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Radio Station Standards for Acceptable Advertising

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Information on the procedures, standards, and day-to-day advertising review practices were obtained from 418 managers representing the policies of 630 U.S. advertising-supported radio stations. While only a small minority of stations request advertisers to substantiate their claims, the vast majority take concrete actions to respond to listener complaints about commercials.

Introduction

A radio station may reject any commercials it does not wish to carry—except those placed by candidates for political office—and managers or a designated employee can review each advertising submission and decide if it is proper for the overall content of the station. This business activity, generally referred to as the “clearance process,” was noted by several deregulation advocates as a viable substitute for government involvement in advertising regulation and consumer protection (e.g., Anonymous, 1988; Colford, 1987; Gordon, 1988; Hamm, 1988). This study requested descriptions of the standards and procedures for commercial review practices used by U.S. commercial radio stations.

The primary question is how readily radio station managers will use their power to reject advertising, and under what conditions they decide to use that power. The literature is dominated by descriptions and assessments of procedures and guidelines of the more “visible” media such as television and magazines (e.g., Kaplan and Houlberg, 1988; Rotfeld and Parsons, 1989; Rotfeld et al., 1990b; Sewell and Jennerjahn, 1982; Zanot, 1985). To date, the concerns of radio stations have been virtually ignored, even though commercial radio stations carry well over \$6 billion of advertising every year (Statistical Abstract of the United States, 1988). The only published report of radio practices is found as a minor part of a 1967

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study supported by a broadcast trade group (Linton, 1967), with results presented mostly in praise of the less than 50% of stations that followed the association's Code of Good Practice.

Self-Regulation and the Clearance Process

Broadcast Association Guidelines

Until 1982, the National Association of Broadcaster's (NAB) Radio Code and Television Code were visible standards for broadcast advertising practice. Since fewer than half of radio stations closely followed their voluntary code, it was not an aspect in most station practices (Linton, 1967). As it served as the basis for advertising acceptance decisions at major networks and many large market stations, it may have influenced many advertisers' message tactics (e.g., Heighton and Cunningham, 1984; Linton, 1967; 1987).

However, the Justice Department asserted that the NAB violated the antitrust laws, claiming that the Code sections recommending limits on numbers of commercials per hour artificially limited its supply and, thus, raised its price. As part of the settlement when the District Court indicated initial agreement (*U.S. v. National Association of Broadcasters*, 1982), the NAB suspended all day-to-day procedures that reviewed commercials to make certain they were in good taste and that the claims were true; procedures that were not part of the original complaint.

The Federal Trade Commission (FTC) issues cease and desist orders against both advertisers and their agencies for deceptive advertising, but it has not held media vehicles responsible for merely accepting advertising the Commission later determines deceives consumers. The NAB Codes were oriented to the regulatory priorities of the Federal Communications Commission (FCC) and, in the deregulatory climate of the 1980s, it was easy for the broadcaster trade association to drop the codes. Though broadcaster fear of renewed FCC regulation might force a return to some type of trade association "code of good practice" (Henry, 1988), with so many new and varied station interests, agreement on a new code might be very difficult.

The number of stations has increased dramatically since the NAB dropped all Code activities in 1982; there are more stations, the number of station formats has increased and radio audiences are more finely segmented (*Channels*, 1988). Even at the height of the radio codes' influence over 2 decades ago, fewer than half of radio stations subscribed to the Code (Linton, 1967). Similar to television stations in the wake of the proliferation of viewer options (Rotfeld et al., 1990b; Rotfeld et al., 1990a; Walley, 1990), even if the NAB Radio Code is resurrected, it might find its adherents to be a smaller percentage of the broadcast operations, representing a smaller segment of the daily audiences and not commanding as much power as it did before. Regardless of the presence or absence of a code, senior managers are free to set guidelines for their own radio stations.

Vehicle Acceptance

Although no published studies examined radio station clearance practices, except for a partial discussion by Linton (1967), some insight is available from studies of

other media. Radio is somewhat similar to magazines as it has narrowly-defined audiences who tend to be loyal to the station format. Radio is also similar to newspapers in terms of (1) the local nature of both programs and audience interests; and (2) the limited availability of national advertising or network programming. Similarities between radio and television are obvious: they are regulated by the same government agencies, they have many common owners and they have an intertwined history.

