Comparative advertising: A reconsideration

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At a meeting of the Association of Advertising Agencies in 1989, members voted against comparative advertising, but the mere fact that the AAA found the issue important enough to bring to a ballot and because the outcome was so close, proves just how relevant and immediate this issue is.

This exploratory informal article aims to “stir the pot” and generate debate on this controversial practice. The lack of unanimity amongst practitioners in the industry and the findings of the informal pilot study point to a need for substantial consumer research, something which to date has been sorely neglected.

This article does not profess to do anything more than suggest hypotheses for study, but does prove that the issue of comparative advertising should not be “swept under the carpet” by a conspiracy of reluctance to “upset the apple-cart”, but should be looked at honestly, from both the industry’s and the consumers’ point of view.

“Nationwide, more Coca-Cola drinkers prefer Pepsi than Coke ... Take the Pepsi Challenge, let your taste decide.”

This type of advertising, known as comparative advertising, is not permitted in South Africa. It is for this reason that the American situation had to be examined, in order to be able to determine whether comparative advertising is a viable marketing tool in the South African context or not.

Wright, Winter and Zeigler (1982) define comparative advertising as advertising that compares two or more specifically named or recognizably presented brands of the same generic product or service class. It makes such a comparison in terms of one or more specific product or service attributes.

According to Prasad (1976), comparative advertising has been the centre of considerable controversy in the advertising industry. Some writers have hailed it as a method of communication which may well be the most vital creative weapon to have come into our (advertisers’) hands in many years. Others, however, have warned that naming competitors could turn the advertising business into “a carnival brand name shooting gallery — noisy, unproductive and unprofessional and could erode the credibility of all advertising” (1976:128).
According to Golden (1979), there are two major sides to the argument; the first one being that comparative advertising is more beneficial to the consumer than traditional advertising, while the other is that it could convey deceptive and misleading information to the consumer.

**Theoretical Background**

Kangun and Richardson (1978) state that one of the most important phenomena to evolve in the late 1960's was consumerism — a movement designed to assert and to enhance the consumer's voice in activities that affect him. It seems inevitable that business, exposed to consumerism pressures, will have to actively demonstrate that it is truly sensitive to consumer desires.

Walters (1978) says that consumerism is a rejection of the principle of *caveat emptor* in which the buyers were viewed as having both the will and the means to protect themselves in the market. The consumerism movement only blossomed in South Africa in the late 1970's, and it is only now that consumers are beginning to realise the power they possess as a group.

Wilkie and Farris (1975:9) state that comparative advertising has been supported by various consumerist spokesmen. Given this view, it is posited that comparative advertisements will ease the consumer's task of evaluating the performance of particular brands against other brands. “Superior” products are expected to benefit distinctively from early use of comparative advertising, which could in turn, stimulate product improvements by competitive brands that are currently “below par.”

Wilkie and Farris (1975) developed the following hypotheses regarding the effects of comparative advertising:

- The novelty of comparison ads will cause them to receive more attention than standard ads and aggregate recall levels will be higher in comparative ads.
- Consumers will rate comparison ads as more “informative” and more “interesting” than most standard ads and this will lead to a clearer brand image and therefore, greater comprehension.

— Claims made in comparative ads are more likely to be accepted as correct and will improve preference for the sponsoring brand.

It is hypothesized that the effects of comparative advertising may be different for high and low involvement products. This may be because with low involvement products, purchase becomes a habit and does not warrant long copy comparing different products. People generally don't really think much before buying low involvement products. However, when it comes to buying a high involvement product like a motor car, people will appreciate advertisements that compare the characteristics of the various brand names. They will read all the copy and take note of the differences in attributes between brand names.

Aaker and Myers (1982:140) state that it is useful to consider positioning a product with respect to its competitor for two reasons. Firstly, the competitor may have a well-crystallized image developed over many years and the competitor’s image can be used as a bridge to help communicate another image referenced to it. If someone wants to know where a particular address is, it is easier to say it is next to the Bank of America building than to describe the various streets to take to get there. Secondly, it is sometimes not important how good customers think you are; it is just important that they believe that you are better (or perhaps as good as) a given competitor.

