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Condoms, Cigarettes, and Cell Phones: Does Brand Advertising Increase Generic Demand?

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Condoms, Cigarettes, And Cell Phones: Does Brand Advertising Increase Generic Demand?

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Abstract

Purpose
This article aims to stimulate discussion of how the advertising of brands affects the product category by creating generic demand.

Design/methodology/approach
The article outlines the author's personal viewpoint.

Findings
Although greater emphasis has been given to generic advertising's effect on brands, there is evidence that brand advertising can stimulate generic demand.

Practical implications

The article takes the discussion of the issue to a different level.

Originality/value

The article not only explores ways of increasing generic demand, it also provides theoretical explanations for how it can occur.

Keywords

Brands, Advertising, Demand, Consumer goods

One of the most interesting controversies in marketing is whether or not the advertising of branded products can stimulate primary demand for the product category – in other words, increase the size of the pie by advertising the separate slices. Surely, manufacturers hire ad agencies to promote their brand only, and seeing a general increase in consumption and expansion of the market as a whole is of value only if some of the increased consumption spills over to their brand. Yet, there are reasons to consider the possibility that branded advertising stimulates generic demand, even if it is not the primary goal.

To begin with, beliefs about the effect of brand advertising on primary demand depend upon one's point of view as well as the nature of the product. Activists who fight against the spread of AIDS have pressured the mass media to accept condom advertising in the belief that ads for Trojan and other brands will increase generic demand and therefore result in safer sex (Rotfeld, 2001). Similarly, regulators and marketing critics believe that advertising for Marlboro, Camels, and other brands of cigarettes encourages generic demand. But because cigarettes are a harmful product, regulators and critics have argued for greater restrictions on advertising.

A vested interest definitely makes for different thoughts on the subject. Manufacturers of cigarettes and other legal but potentially harmful products typically claim that advertising simply establishes brand preference among those who have already decided to consume the product. They argue that advertising is not powerful enough to turn non-smokers into smokers or non-drinkers into drinkers (Jacobson and Mazur, 1995). In contrast, Emerson Foote, founder of the Foote, Cone and Belding agency and former chair of the board for the McCann-Erickson agency, scoffed at the idea that cigarette ads are not aimed at expanding the market:

The cigarette industry has been artfully maintaining that cigarette advertising has nothing to do with total sales. This is complete and utter nonsense. The industry knows it is nonsense. I am always amused by the suggestion that advertising, a function that has shown to increase consumption of virtually every other product, somehow miraculously fails to work for tobacco products (Jacobson and Mazur, 1995, p. 152).

For the sake of discussion, let's consider a less controversial product – cell phones. There is no generic advertising of cell phones comparable to the advertising of products such as Florida orange juice, milk, beef, or eggs. Thus, the only advertising that consumers are exposed to is the advertising of specific brands of phones and service providers. As a result of heavy advertising in this product category, consumers who are not the earliest adopters of technology in the diffusion of innovations model (Rogers, 2003) can easily find themselves out of step with the culture if they use a cell phone primarily for phone calls. The constant barrage of cell phone advertising from multiple brands is explicitly aimed at helping consumers differentiate between brands; however, it implicitly sends the message that consumers are woefully behind the times unless they also use their cell phones for text messaging, internet access, video, still photography, navigation, music downloads, and other services. In this case, the sum total of brand advertising legitimizes all high-tech models as indispensable products and raises the bar higher for the minimal acceptable level of technology. Only after determining that a new and improved cell phone is essential to everyday life does a consumer begin to differentiate among brands and consider making a purchase. Granted, advertising merely speeds up the process for those consumers who are eventually going to make the purchase anyhow – they just do it sooner rather than later. However, one can argue that other consumers give in to the legitimizing function and buy the product to be part of normal life. Thus, brand advertising not only influences the selection of brand but can also increase generic demand by establishing credibility and legitimacy for the product category.

If brand advertising in heavily advertised product categories is capable of increasing generic demand, some theoretical explanation is needed. Agenda setting, best known for its ability to explain how news coverage increases the salience of issues, also has applications for advertising. The theory predicts that the mass media does not tell audience members *what to think* but *what to think about* (McCombs and Shaw, 1972). For example, election coverage may not convince audience members to vote for a given candidate, but it conveys that the election is an important or salient topic. Much less research has explored this function in advertising; however, Sutherland and Galloway (1981) demonstrated that advertising focused consumers' attention on which values, products, brands, or attributes to consider, as well as trying to persuade consumers what to think about the products. They concluded that advertising functioned as a "significant cue to consumers in judging what is and is not acceptable and popular" (p. 28).

Another mechanism for explaining how brand advertising may affect primary demand is advertising's ability to frame consumers' perceptions of the product, especially during pre-experience exposure. In order to explain advertising effectiveness, Hall (2002) has argued in favor of moving away from hierarchy of effects models, such as attention-interest-desire-action, toward newer ones, such as the perception/experience/memory model. According to the P/E/M model, when ads frame perception prior to product use, they serve three functions:

1. they create the expectation that a product or brand is available and can be purchased;
2. they create anticipation for a certain experience, such as food advertising arousing hunger; and
3. they provide a rationale for using the product, which also serves to legitimize the product.

According to the model, advertising also enhances sensory experience at the time of product use and organizes memory of the experience after the fact. However, it is the framing function that is of primary interest because it explains how brand advertising can set an agenda and increase primary demand for the product, especially when consumers see little differentiation between brands.

The flip side of the issue of how brand advertising affects generic demand is how generic advertising affects brands. Generic advertising is usually designed to increase the primary demand of the category without affecting selective demand (e.g. increasing the size of the pie without changing the share of the pie). However, Chakravarti and Janiszewski (2004) found that generic advertising can change brand preferences because generic ads tend to change the relative importance of attributes used to evaluate brands. Exposure to generic ads can either increase or decrease differentiation between brands. Thus, there is reason to believe that advertising is capable of working both ways: generic advertising can increase consumption of brands – not just by increasing the size of the pie but by changing the shares – and brand advertising can increase generic consumption of the product category.

Advertising is not the only variable to consider. Economic factors such as price reductions play a significant role in expanding the size of a market, and econometric studies are crucial in providing insights into the weight of various factors. Yet, the billions of dollars spent on advertising each year makes advertising a factor that begs for insights. We must continue to look beyond the intended effects.

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