The magazine publishers' trade association never set guidelines for members, despite pressure to do so from various consumerist groups (Parsons et al., 1987); newspaper organizations seem to consider industry codes antithetical to a news organization's mission (Goldstein, 1986). Responses from 75 newspapers on standards for advertising acceptance indicated little interest in consumer protection, with most concern expressed about specific products that readers might find objectionable (Pasternack and Utt, 1988). A review of publisher-reported policies at 164 magazines found that the most commonly expressed concern was a somewhat ill-defined standard of "good taste," often referring to degrees of sexual explicitness (Rotfeld and Parsons, 1989). Any consumer protection orientation reported mostly appeared driven by a desire to avoid or respond to consumer complaints, with an eye toward concerns for readership loyalty (Parsons et al., 1987; Rotfeld and Parsons, 1989).

In television, when the NAB dropped the Code Authority and its procedures, each station and network remained free to set its own standards for acceptable advertising. The three major broadcast networks' new written codes incorporate many aspects of the NAB code (Davis, 1987; Maddox and Zanot, 1984; Linton, 1987), but clearance practices at individual television stations are quite varied. Some stations request substantiation for most advertising claims while other stations are willing to accept almost anything as long as they are paid (Rotfeld et al., 1990b; Rotfeld et al., 1990a).

Cable television networks usually do not ask advertisers for substantiation of claims. Each cable network has its own idiosyncratic priorities, with concerns mostly focusing on the fit between advertising and the network's programs, the technical quality of the advertising production, and whether the style of presentation might offend their viewing audience (Hayes and Rotfeld, 1989).

Research Questions

When government consumer protection agencies greatly decreased their activities during the 1980s, the peril of consumer deception remained (Hayes, 1987; Kerton and Bodell, 1987; Preston and Richards, 1986; 1989). It is *presumed* by many business leaders that the clearance process forms a bulwark of consumer protection but, as noted above, several studies of actual practices in other media do not support this view. Radio stations are more direct and personal than other media, but no contemporary data exists on their clearance practices.

The primary research goal was to generate a rich base of information from a large number of radio stations about their concerns and procedures in deciding which types of commercials are acceptable for broadcast. Based upon past research, this inquiry addressed several interrelated research questions:

1. Who makes the policy and day-to-day decisions on acceptance of advertising? Do they have a clearance officer with a specific job title or job description? Do senior radio station managers have the "final say" or are there other specific people with clearance responsibilities?
2. Is there a structured process for deciding if commercials are acceptable or an informal case-by-case activity? Do formal written clearance guidelines exist?
3. Do radio stations follow any business or industry codes, such as the one applied by the NAB before 1982, and if so, how closely do they follow them?
4. What policies and practices are applied by stations in clearance decisions? Are there any norms of advertising clearance processes and practices that are common throughout the industry?
5. What types of products or commercial advertising styles are likely to be rejected? How readily do stations ask advertisers to provide substantiation for advertised claims?

From past analysis of television and print media practices, these factors seem to be the strongest and most direct indicators of responsibilities undertaken by radio station management.

Some stations might accept everything; some products might be unacceptable to many managers regardless of the commercial's format or style of presentation. Besides flat rejections, managers could request alterations in ads due to taste concerns or fit with the audience, or request the advertiser to provide substantiation that certain claims are true. Requests for substantiation can lead to ad rejection if the advertiser is unwilling to adjust the ad or cannot adequately support the claims. Of course, a station would have to devote resources to review ads and check the veracity of commercial claims; also, the procedures risk the loss of revenue from a lost time-sale.

The conventional wisdom is that a vehicle's desire to enforce strong clearance concerns depends upon its market position. The larger a vehicle's audience, the more likely it is to have higher rejection rates. However, print media studies failed to discern any direct correlation between circulation and various measures of strictness of procedures (e.g., Goldstein, 1986; Parsons et al., 1987; Rotfeld and Parsons, 1989; Pasternack and Utt, 1988). While some television station managers assert that due to their small market location they do not have the resources to actively screen commercial submissions, other stations in the same market might have rigorous and extensive clearance procedures (Parsons and Rotfeld, 1990; Rotfeld et al., 1990a; Rotfeld et al., 1990b).