Perhaps the most famous positioning strategy of this type was the Avis “We're number two, so we try harder” campaign in America. The message was that the Hertz company was so big that they did not need to work hard. The strategy was to position Avis with Hertz as major car rental options, and thereby position Avis away from National, which at the time was a close third to Avis.

Positioning according to a competitor can be an excellent way of creating a position with respect to a product characteristic, especially price quality. Thus, products that are difficult to evaluate, like liquor products, will often use an established competitor to
help the positioning task. An example from the American context is Sabroso, a coffee liqueur, that positioned itself in relation to the established brand, Kahlua, with respect to quality and type of liqueur. Its print advertisement showed the two bottles side by side and used the head, "Two great imported coffee liqueurs. One with a great price."

By contrast, a very prevalent technique in South African advertising is incomplete comparisons, evaluative advertising, puffery and implied superiority claims.

Shimp (1978:21) defines an incomplete comparison as an unqualified or dangling comparison, but the comparative referent and/or the comparative attribute is not specifically disclosed, for example, "Brand X will get your dishes cleaner." He claims that this type of advertising is potentially misleading.

Cognitive psychological theory offers an explanation why this form of advertising should be potentially misleading. The Gestalt principle of closure suggests that receivers ascribe meaning to the statement (i.e. close it) according to stored information and attitudes. The fact that a variety of personal factors may determine the closure of such a statement explains why it can be potentially erroneous.

Wyckham (1987) states that implied superiority claims are a form of puffery. According to Preston (1977) puffery is composed of superlatives, subjective opinions, exaggerations or other praise appearing to be opinion. Although facts are not explicitly stated, they are conveyed by implication.

Wyckham (1987:58) says that "there is a tendency for consumers to be exposed to, to receive, and to process puffery in a manner similar to factual claims and factual comparisons; to misunderstand comparatives used in advertising and to draw inferences beyond the literal content of advertising claims."

Golden (1979) claims that the controversy about comparative advertising continues, but that most of the assumptions which have evolved have yet to be validated empirically. Published empirical data on comparative advertising leave many variables unexplored.

The Case Abroad

In 1972 the Federal Trade Commission in America issued a statement calling for advertisers to name competing brands as an alternative to the Brand X euphemism.

De Klerk (1989:44) states that the FTC reasoned that comparative advertising, when truthful and non-deceptive is:

- a source of important information to consumers;
- that it assists the consumer in making rational purchase decisions;
- and that it encourages product improvement and innovation and can lead to lower prices in the market place.

As a result, the FTC has actively encouraged the development of comparative advertising to the extent of calling it an anti-inflationary device.

Ostlund (1973) reports that capitalist advertising is said to serve a single company in its quest for sales in the face of continual excess supply and is, therefore, wasteful. Socialist advertising is not supposed to be competitive, but instead should work to fulfill the overall economic plan by redirecting demand. Advertising copy in Russia may not knock rival products in any way, nor can superiority be asserted. Thus soft sell reached a new level of perfection in an ad for a Caspian herring: "The quality of this herring is in no way inferior to other brands of herring" (1973:16).

According to Louw (1989:54) "comparative advertising has been the subject of debate in many western countries and, save for a few exceptions, comparative advertising is permitted with constraints."

For example, the Australian Code states "Advertisements shall not disparage identifiable products, services or competitors in an unfair or misleading way." The Joint Committee for Disparaging Copy in Australia has said that it will not find an advertisement in breach, unless "the advertisement is considered by the Committee to contain a specific identifiable, misleading and/or unfair disparagement of a particular product or service by a competitor." Louw suggests that the Australian interpretation is consistent
with the argument that to be disparaged, comparisons must be unfair or misleading.

