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THE AUSTRALIAN ADVERTISING SELF-REGULATORY FRAMEWORK—WHO'S COMPLAINING?

Michael Volkov  
University of Southern Queensland, Australia

Debra Harker  
University of the Sunshine Coast, Australia

Michael Harker  
University of the Sunshine Coast, Australia

ABSTRACT

Complaints about advertising in Australia have been on the increase in recent years under the stewardship of the new industry self-regulatory body, the Advertising Standards Board. This study utilises clustering analyses based on geodemographic and psychographic data to present a concrete profile of complainants about advertising in Australia. The findings indicate that the advertising publics must shoulder responsibility and ensure that greater care is taken to include all members of Australian society in the current complaints process and that this inclusivity will ensure that the highest possible standards are the norms of the industry.

INTRODUCTION

Heeding the call from Mazis (1997) this research investigates marketing and public policy from two perspectives. First, it investigates the marketing technique of advertising, which has noted effects on society. Second, it investigates regulatory policy in the changing nature and structure of the advertising self-regulatory system in Australia, which has definite marketing dimensions. Further, this research encapsulates a non-US, yet internationally important focus, which follows Mazis (1997) initiative.

Advertising has been described as 'pervasive, intrusive and pernicious' whilst advertisers have been labelled as 'mischiefous' in their attempts to reach and persuade their target markets (Harker & Wiggs 1999). However, advertising can be argued to be vital from both economic and social perspectives (Abernethy & Franke 1996, 1998). Globally, advertising spend has grown dramatically with advertising expenditure in the USA, UK and Australia, for example, amounting to over 1% of these nations' Gross Domestic Product and the five countries (USA, Japan, Germany, UK and France) who have the highest annual advertising expenditure have seen their expenditure almost double in the last 10 years (CEASA 2002). In Australia strong growth in advertising expenditure is being experienced with advertising expenditure having risen nearly 2-fold in the last 10 years to what is now an $US6 billion industry (CEASA 2002). Further, Australia ranks second in the world (behind the U.S.A) when calculating advertising...
expenditure as a percentage of Gross Domestic Product and also has one of the four largest international expenditures when calculating total advertising expenditure per capita. This indicates the economic and social importance of investigating the Australian advertising industry.

Research has revealed a connection between annual advertising expenditure in a nation and the presence of a self-regulatory body concerned with the investigation of ‘unacceptable’ advertising (Miracle & Nevitt 1987). It has been suggested that the more money spent on advertising in a country, the greater the need for protection from this unacceptable advertising (Harker 2000a, 2000b). Extant research therefore highlights both the social and economic importance of, and the emphasis placed on, the most visible element of the marketing mix. It has also indicated that there may be concerns regarding the potentially harmful effect that advertising can have on the more vulnerable members of our society. That is, there are those elements of the population who may be adversely affected by ‘unacceptable’ advertising such as minority groups vilified in advertisements and what responses are available to those elements of society who are ‘disadvantaged’ by advertising.

This leads to those problems within advertising identified by Volkov, Harker and Harker (2002a) who suggested that some advertisements may be ‘unacceptable’, that is, unfair, misleading, deceptive, offensive, false or socially irresponsible. It is for these reasons that industry and regulatory responses to consumer complaints about such problems have become important areas to address. In this research the antecedent factors influencing consumers who complain to the Advertising Standards Board has been determined and a profile of those complainants has been provided. This study was able to bring together disparate theoretical research that appears in published literature and empirically test these theories in one major study enabling a holistic profile of the complaining public to be modelled. This further identifies the uniqueness and importance of this study.

This paper has three objectives; first, to bring together established research in the field of consumer complaint responses, second, to contextualise this research into the area of complaints about advertising in Australia and, third, to empirically test the proposition posited by the authors inferring that it is possible to construct a profile of complainants about advertising in Australia to aid educators and advertising creatives.

The results of the empirical analyses presented in this study allow both academics and practitioners a better understanding of the complaining public and further, assist marketing communications strategists with more effective ways to reach their target markets without engaging in destructive discourse through publicised complaints about their productions.