In addition, the role of station "size" does not lend itself to simple and reliable assessment in the broadcast media. While print media provide some basic data on circulation that are stable and readily accessible, similar data that would indicate the size of broadcast vehicles are not available. A station's audience and ratings power is an ephemeral concept. Part of the definition is in terms of the station's location and the market size, but larger market areas support more stations, such that every city contains some small and relatively weak stations. For these reasons, questions about the "types" of stations that might not enforce strict guidelines were omitted from this study.

Method

Reviewing the extant literature on other media vehicles for possible factors that could influence the clearance process, items were generated to address each factor. These items, along with questions assessing station demographic information, were used to generate a pre-test questionnaire that was mailed to 18 radio stations. Their responses were closely reviewed and used to revise the instrument into the final questionnaire.

The final questionnaires and self-addressed, postage-paid reply envelopes were sent to 1,000 randomly-selected advertising-supported radio stations listed in *Standard Rates and Data Service* (SRDS), excluding stations that solely rebroadcast programming and advertising content of another station (satellites). Personally signed and addressed cover letters were sent to general managers, who would be in the best position to either answer the questionnaire or pass the materials to someone who could. Follow-up inquiries were sent to nonrespondents 3 months after the first mailing.

Results

The Respondents

Complete questionnaires were received from 418 respondents representing 630 stations (42% response rate), with many (212) of the respondents noting they were responsible for clearance activities of more than 1 station owned by the same organization. Of the total responses, 75% were from the first mailing and many respondents sent additional comments written on the questionnaire itself or in attached letters.

As a check against response bias, the responses from the first mailing were compared with the second. No statistically significant differences between the two groups existed in terms of whether the stations broadcast on the AM or FM bands, the stations' primary audiences, if the organization was a member of the NAB, or if it had written clearance standards.

A broad mix of station organizations were represented, with 52% of the responses from FM stations and 48% from AM stations. The primary listener groups of these stations were 36-50 year olds (53%), with 18-35 year-olds the main audience of 40% of the stations. Young listeners between the ages of 12 and 17 years and listeners over 50 years of age were the primary audiences of only 1% and 6% of the respondents, respectively. The stations' primary listeners were predominantly white (90%), followed by blacks (5%) and Spanish speaking people (5%).

Lacking "standard" categories or labels for radio station formats, the various responses given to describe program formats were classified into seven main groups. The most common format was contemporary hit radio, claimed by 35% of the stations followed by country (17%), light rock (14%), talk formats (9%), easy listening (7%), album-oriented rock (6%), and black or "urban" (4%). No other format contained more than 3% of the respondents.

Actual respondents were primarily general managers (61%), with station owners, some of whom probably served as managers, coming in a distant second (15%). None of the other response categories constituted more than 5% of the total

responses. The average station had 26 employees, but this ranged from very large operations of 50 or more employees to shoe-string operations as small as 2 employees.

Asked to list all the people involved with ad clearance, almost every station noted the general managers (94%). Also involved in decreasing frequency were sales managers (64%), program directors (61%), legal counsels (31%), station managers (19%), the sales force (15%), production (11%), owner or president (9%), and clearance officer (7%). The respondents were also asked who is responsible for most day-to-day decisions about accepting "controversial" ads. The general manager was responsible most often (46%) followed by program director (17%), sales manager (16%), and production (7%).

Radio's distinctive nature as an inexpensive, narrowly-targeted local medium—versus newspapers, which are more expensive per insertion and versus television or magazines that are more often used by national, brand-oriented, advertisers—makes these organizationally diffuse responsibilities quite logical. For many stations, most advertisers are local businesses; some stations claimed that they write (or rewrite) and produce almost all the commercials that they carry. One manager typically noted that "We rewrite most of our clients' copy for them—thus we have not had to reject copy because of content." Another noted that clearance decisions are seldom a problem because "Almost 100% of our advertisers are local."

Second, similar to magazines and cable-TV networks, each station's programming is consistent throughout the broadcast day, presenting a day-long "personality," and delivering a narrowly-defined audience to advertisers. Accordingly, those setting advertising acceptance policy have a strong desire to fit advertising with the interests of the listening audience. Station owners and managers do not wish to lose audience because of the advertising; they want the advertisers to employ production values and appeals that fit with the rest of programming, logically figuring that such commercials would be more successful with their audience and thus encourage the advertiser to buy more time in the future.