The Case In South Africa

Pottinger (1987) states that ordinary commercial advertising is controlled by law and a set of in-house rules drawn up by advertising and media interests. Statutory control rests in the Trade Practices Act of 1976, Section 9, which determines that: "No person shall publish or display an advertisement which is false or misleading in material respects or cause such advertisement to be published or displayed" (1987:38).

The Code of the Advertising Standards Authority puts a little flesh on the bones. It insists, among other things, that all advertisements should be "legal, honest and truthful" (Section 1:1); should not be so framed as to abuse the trust of the consumer or exploit his lack of experience or knowledge or his credulity (Section 2:1) and should not without justifiable reason play on fear" (Section 3:1).

Jack Siebert (1989) of the Advertising Standards Authority insists that the section on denigration and disparagement in the ASA code refers directly to comparative advertising. Paragraph 6 of Section II of the Code reads:

"Denigration and Disparagement"

1. Advertisements should not attack or discredit other products, advertisers or advertisements directly or by implication.
2. Advertisers shall not disparage the products and/or services of other advertisers directly or by innuendo. In particular advertisements should not single out a specific product or service for unfavourable comparison.
3. Substantiated competitive claims inviting comparison with a group of products in the same field shall not necessarily be regarded as disparaging.
4. When considering complaints in terms of the Code, the Advertising Standard Authority's Copy and Advertising Properties Committees shall take cognisance of what it considers to be the intention of the advertiser.

It is interesting to note that comparative advertising as a practice is not directly mentioned, and it is for this reason that controversy has waged over the possible interpretations of Paragraph 6 in the Code.

What the Experts Say

Interviews were conducted with people from the advertising, marketing and communications fields, the Advertising Standards Authority, consumer organisations and the legal field. The question remained the same for all, that is, what is your opinion of comparative advertising and do you think that it should be implemented in South Africa?

Dave Kelly of Bates Wells is in favour of comparative advertising and claims that the advertising industry could manage it without resorting to disparagement. It is his opinion that marketers should be able to make their own decisions on whether to implement it or not.

Lee Johnson, Creative Director of Lintas strongly believes in comparative advertising and will continue to press for it, as he feels that consumers should be kept abreast of all information and all developments in the market. This is why he claims that the prohibition of comparative advertising is similar to the ban on information that existed until recently, under the State of Emergency. He stresses that if a marketer has a strong product which has justification for being on the shelf, he must be able to show why it is better than the copies of existing brands. He believes that vague superlative advertising is more confusing than comparative advertising.

Thomas Oosthuizen, Research Director of Lindsay-Smith, claims that he has no ethical problems with comparative advertising. He posits that comparative advertising would be more useful for high involvement products, but he also recognises the fact that for products such as motor cars, user imagery plays an important role. A consumer will still buy the status car he desires, even if
advertising copy shows that a cheaper model is just as functional. Oosthuizen has doubts whether comparative advertising can strategically position a product, unless it is in a very rational area like price, unless it is a very high involvement product, unless everything else is equal, i.e. the brand imagery is the same and people don’t really discriminate in terms of the one being more upmarket than the other. If every one of these is the same, Oosthuizen claims that comparative advertising does offer a tactical benefit.

Yet, he emphasizes that comparative advertising is not a “quick fix” and in commodity markets it may have very little impact. He makes an excellent point when he says that the moment comparative advertising is allowed, legitimate puffery will be eliminated and this will be a lot less confusing. Oosthuizen is worried about a situation occurring where advertisers merely “hit out” at competitors, without offering an unique benefit. This is a legitimate concern, yet Dickens claims that we have “sophisticated marketers” in South Africa, so they shouldn’t have to resort to such irresponsible behaviour. Oosthuizen believes that in terms of free enterprise, comparative advertising should be allowed.

