



Advertising Standards Canada
Les normes canadiennes de la publicité

ASC 2011 Consumer Research Canadian Perspectives on Advertising

*Prepared for Advertising Standards Canada
by The Gandalf Group*

November 16, 2011



the gandalf group



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On behalf of Advertising Standards Canada, the Gandalf Group conducted research with Canadian and American adults to understand public impressions of advertising and advertising standards.

Data was collected through two online surveys, one in Canada and one in the US. In Canada, the survey was conducted in English and French with 1,378 adult respondents, between September 23 and October 3, 2011. The sample of adults was nationally proportionate based on region, age and gender using a probability based sample from a panel of randomly selected adults. The US survey was conducted with a sample of 800 adults, nationally proportionate based on region, age and gender. It was conducted from September 23 to 29, 2011.

The surveys utilized similar questionnaires to contrast opinion in the two countries, as well an oversample in Quebec to better understand potential differences between English and French Canadians. We are pleased to share the key findings with you in this report.

Views on Advertising

- The vast majority (79%) of Canadians surveyed said advertising provides them with value – only 19% said advertising provides no value. Most Canadians (63%) said advertising is somewhat or very helpful to their consumer decision-making versus 80% of Americans.
- Most Canadians (73%) said they have a favourable impression of advertising.
- Canadians were more likely than Americans to agree that advertising shapes society: 52% of Canadians agreed with this, compared to 36% of Americans. Americans were somewhat more likely to believe that advertising mirrors society. This is one of the key insights into why Canadians expect standards for advertising. They believe advertising has a greater impact on society. 86% of Canadians said it is very important to have rules and regulations that advertisers must follow, compared with 64% of Americans.
- Americans tend to look at advertising differently from Canadians, seeing it more as entertainment and less impactful on societal values. As a result, even though Americans are less likely than Canadians to think the ads they see or hear are truthful and more likely to be offensive, overall they find advertising content more acceptable than Canadians.





Acceptability of Advertising

- When asked to explain why they find some advertising to be unacceptable, 32% of Canadians cited misleading or exaggerated claims; 22% cited offensive, sexist or vulgar content; 12% cited ads were stupid or insulted their intelligence; 3% cited that ads are too loud; 2% cited advertising to children; and 2% said ads are too repetitive.
- Most Canadians believe that advertisers are unlikely to produce offensive content. Quebecers were most likely to agree with this – 76% said the ad industry is unlikely to produce offensive ads. In Western Canada, most agreed with this (59%), but close to four in ten Western Canadians believe the industry is likely to make ads that are offensive.
- The data showed an unacceptable ad can impact the bottom line. Most Canadians said they would be very likely to stop purchasing a product or service if the company offering it ran advertising that was unacceptable to them.

Standards

- Almost all Canadians (86%) think it is very important to have rules and regulations for advertising compared to 64% of Americans. Canadians think it is most important to have standards to ensure advertising is truthful and not misleading. Ensuring advertising is not offensive is also important, but Canadians have confidence in the industry on this aspect.
- Canadian men and women have a similar assessment of whether advertising meets standards for truth and accuracy, but men are significantly less likely to be concerned about offensiveness than women.

Responsibility for Standards

- In terms of rules and regulations, most Canadians see a role for third party oversight of advertising, whether that comes from government or elsewhere. However, Canadians place the primary responsibility for ensuring the acceptability of advertising on advertisers and advertising agencies.
- Awareness of ASC and the *Canadian Code of Advertising Standards* is fairly high in this survey: 82% of Canadians believe there are rules and regulations in place that advertisers must follow, and 44% and 45%, respectively, said they had heard of ASC and the *Code* prior to the survey.



Conclusions

The research demonstrates that favourable attitudes towards advertising in general are related to acceptability and standards in advertising, and that truth and accuracy are the most important underpinnings. The fact that so many Canadians' loyalty to a product or service can be affected by an unacceptable ad further demonstrates the importance of advertising standards.

The comparison with US data shows major cultural differences between the two countries, with Canadians less willing to accept advertising that steps out of bounds, particularly when it comes to truth and accuracy.

Introduction & Methodology

- ❑ Research with both Canadian and US respondents to understand perceptions and expectations of advertising and understand advertising standards within that.
- ❑ This presentation covers :
 - ❑ Value and favourability of advertising.
 - ❑ The cultural differences between Canada and the US
 - ❑ Expectations for standards in advertising.