With this in mind, the sales force and programming personnel would wish to work with the local advertisers to make certain the advertising style is consistent with the station format. As one station manager wrote, "The overriding consideration is to be flexible and 'easy to do business with!' If a controversial spot is submitted we will try to convince the advertiser to revise it to make it more effective."

While top managers claim final responsibility for decisions, many different people in the organization can inject opinions and encourage advertisers to make station-required changes. The local sales force could encourage clients to conform to management concerns and may remove management from ever needing to be concerned with clearance. One officer noted that, "There is very little deceptive advertising—sales people weed out most controversial [advertising]."

Once produced, programming and production personnel could review a spot. Senior managers could be called to in to make final decisions or ads may be referred to legal counsel. For potentially controversial ad submissions, the general manager is most likely to make the final decision with program and production managers or the sales manager sometimes making the final decision.

Table 1. Clearance Structure and Code Adherence

Variable	n	Mean	Variance
Follow NAB code*	598	2.23	2.81
Follow AAF code*	535	2.85	4.02
Follow BBB code*	556	2.43	3.63
Follow own code*	571	1.09	.16
Follow another code*	571	3.58	8.76
% of commercials for which substantiation is requested during the preceding 6 months	571	3.89% [Median = 1]	177.20
Percentage of ads rejected during the preceding 6 months	595	1.88% [Median = 1]	10.67
		Yes	No
Does station have written clearance guidelines?	617	33%	67%
Does station belong to NAB?	620	86%	14%
Does station have a clearance officer?	581	56%	44%

*1 = Closely Follows; 5 = Never Follows.

Clearance Procedures and Code Membership

As seen by Table 1, only 33% of the stations had written clearance standards with 46% of them using the same code at another station, often because 2 or more stations are owned by the same individual or company. While some of the written guidelines were just a page or two long, a few of those returned with the questionnaires were extensive and detailed statements of policy. Top management usually sets the advertising acceptance guidelines for the entire station, with general managers (33%) and owners (25%) most often responsible for writing the policy statement.

Managers and owners need not design a code from scratch and may refer to a variety of industry codes of good practice (LaBarbera, 1983). Even though no longer actively enforced or applied by the parent organization, the pre-1982 NAB Radio Code may still be a referent as 86% of the respondents claimed membership to the organization. The American Advertising Federation (AAF) was followed to some degree by 83% of the respondents and 88% claimed to follow the Better Business Bureau's (BBB) codes. Stations' own written codes were followed much more closely than either the NAB, AAF, or BBB codes (*t* test, *p* < .001).

Some respondents went beyond noting their lack of a code, pointing out how they saw written guidelines as unnecessary, or even as potential sources of problems. One wrote, "Why expose yourself and your station to a series of lawsuits?" Another letter evinced a belief that virtually no one sees such written documents as necessary. "Each of the nine stations I have worked with have had their own set of rules, however to the station, I have never found a written policy or memo or directive of any type [on clearance or advertising acceptance policies]."

For most stations, the radio clearance process seems to be a somewhat informal process that lacks written guidelines. It is possible that stations could have a rigorous clearance procedure that is either communicated orally or has only one person responsible for all clearance decisions. As many people tend to be involved in the

process, the lack of written clearance guidelines could cause the clearance decisions to be erratic or seem unimportant to lower ranking personnel. Only 56% of the stations have a clearance officer, with fewer than two-thirds of those designated by job title (63%), the rest carrying the responsibilities among the tasks of a general job description (37%). A few expressed a perspective that having a clearance officer in charge of acceptance decisions would be a statement that station operations were "overly bureaucratic."

Regardless of the presence or absence of a written code, station practices can actively protect audiences from deceptive advertising by requesting substantiation of advertising claims and rejecting commercial submissions. However, substantiation was requested for an average of 4% of the commercials submitted for broadcast and, on average, only 2% of these submissions were ultimately rejected (Table 1), exhibiting significantly less activity in these areas than was reported by television stations (Rotfeld et al., 1990a).

However, there exists wide variations in the stations' clearance activities. Of the stations, 6% requested substantiation of advertising claims for 10% or more of their total advertising submissions; 13 stations requested substantiation for 50% or more of their total submissions. However, 33% of the stations never requested substantiation of ad claims during the last 6 months and 33% of the stations had not rejected *any* ads over the same time period. Many made comments that the primary concern is getting paid, such as, "Most rejected ads, over the past 6 months, [were] because of bad credit," or that the single most common reason for rejecting commercial submissions is the "Inability of client to pay." One respondent expressed the belief that requiring cash in advance for certain product categories or new accounts "discourages almost all unscrupulous advertising."