Peter de Klerk (1989:45), of the Association of Advertising Agencies, fears that:
- the abuse of advertising leads to an even greater consumer cynicism and is a danger to the free market;
- that few people are concerned that comparative advertising may further undermine the consumer’s confidence in advertising;
- that the effectiveness of advertising as a selling motivational, educational, informative, entertainment of whatever medium, will be reduced to the level of boredom, frustration, irritation, et al;
- and that we will simply feed the coffers of the legal profession at cost to the consumer and/or shareholder.

De Klerk (op cit.) says that he must be counted as an opponent of comparative advertising, whilst he still fully endorses the principles of the free market system. This seems to be a contradiction in terms, and is typical of the “cagey” attitude of the AAA. It is impossible to believe fully in the free market, and at the same time, oppose comparative advertising. One may assume then that he believes in a counterfeit free market or a free market with limitations.

Joe Louw, a partner in the firm of attorneys Cliffe, Decker and Todd (1989:54), investigated the wording of the ASA Code to find out what was to be said about comparative advertising. He suspects that there is a common misconception in the marketplace that comparative advertising is prohibited. He posits that defamation is unlawful, but that comparisons need not be defamatory. He claims that even something which appears at face value to be defamatory is not defamatory if the statements made are true and in the public’s interest. It is his belief that it is time for the advertising industry to seriously question the basis on which the comparative advertising rules are interpreted by the ASA.

According to Louw, there is nothing in the code of Advertising Practice of the Advertising Standards Authority which prohibits comparative advertising. In fact, the words “comparative advertising” are not mentioned anywhere in law or in the Code. All the Code does is lay down parameters within which comparative advertising is permitted. In effect, the code says in Paragraph 6 of Section II that “disparagement” is not permitted. Paragraph 6 used other words and refers to attacking or discrediting another product, but all these actions in essence boil down to one thing — advertisements should not be disparaging and comparisons are not necessarily disparaging.

The Code states that “advertisements should not single out a specific product or service for unfavourable comparison”, yet, in a comparative advertisement the advertiser’s aim is to show how his product is superior to the competitor’s, and therefore, the competitor will always appear to be inferior, whether it really is or not.

Louw states that as far as he can see, comparative advertising is allowed as long as there is no disparagement. Now, the
definition of the word "disparage" is very important and should be clarified by the ASA. To some it means to speak derogatorily of, or to defame. All comparative advertisements will not necessarily be potentially libellous, but the aim of comparative advertising is to make your product look better than your competitor's; and so comparative advertising will always lead to a situation where the competitor appears to be inferior to the sponsor's product. The Code, however, explicitly states that there should not be any "unfavourable comparison".

This is not possible with comparative advertising, as an advertiser is not going to waste money telling the public that the competitor's product is just as good as his. He aims to make the public aware of the alleged superiority of his product, and this is facilitated by comparing the competitor's product unfavourably.

This section in the Code is a prohibition of comparative advertising; yet, it is ambiguous if one takes the words by their original dictionary denotations. The ASA should clarify this part of the Code, and if their aim is to totally prohibit all comparative advertising, then they should explicitly say so, and not leave vague, alleged loopholes in the Code.

Derrick Dickens, Executive Director of the Association of Marketers (1989:4), states that the Association of Marketers has a distinct view of comparative advertising. According to him, they feel that with comparative advertising:

- there is a strong risk of consumer confusion and deception;
- the use of non-represented product test methods, as well as comparing non-important product attributes, may make the consumers more uncertain in their purchase decisions, or may make them act foolishly;
- negative aspects of comparative advertising may only come about in the long term;
- comparative advertising could lead to the generation of campaign which swamp the real product message (brand identity) and could require a communication which overlooks the target problem and its solution.

He feels that there is a strong risk of consumer confusion with comparative advertising, yet he gives no indication of consumer research being done by the Association to empirically ascertain consumer opinions of comparative advertising, which could be construed as typical of the Association's habit of "thinking for the consumers", and is a form of autocracy. Dickens' frequent use of phrases like "could do this" or "may do that", makes one wonder just how much his association's decisions are based on pure speculation and opinion.

