers have is, “Does advertising make the things I buy more expensive?” (text pg. 299). Well, there are two models that describe the economic impact that advertising has on consumers. The first of these is Advertising=Market Power. It “views advertising as changing consumer tastes and establishing brand loyalties among buyers of advertised products” (text pg. 300). This theory predicts that the results are “higher profits for the large advertisers, higher prices for the consumer, and less competition in the market” (text pg. 300). There is really no way to measure this “product differentiation,” but if this is true, its relation to our consumer culture means that we are paying higher prices for our products.

The second model is Advertising=Information. “This alternative maintains that advertising provides information to consumers, and thereby increases price sensitivity, lowers prices, and reduces monopoly power” (text pg. 301). In my opinion, this theory is much more appealing to me as a consumer. This means that the time spent searching for a specific product is reduced, there are more brands to choose from, and most importantly the price will be lower.

Studies have been done which reveal that overadvertising does take place in our culture. If an agency and client decide to make a strong push for advertising a product, a number of effects can happen. The first is plain and simple: did sales increase or decrease? This is obviously going to be a result of consumers and the affect that the advertising has on them. Also, what was the effect on sales during the first short time periods after the advertising took place? Another effect is to look at the product life cycle during the advertising. The relationship of sales to advertising will be reflected here. As consumers, the advertising mainly affects us during the growth stage. We will either be inclined to buy more of the product, or ignore the advertising and not buy the product at all. And finally, what do the competitors do in response to this overadvertising? The effect this will have on consumer culture is that it will either draw our attention to other competitors of the client, or focus all of our attention solely on their product.

In conclusion, advertising as an institution does affect our consumer culture. It affects what we buy, how much we will pay, when we will buy it, and who we buy it from. These end results come from a number of different things including symbols, how we interpret advertisements, and which environment we are accustomed to. Advertising as an institution is more powerful than most consumers realize. It “consumes the consumer” in such a way that it affects our decision making process greatly, whether we are aware of it or not. I believe that the text states it best: “Institutions order human relationships into roles . and they regulate the distribution of a society’s desiderata to the advantage of some and to the disadvantage of others” (pg. 110). In essence, this is exactly how advertising as an institution affects our consumer culture.