Although many stations lack a pre-broadcast advertising screening process, they do respond to specific complaints from listeners. Sixty-five percent of the stations had 1 or more listener complaints about a specific commercial over the last 6 months with an average of 3.3 complaints per station.

Asked to list how they responded to complaints about specific ads, 54% of the stations contacted the listener to find more information and inform them about station complaint policy. Twenty-nine percent contacted the advertiser and informed them of the complaint and 22% of the stations rechecked the commercial to determine if the complaint had merit. Twenty-six percent did "something" (e.g., refer to general manager; "check into the problem"), with 4% both pulling the ad and setting up a meeting between the listener and the advertiser. One manager wrote the terse explanation that it "Depends on nature of complaint varying from obnoxious, moral, to fraud—obnoxious is a matter of taste, morality is a community standard, fraud we dump."

Clearly, dealing with problems based on audience reactions is simpler and less costly than trying to catch them in advance. Revenue is not lost from rejection of ads unless there is a clear problem, and the showing of a negative audience reaction also encourages advertisers to make changes. One manager specifically addressed this perspective and wrote, "[Advertisers] want to do the right thing, they just need to be led in the right direction."

There is a dramatic contrast between pre-broadcast advertising review actions (substantiation and rejection), and policy (having written codes and clearance officers) and station responses to listener complaints. Only a small minority of

Table 2. Importance of Various Factors on the Clearance Process

Variable ¹	n	Mean	Variance	t test ² versus Advertiser Desires Specific Daypart	t test ² versus Avoid Offending Other Advertisers
Don't mislead audience	620	1.61	1.04	22.48	32.10
Ad accuracy	620	1.79	1.50	19.62	28.71
Don't offend audience	622	1.92	1.32	18.93	27.92
Protect audience	621	2.15	2.55	14.49	21.89
Ad clarity	622	2.60	2.38	10.12	17.50
Advertiser wants specific dayparts	58	3.64	4.02	—	6.84
Don't offend other advertisers	620	4.40	3.64	6.84	—

¹1 = Most Important; 5 = Least Important.

²t test values are for each row item compared with the "Advertiser Wants Specific Dayparts" or "Don't Offend Other Advertisers." t values are all significant to the $p < .01$ level.

stations had written clearance guidelines, requested substantiation, or rejected ad submissions, but the vast majority of stations (83%) that had listener complaints about commercials took concrete actions to either more fully examine the complaint or bring the complaint up with the advertiser. Many stations are interested in screening commercials only when the listeners identify specific problems.

Audience Protection and Goals of Clearance Standards

The primary goal of the clearance process of most stations was stated in terms of a desire to protect the audience. Not misleading the audience, ad accuracy, not offending the audience, and protecting the audience were noted very important to most radio stations in response to items listed on the questionnaire (Table 2). A few stations wrote descriptions of specific problems encountered in the past, such as "The Black Book," a local business that was later found to be a cover for a prostitution/escort service.

However, while most noted that they consider consumer protection a concern, they did not see it as a problem. Only one station specifically observed that "[Over the past few years], we are more aware of deceptive ads offering something 'free.'" Most others would more typically state, "I am proud to say we have very few problems with offensive, misleading or annoying commercials coming in to us." One wrote that "Every year it seems we have fewer and fewer people trying dumb claims and cheating." Another said, "We don't have any problem with ads in our area since we are known as a clean, ethical station."

The above data and descriptions help explain why, despite an avowed interest in consumer protection, potentially misleading claims were seldom written for an open-ended question that requested the single most common reason for rejecting commercials (Table 3). Bad taste was the most common reason for commercial rejections (21%), followed by misleading ads (15%) and ads for lotteries (14%) or, as one wrote, "advertisements that sound like lotteries." For several years, the FCC enforced the U.S. criminal code prohibitions of the broadcasting of information on lotteries (state-run lotteries are exempt from the law), so specific interest in this type of appeal is understandable. This could easily be a problem for radio stations as many small local advertisers might not understand the law and try lottery-

Table 3. Single Most Common Reason for Rejecting Commercials

Variable	Number of Times* Mentioned	Percentage of Total Responses (%)
Ad in bad taste	109	21.1
Ad is misleading	76	14.7
Lotteries	70	13.5
Quality of ad design	53	10.3
Inappropriate background music	32	6.2
Loud noise in ad	23	4.4
Obscene product or ad	23	4.4
Advertiser has bad credit	20	3.9
Happy hour/alcohol ads	13	2.5
Other	98	19.0

*517 stations responded to this open-ended question.

like promotional efforts, but the majority of mentions were items related to technical production standards.