In response to Louw's article he claims that "most professional marketers are fully cognisant of the parameters laid down in paragraph 6 of section 2" (comparative advertising is not mentioned), and therefore understand that comparative advertising is not prohibited by the ASA Code. He assumes that the fact that marketers have not made use of this loophole lies within the basic philosophy which all professional marketers believe in: to create a product that is better than your competition both physically and psychologically.

Yet, if the marketers were aware of the so-called loophole in the Code, then they would have been using it long ago. Dickens (1989:4) postulates that sophisticated marketers consider comparison to some other product's features odious, and a wasteful exercise and that many uphold Dunlop's Law, which states that you never recognise in your communications that a competitor product even exists. This reply seems a deliberate confusion for the fact that Dickens may not have known that there is a possible loophole in the Code. His reply was defensive and even condescending. From his remarks, we can infer that he thinks that all marketers are sophisticated, as none have used comparative advertising. This is an assumption only, as there are possibly many people who, if they knew there was a loophole, would use it.

John Holloway, General Manager of Standard Bank Group Marketing, is very much in favour of implementing comparative
advertising in South Africa. He sees it as a function of the system of free enterprise.

Holloway’s opinion contradicts that of Derrick Dickens and is significant, as Dickens claims to speak on behalf of the Association of Marketers, yet as coincidence has it, Holloway is a member of the board of the Association of Marketers.

According to Charles Brown, Managing Director of Cerebos Foods, comparative advertising will lead to a situation where the quality of products improve, because they can be “shown up” in advertisements. Manufacturers will try to improve their products so that they will be above attack from competitors. He claims that comparative advertising will lead to a situation where unsubstantiated claims, which are so rife in South African advertising because direct comparisons are not permitted, will be reduced. He believes that the moment puffery is eliminated, consumers will have an easier task in making wise purchase decisions.

Larry Dunn of Mohawk Computers is in favour of comparative advertising, as he trusts that smaller companies will be able to compete against the giants who have huge advertising budgets. He would like to be able to directly compare his computers to those of his competitors.

Therese Bron of the Consumer Council in Pretoria thinks that the implementation of comparative advertising in South Africa would be a good idea, as it will enable the consumer to make an informed choice. Being a consumer organisation, she stresses that their only concern is that the consumer is satisfied with what is being offered to him, both in the marketplace and in advertising. It is their belief that comparative advertising will make information available to the consumer which was previously kept from him. This means that when the consumer finally makes his decision, he is aware of all the other products on the market, as well as the advantages and disadvantages of each and only then, can he make a wise purchase decision.

The opinion of the Consumer Council speaks volumes, as their sole task is to ensure that the consumer is satisfied at all times. Their verdict is important, as the Consumer Council consists of people specifically qualified in consumer behaviour.

This viewpoint is disputed by Jack Siebert, Executive Director of the ASA, who claims that the ASA has taken a look at the situation and that they definitely do not wish to implement comparative advertising in South Africa. He posits that comparative advertising is supposed to make is possible for the consumer to make a better choice, as he can see the differences between the products and then decide. He believes that idealistically this would work if the whole truth were told. This means that advertisers would have to show the good and bad points of the product, and only then would it be the truth. Yet, it is his opinion that advertisers aren’t likely to point out the bad points of their products, and they therefore would only give a selective truth. He points out that in all comparative advertisements in the United States, the sponsoring brand inevitably comes out shining, and that to the consumer it would appear that the advertisers are lying.

He professes to be aware of Joe Louw’s claims, but he says that the section in the Code that deals with denigration and disparagement is specifically aimed at comparative advertising. According to Siebert, Louw’s claims are merely his own interpretation of the code and not what the ASA intended.

