

extensive advertising to push their sales. For example, *Litbourn* had a brand monopoly in the market but it had to face competition from *Lux*, *Rexona*, *O.K.* etc. and thereby the brand monopoly was broken. Thus, instead of creating monopoly, it stimulates competition among different brands.

(vi) **Advertising encourages Wastes** : It is argued that advertising encourages waste as people are forced to purchase those advertised goods which they do not need at all. Further, a newly introduced product may lead to the waste of the existing variety of the product. Moreover, it encourages exhausting of natural resources. It is, in a national wastage of natural resources which are required to be preserved. However, this argument is not considered in competitive advertising.

(vii) **A Claptrap** : It is also argued that advertisements misrepresent the facts to the consumers and seldom mention the undesirable consequences of buying certain products. The qualities may be exaggerated resulting in the creation of demand of those goods which are not useful to the consumers. Often, we come across advertisements in which bogus testimonials are inserted to dupe the consumers. In this way, the consumers are befooled and cheated for having been induced to buy worthless goods. It is also argued that advertising is responsible for development of quackery, specially in the field of medicine. In this case, the fault lies not in the advertisement but with the persons who misuse advertising for their wrong motives just to play fraud with the public and hence are liable to be prosecuted under law.

## (2) Social Objections or Advertisement is a Social Waste

(i) **Misrepresentation of Facts** : Most of the advertisements contain tall claims in favour of their products simply to tempt people to purchase the same. The benefits advertised are not enjoyed by the consumers in full. So, it causes tremendous loss to the consumers. However, such products are shortlived and thus soon go out of the market.

(ii) **Wastage of National Resources** : Another objection against advertising is that it might lead to gross wastage of national resources. It is responsible for frequent changes in the system, fashion and habits of the people and consequently it destroys the utility of the goods much before their normal use. We often find quick change in the models of cars, televisions, radio, refrigerators in western countries which leads to an easy rejection of old models and adoption of new ones. On this account the producers start reducing the quality of their products which ultimately is not good for the consumers and the society as a whole.

(iii) **Press is influenced by the Advertisers** : Today, the press is influenced by advertisers because they provide the major source of revenue for the existence of newspapers and journals. That is why most of their space is occupied by advertisements. However, this criticism is not totally correct as they print and publish whatever the advertiser

productive work need not necessarily result in tangible goods. For instance, a coolie who lifts your luggage from the train and leaves it in your house or out of railway platform has not produced any tangible goods but has rendered a very valuable service. This service is intangible but at the same time most important. Similarly, advertising renders very valuable service, i.e., choosing of one from among thousands of products which are similar in most respects. Advertising facilitates choosing which, in turn, leads to the satisfaction of the consumer.

(ii) **Advertising increases Cost of Goods** : It is argued that advertising is responsible for increasing the cost of production which, in turn, becomes the cause of rising prices. For instance, everyday lakhs of rupees are spent in advertising through TV. Further, the advertising expenses are ultimately shifted on to the consumers. In this way, the consumer is being heavily taxed for the privilege of looking at pretty advertisements. Advertising is, no doubt, one of the items of costs, but it is the advertising cost which brings savings in marketing and distribution costs. Production cost is also considerably reduced in view of the fact that it makes large-scale production possible and here anyone would agree with the fact that large-scale production leads to substantial reduction in production costs.

(iii) **Advertising multiplies the Needs of Consumers** : Advertising is responsible for the multiplication of the needs of the consumers by appealing to the various sentiments and instincts of consumers who are forced to purchase goods which they cannot afford and do not need at all. Such multiplication upsets their budget and consumes their hard-earned savings, if any. But this argument is also not entirely true. Advertising helps in the extension of demand and also helps in making a right selection after necessary comparison between two or more substitutes.

(iv) **Advertising just takes business from one concern and gives it to another** : This is the argument of critics of competitive advertising. The critic who makes this statement assumes that purchasing power is a static quantity in a bucket or the number of seats in a bus. However, this argument does not hold good because purchasing power is unrestricted and unlimited, it may be restricted at a given point of time but over a period it is elastic. Tastes, styles, standards, social patterns and incomes of people are subject to constant change.

(v) **Advertising creates Monopoly** : An objection generally raised against advertising is that it tends to develop monopolies. Advertising generally lays emphasis on a particular brand or brands. This emphasis makes the consumer to become slave of a particular brand. In this way, it gives rise to brand monopoly. Brand monopolies restrict free competition. And it also puts an obstacle in the way of new entrants through aggressive advertising. The best answer to this argument is that it is the age of the survival of the fittest. Further, brand monopoly encourages an increase in prices which in turn, encourages the rival companies to enter into the market with lower-priced goods by using