Production values and presentation style, such as the quality of the ad design (10%), inappropriate background music (6%) and loud noises in the ad (4%), were also common reasons for ad rejection. Other areas of concern were obscenity, the credit rating of the advertiser, alcohol or happy hour ads, and several individual firms or unusual products. For example, one respondent would never accept ads for "products being sold out of the back of trucks." A few stations even stated the important consumer protection concerns in terms of fit with the station's programming format and station's audience building needs; for example, giving the single most common reason for rejecting ads as "sounds like a news cast, we're all news (could confuse listener)."

Based on past studies of magazines, the questionnaire presented a list of potentially problematic commercials products and asked how readily such items were accepted by the station. Items marked as "never accepted," plus an open-ended item asking other products never accepted, generated a list of 16 products barred from broadcast by various respondents (Table 4).

Some of these findings were expected, such as overwhelming refusal to carry adult book stores or X-rated movies (82.2% and 78.6%, respectively), as both would carry a strong likelihood of engendering complaints from offended audience members, regardless of station format. Similarly, R-rated movies can be tastefully presented and a much smaller proportion marked the list saying these would never be accepted (13.2%). However, it is surprising that liquor did not get more "never accept" listings than 59.7% as it was specifically banned by the former NAB code and included on the questionnaire list. Feminine hygiene products were expected to generate fewer "never accept" designations as they have been a fixture on television for over 15 years (Table 4).

Overall, the comments and responses to open-ended questions indicated a greater top-of-mind awareness and concern for fit with station format, or not offending the audience, than with audience members being misled by deceptions they might be unable to discern. As one typical respondent wrote "we don't accept or reject because of what it is but how it is presented." Another station manager

Table 4. Products Never Accepted

Product	Number of Times Mentioned	Percentage of Total Responses (%)
Adult book stores	518	82
X-rated movies	495	79
Liquor	376	60
Abortion services	304	48
Contraceptive devices	166	26
Astrology/fortune tellers	116	18
Feminine hygiene products	103	16
Gun stores	102	16
State lotteries	90	14
R-rated movies	83	13
Beer or wine	30	5
Tobacco	15	2
Drug paraphernalia	13	2
Religion	11	2
Political ads	8	1
Happy hour/free drinks	6	1

directly stated, the single most common reason for rejecting commercials is potential "Tune-out, [advertising] styles or content that will cause our audience to hit the button."

Discussion

Radio stations' consumer protection concerns are mostly focused on advertising claims or production styles that might engender listener complaints, products or formats that audience members might find offensive, or false claims listeners may discover on their own. Although managers described detailed procedures to satisfy listener complaints, they seldom engage in active screening of commercials before broadcast and exhibit limited interest in protecting consumers from false claims listeners might never discern. When listeners complain, 83% of the stations take concrete action, but substantiation requests for new commercial submissions averaged under 4% across stations, and an average of under 2% of submissions were rejected.

These priorities are similar to those primarily expressed by magazine publishers (Parsons et al., 1987; Rotfeld and Parsons, 1989) and television station managers (Rotfeld et al., 1990b). However, in terms of degree, radio stations place production values at a much higher priority and consider potentially misleading claims even less important. Magazines and television stations ask more advertisers to prove the claims are true, more readily impose management's personal philosophy into reflections on the propriety of various forms of advertising, and are more likely to follow written codes and standards.

The unanswered questions are why radio clearance officers are so rare, why managers seem to exhibit such a low interest in requesting substantiation, and why production values seem to be the over-arching priority except at a small minority of stations. There exist three broad possible answers.

First, radio stations must fight for every advertising dollar in a much more

competitive market than other major media (see Dunn et al., 1990; Heighton and Cunningham, 1984). Compared with other major media and compared with radio of 2 decades ago, every radio station has more direct competition for both audiences and the advertisers who are potentially interested in reaching those audiences. Profit margins are tight, forcing many station owners and managers to undertake short-run priorities of maximizing audience ratings and income (*Channels*, 1988). However, this runs counter to published data finding that a vehicle's audience size is not a valid indicator of clearance strictness.