**What do the Consumers have to say about Comparative Advertising?**

This is probably the most valuable opinion, because ultimately advertising is meant to serve the consumer and not the advertiser at all, although it seems as though advertisers and marketers have lost sight of this important fact. Sinclair in Fray (1989) states that the main functions of advertising are: raising public awareness of a product or company; modifying the attitudes of people about various products; reinforcing and confirming decisions people made; initiating trial and educating people. So it is obvious that the opinions of the consumers are what really count. Marketers and the advertising
industry should not take it upon themselves to decide what they think the consumers want.

In an informal pilot study conducted in 1989 by the author, 65 consumer respondents selected at random, were requested to answer a questionnaire which asked their opinions of comparative advertising.

The results showed that 97% of the respondents were in favour of comparative advertising. Whatever the advertisers say, there are indications that consumers may want comparative advertising in South Africa to decide what they think the consumers want.

The second most important reason, surprisingly enough, is that it will help small marketers to compete with "giants". This is surprising, as it is not really a reason which applied directly to the consumers. The third most important reason is that it will help consumers to make rational purchase decisions. The reasons that got the least number of responses, but not by a large margin, were that it would give consumers more information, and that it is more honest.

There is not one single reason that stands out as to why consumers don't want comparative advertising. This is because, out of the 65 respondents, only two were opposed to comparative advertising being implemented in South Africa. Both respondents said that it was "low" and "cut-throat". One said that it will lead to a "war" between companies and the other said that advertisers will lower their own image by bad-mouthing the competition. Because there was a ridiculously small number of respondents against comparative advertising, it was not possible to find any startling trends among the reasons why they are against it. The only noticeable thing was that neither of the respondents said that comparative advertising will be confusing and misleading.

**Conclusion**

Admittedly the results of the pilot study is open to debate and has not been replicated by representative empirical research. Even so, the findings tentatively point to support for comparative advertising among consumers. The question should then be: isn't the purpose of advertising to help the consumers to make wise purchase decisions? Advertising's aim should be to aid the consumer, and the consumers apparently are in favour of comparative advertising being used in South Africa. This means that however much organisations try to "protect" consumers against the alleged evils of comparative advertising, they are actually not giving them what they desire.

Organisations such as the AAA seem almost afraid to "rock" the proverbial "boat" of the current situation in South African marketing. Such an attitude of reluctance to move forward and progress is discouraging. Such organisations should have "put feelers out" into the market years ago, to establish the opinions of consumers to comparative advertising. No such South African empirical research on the subject could be found, and instead in its place was only biased and defensive speculation and opinion of such a small quantity, that one wonders how the Association of Marketers and the AAA get the confidence to speak on behalf of the people they should serve.

Comparative advertising should be implemented in South Africa as too much advertising at present is saturated with puffy and incomplete comparisons. These techniques cause confusion as the consumer has to use his own interpretation to complete the comparison. This process of closure brings about multiple interpretations, and is therefore misleading.

It is not necessary for the rules that would govern comparative advertising to become legislation as is the case in the United States, but the Advertising Standards Authority could include the parameters it sets for comparative advertising in its Code. Complaints about infringements of the Code could be handled in the same way that the other complaints are today.

If marketers claim that they are sophisticated, then they should be able to make responsible use of comparative advertising. The fact that disciplinary action may be taken by the ASA against offenders will ensure that most advertisers stay within the boundaries of legal comparison, and will not
use disparagement. An irresponsible marketer who uses defamatory statements will be ordered by the ASA to withdraw or alter the advertisement.

It is logical that the AAA and the Association of Marketers will not initiate the first steps to legitimising comparative advertising, without empirical data to prove that it is a viable marketing tool. They should, therefore, undertake an extensive and detailed investigation into whether the consumers desire comparative advertising as an advertising practice in South Africa or not. If, after a scientifically valid experiment conducted on the required number of respondents the results indicate that the majority of South African consumers are opposed to comparative advertising, proponents of it will have to rest their case, knowing that at least there is empirical proof of the AAA and the Association of Marketer's standpoint. However, comparative advertising should not be forbidden on the basis of speculation and panic, but should be innocent until proven guilty.

References