Published studies demonstrate the importance of advertising from an industry expenditure point of view. With the increase in advertising expenditure in
Australia during the last 10 years an avenue for consumers to voice their complaints about 'unacceptable advertising' has been a necessary establishment and comprises a legal-regulatory framework and an industry funded, self-regulatory framework. This ensures that consumers have an opportunity to complain about advertising they disapprove of, for whatever reason. Thus, consumers exposed to advertising in Australia and who perceive that they have been involved in a transaction involving negative inequity may respond through amplified voicing.

Consumer Complaint Responses
In this paper consumer complaint responses are discussed rather than the more accepted consumer complaint behaviour to espouse the thought that "no action" should be treated as a non-behavioural rather than behavioural response. Therefore, consumer complaint responses for the purpose of this paper are the set of multiple, active behavioural responses to dissatisfaction and anger. Consumer complaint responses can be described as the set of all behavioural responses portrayed by consumers which involve the communication of negative perceptions relating to a consumption episode and triggered by dissatisfaction and anger with that episode (Bougie, Pieters & Zeelenberg 2003; Day 1984; Rogers & Williams 1990; Singh & Howell 1985). It can be argued that this implies that consumer complaint responses are influenced by a multitude of situational, product and personal variables and unrelated to, but triggered by, the intensity of the consumer's dissatisfaction. This assertion is supported by empirical evidence discussed by Nicosia and Mayer (1976), Day (1984), Tse, Nicosia and Wilton (1989), Vezina and Nicosia (1990) and Bougie, Pieters and Zeelenberg (2003). A review of the literature by Rogers and Williams (1990) relating to consumer behaviour in this field of study has indicated that researchers are unified in their understanding of post-purchase consumer dissatisfaction. Consumers, fundamentally, have three alternatives for action in the complaint situation (Andreasen & Manning 1990; Hirschman 1970; Singh 1988, 1990). These are: Exiting; Direct Voicing; or, Amplified voicing. This study utilised equity theory to discuss consumer dissatisfaction within the setting of responses to advertising. The decision to base the assumption within the equity theory framework is based on the extensive review of literature and subsequent investigation of satisfaction by Fournier and Mick (1999). Equity theory relates to perceived fairness of a particular transaction (Boote 1998). Tse (1990) discusses the three possible outcomes of a transaction utilising equity theory. These are: Equity; Positive Inequity; or, Negative Inequity.

This fulfils the first requirement of this paper—to review and analyse the extant literature involving consumer complainants. To contextualise this discussion to advertising in Australia it is necessary to provide an overview of the industry itself.
THE AUSTRALIAN SELF-REGULATORY SYSTEM

Total print media accounts for over half of the advertising expenditure in Australia ($US3.6 billion) with television advertising the second highest expenditure item in main media spending, accounting for over $US1.75 billion in 2000 (CEASA 2002). However, the proportion of total expenditure on radio, outdoor and cinema advertising, respectively, accounted for only just over 12% of the total advertising expenditure in main media for 2002 (CEASA 2002). Complaints about advertising in Australia occur mainly in television and outdoor advertising (Advertising Standards Bureau (ASB) 2002).

The Advertising Standards Bureau (ASB) comprises the Advertising Standards Board and the Advertising Claims Board and it is these organisations that are responsible for regulating advertising in Australia.

The current system commenced in 1998 after the 1996 decision of the Media Council of Australia to disband its system of advertising codes and regulation, including the Advertising Standards Council (the previous complaint-handling body). As a result of research conducted with the assistance of industry, government and consumer representatives, the Australian Association of National Advertisers (AANA) followed the principles outlined by the Australian parliament to fulfill their commitment to develop a more effective system of self-regulation for the national advertising industry (ASB 2002).