A second possibility stems from the larger proportion of radio commercials that are for local stores and businesses (Dunn et al., 1990; Statistical Abstract of the United States, 1988), announcing prices, store features and special sales. The prevalence of this type of commercial would mean that the nature of radio advertising consists of many claims whose truth and accuracy are more readily verifiable by consumers than the brand and image advertising found in television and magazines. Consumers can readily discern any potential deceptions in price and product availability claims. Concurrently, the radio time-salespeople are usually familiar with most clients, possibly helping to write the commercials, so they will, as one manager wrote, "work with the clients to make the ads more effective."

A third possibility notes station priorities as the logical result of the focus of public criticism and resulting regulatory attention. Unless a plethora of complaints fill the files at the time of license renewal, radio stations have less to "fear." This is not to say that conscious regulatory decisions were made to ignore radio, but rather, its program styles and the fact that it tends to be used as "background" listening by many audiences allow consumer activist critics of business practices to more readily focus on other, more intrusive, media. For advertising's critics, television practices are center stage for public attention and concern (e.g., Davis, 1987; Steiger, 1990). Public expectation that the clearance process will serve a consumer protection role has tended to focus on television or the leading magazines, not radio (e.g., Best, 1985; Colford, 1987; Hamm, 1988). There seems to be little public concern of potential harm to children from radio advertising, in contrast to child-oriented television advertising, which has been the focus of Congressional hearings.

Implications

In criticizing all forms of advertising regulation, some economic discussions simply presume that consumers are capable of discerning virtually all potential deceptions, making any form of deception a suicidal advertising strategy (e.g., Ekelund and Saurman, 1988; Weidenbaum, 1979). Yet there exist many examples of claims whose veracity consumers lack resources to assess, even if they use the product on a regular basis (e.g., Ferguson, 1984; Kihlstrom, 1984; Preston and Richards, 1986; Snyder, 1989). The question then becomes whether or not the clearance process serves as a force for greater honesty in the marketplace.

Rotfeld et al. (1990b) assert, after reviewing television station practices, that those responsible for enforcing government regulations seem to have expected more from the media clearance procedures than they pragmatically can be expected to deliver (e.g., Anonymous, 1985; Hamm, 1988; Hayes, 1987). Incentives for radio stations to even attempt to play that role are weak to nonexistent as the stations'

primary revenue source is from advertising *accepted*. The strongest economic incentive is to accept as much as possible. No study to date has found that vehicle managers have adequate incentives to use the clearance process on consumers' behalf, and at first glance, radio might be the worst, concerned mostly with audience maximization and serving as an aid to consumers that discover problems in the commercials that they accept.

Radio stations' priorities are not necessarily dysfunctional, however. Self-interest to maximize the audience interest in the vehicle may direct attention to the specific areas of consumer protection needed to best serve that audience. The audiences for each station are narrowly defined and consistent during the entire broadcast day, attempting to engender a certain degree of long-term loyalty with both listeners and advertisers. The salespeople serve to help advertisers make more effective commercials, not in terms of deception, but rather in terms of establishing an honest relationship with the audience. In other words, the nature of the medium might make a concern of strict clearance procedures unnecessary. A radio station's written code would be needed only to ensure that all members of a large organization are aware of the concerns of higher management (e.g., Rotfeld and Parsons, 1989; Wicks, 1991).

To be effective, radio time is bought in large blocks to be run over a given period, with a relatively high frequency needed for even minimal audience impact. This engenders long-standing relationships between station personnel and advertisers, and claims, by their retail and local nature, are often of the type that consumers can more readily discern problems than station management can. In such a situation, the proximity of station people, advertisers and the audiences might serve to make close clearance scrutiny unnecessary.

As noted, this is all speculative. If radio station priorities are even partially the result of the lack of public attention and criticism of the medium, the available data suggest that radio advertising should be the basis for greater consumer protection scrutiny than television and magazines, not less. Local self-regulation organizations, such as the Better Business Bureaus' National Advertising Division, might give greater attention to local radio advertisers. Given the clearance practices of stations and the ability of radio advertisers to "hide" from the criticisms of advertising practices given to other media, more attention to their advertising content might be warranted.

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