To lodge a complaint it is a matter of writing to the Advertising Standards Board taking care to include a description of the advertisement, a description of the particular complaint, where and when it was seen and the name and address of the complainant. Further, complainants must articulate the reason of their concern with the advertisement. Anonymous complaints or those lodged over the telephone are not considered (www.advertisingstandardsbureau.com.au). The Advertising Standards Board then deliberates over each complaint to determine whether an advertisement is in breach of the AANA Code, thereby upholding the complaint, is not in breach of the AANA Code, thereby dismissing the complaint, or, falls outside the scope of Section 2 of the AANA Code, thereby returning a verdict that the complaint falls outside the charter of the Advertising Standards Board.

To illuminate the difficulty of having a complaint upheld, in the period 1998 – 2002 figures show that of the 9358 complaints received by the Advertising Standards Board only 404 were upheld in whole or in part—a rate of 4.3% (www.advertisingstandardsbureau.com.au). These figures are comparable to those presented in the research conducted by Crosier and Erdogan (2001) where they investigated complaints made to the Independent Television Commission (the UK authority that regulates all television advertising). In the case of the Australian self-regulatory system, the ASB (2002) has stated that there is 100% industry compliance with Board determinations. In all cases where the Board upheld
complaints, the advertiser either modified or withdrew the advertisement in accordance with the Board’s ruling (ASB 2002).

**THE RESEARCH ISSUE: COMPLAINTS ABOUT ADVERTISING IN AUSTRALIA**

Every year there are more than 1500 complaints about advertising in Australia and the new Australian advertising self-regulation system upholds around 4.3% of these. The literature suggests that there are broad differences between those consumers who complain and those who do not. Such findings from the reviewed literature indicate that, compared to non-complainants, complainants tend to be older; have attained higher levels of educational qualifications, earn a higher gross weekly income, possess greater degrees of wealth, have higher participant levels of local community involvement and, in general terms, have more resources, both intrinsic abilities (e.g. self-confidence, feelings of self-worth) and external (e.g. time, money, qualifications) to avail themselves of to allow them to take action when dissatisfied (Kolodinsky & Aleong 1990; Volkov, Harker & Harker 2002b).

Therefore, an avenue for relevant research would be to investigate those people who complain about advertising in Australia and construct a profile of this type of consumer. This lead to the research question: *What are the geo-demographic characteristics of complainants?*

**METHODOLOGY**

Postcodes obtained from the Advertising Standards Board complaints database were entered into Pacific Micromarketing’s MOSAIC software, which is a geodemographic classification tool that “uses data at the postcode level to cluster individuals into homogenous groups” (Crosier and Hernandez 1999). MOSAIC uses 149 variables (including age, income, occupation, household composition, life stage, type of residence, and the like) to describe Australian neighbourhoods by allocating them into 41 types, within 9 groups, at a level of 20 households. These different types have been assigned values based on cluster analyses conducted. Each postcode in Australia is assigned to one of these types based on data compiled by the Australian Bureau of Statistics, the Australian Census, the Australian Taxation Office, the Australian Commonwealth Department of Education, Science and Training and the Prospect Universe (another Pacific Micromarketing product). Sleight (1995) and Crosier and Erdogan (2001) discuss the acceptability of using this commercial classification system as a research tool as it recognises that people define themselves by the ‘homogeneous neighbourhoods in which they choose to live’ (Crosier and Erdogan 2001:115).

**FINDINGS**

This study analysed 1210 postcodes obtained from 1210 individual complaints about advertising from complaints to the Advertising Standards Board: a sample of 100% or a true census. The ASB only started recording complainants’ details in an electronic database recently which accounts for the difference between the number of postcodes available and the number of complaints since the Board’s
inception. The postcodes were assigned MOSAIC codes and profile utilising the software package with the results of the analyses as follows:

Profile of complainants: The 1210 complainants were indexed using MOSAIC profiling and then compared to the general population of Australia indicating under- and over-representation of these groups in the complainant sample. This profile indicates an over-representation of three MOSAIC groups, being: ‘White Collar Affluents’, ‘Independent Young Achievers’ and ‘Suburban Singles and Sharers’. Disassociating this information and breaking it down to a further level, MOSAIC shows that the over-represented types are:

White Collar Affluents

Champagne and Chardonnays: are wealthy business-oriented families where the parents are usually middle to late middle age and whose interests include culture, entertaining, technology and sport.

Asset Rich Commuters: have income that is well above average, are well educated with qualifications in the business, engineering, education and health fields and whose interests include culture, international food and sport.

Educated Influentials: tend to be older individuals with a disposable income well above average, high levels of education with representation in prestige occupations such as managers, business owners, lecturers, doctors and lawyers.

Suburban Success Stories: also possess relatively high household incomes with disposable incomes that are well above the national average, tend to be academically well educated and successful tradespeople and where the parents of these families tend to be middle age.

Independent Young Achievers

Affluent Apartments: enjoy high income levels, are highly qualified in fields such as business, health and law and have significantly high disposable income.

Café Society: has twice the national average for professionally employed people with employment in areas such as property, business services, finance and insurance, high income with very high disposable income and tend to be technically literate.

Suburban Singles and Sharers

Cosmopolitan and Cultural: is a sophisticated type with a strong international and cultural dimension to their lifestyles. Employment is found mainly in government, professional and associate professional occupations with above average individual incomes and above average disposable income levels.

Urban Renewals: are generally well educated with a high proportion of people in professional occupations, high salaries and a passion for fashion, fine food and cultural activities.
The characteristics shared amongst these types include above average income levels, above average disposable income levels, higher than average education levels, professional and associate professional occupations, middle- to late-middle aged household heads and an above average representation of women in the workforce. Under-represented types include ‘Miners and Military’, ‘Country Town Challenge’ and ‘Red Earth’. These under-represented types are identified by characteristics including low in age, low education levels, low representation of working women, high unemployment levels and a higher proportion of indigenous Australians in these communities. These findings lend further support to previous research conducted by the authors (Harker, Harker & Volkov 2001; Volkov, Harker & Harker 2002a, 2002b, 2003), which has indicated that complainants about advertising in Australia tend to be older, are more likely to be female, possess a higher level of education and possess greater internal and external resources. This also correlates with extant literature showing that consumer alienation and prior complaint experience affect the likelihood of consumer complaint (Kim et al. 2003).

CONCLUSION

This paper set three aims—to provide a review of the literature pertaining to consumer complaint responses, to contextualise this field of research in the area of advertising in Australia, and to empirically test the proposition of constructing a profile of complainants. The analysis of census data collected from actual complainants confirms previous research findings—there is an apparent polarisation across several geodemographic characteristics within consumer complaining responses. Complainants are much more likely to have a higher income, higher level of education, more professional occupation, be older and have a higher representation of professionally employed women. Non-complainants are more likely to be younger, with a greater chance of being unemployed or otherwise having a lower income level. The implication here is that those consumers that are ‘more disadvantaged’ may lack a voice in this complaint process. It is also apparent that complainants are more likely to come from the major cities on the eastern seaboard of Australia. This is a strong indication that those who complain are not those identified as being representative of the elements in society who are likely to be disadvantaged by ‘unacceptable’ advertising and this is the paper’s major strength. This supports much anecdotal evidence presented in previous research, however, the Advertising Standards Board, marketing practitioners and academics could never be certain of this fact until now. It is now up to the advertising publics to shoulder responsibility and ensure that greater care is taken to include all members of Australian society in the current complaints process and allow a greater understanding by society as to the practices that contravene the regulatory system. In this way, consumers, including the ‘disadvantaged’, will be better protected from ‘unacceptable’ advertising and will be more involved in the self-regulatory process (LaBarbera 1983; Wotruba 1997). Further, this inclusivity will ensure that the highest possible standards are the norms of the industry (Wotruba 1997).
The direction of future research must now be to conduct further in-depth research into complaint responses to ascertain the motivational, psychological, emotional and other triggers for complainants. Cross-cultural comparisons would also produce valuable outcomes for the global media environment in which we live.

REFERENCES


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