Introduction & Methodology

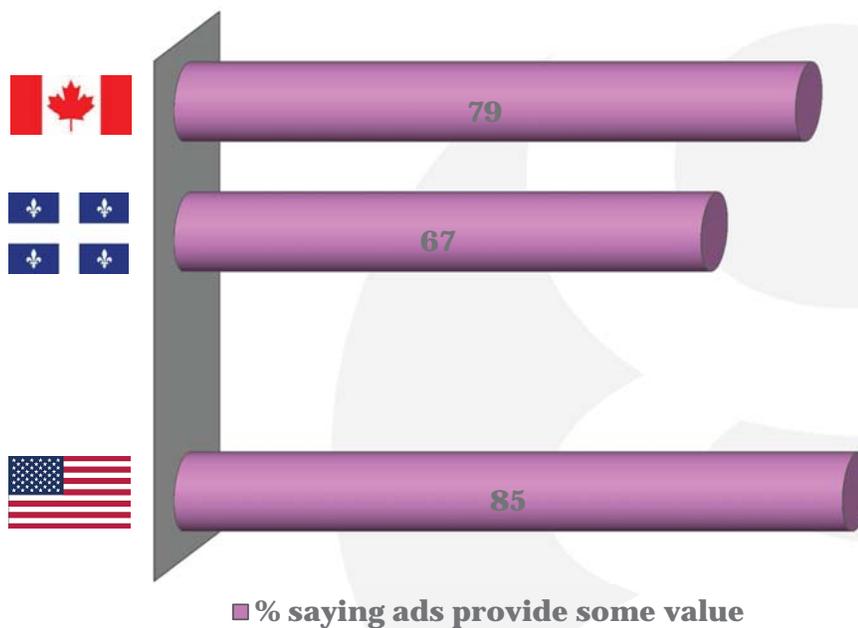
- ❑ Data was collected online with two separate surveys in Canada and the US, using mostly similar questionnaires for comparison between September 23 and October 3, 2011.
 - ❑ Canada: English and French with 1378 Canadians, including a Quebec oversample. The sample of adults aged 18+ was nationally proportionate based on region, age and gender using a probability based sample from a panel of randomly selected adults. This survey was conducted from Sept. 23rd to Oct. 3rd 2011.
 - ❑ US: survey in English with 800 American adults, nationally proportionate based on region, age and gender. This survey was conducted from Sept. 23rd to Sept. 29th 2011.

Value in Advertising

- ❑ Most Canadians believe advertising offers them value.
 - Quebecers were less likely than other Canadians to say advertising provides them with value.
- ❑ Most believe advertising is at least somewhat helpful to consumer decision-making.
- ❑ Americans were more likely than Canadians to say advertising provides value.
- ❑ They were also more likely to say advertising was helpful to them as consumers.

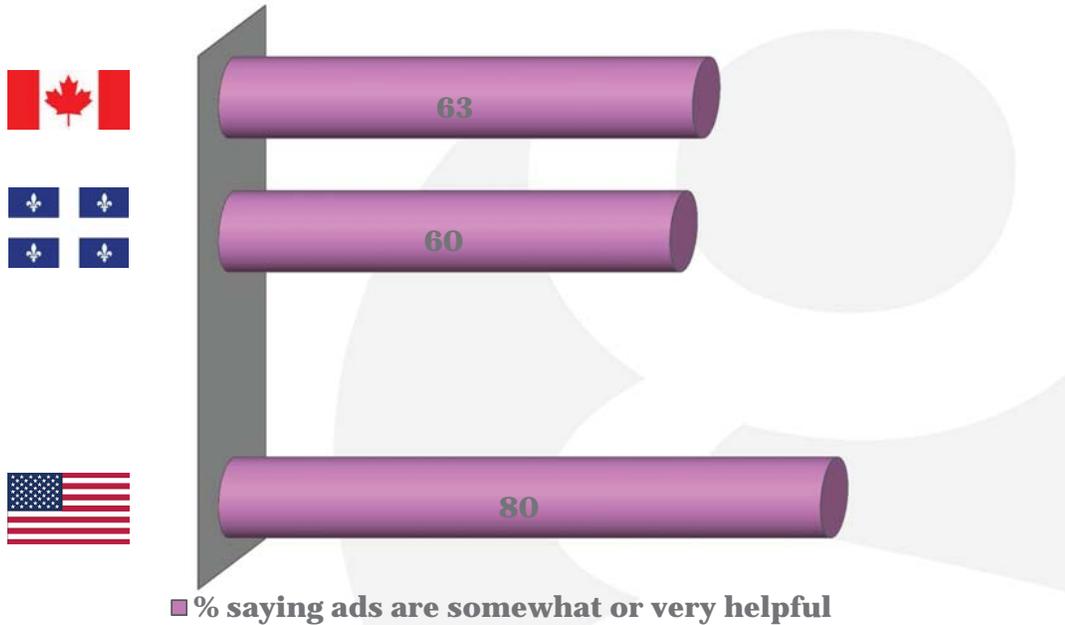
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Vast Majority Say Advertising Provides Value



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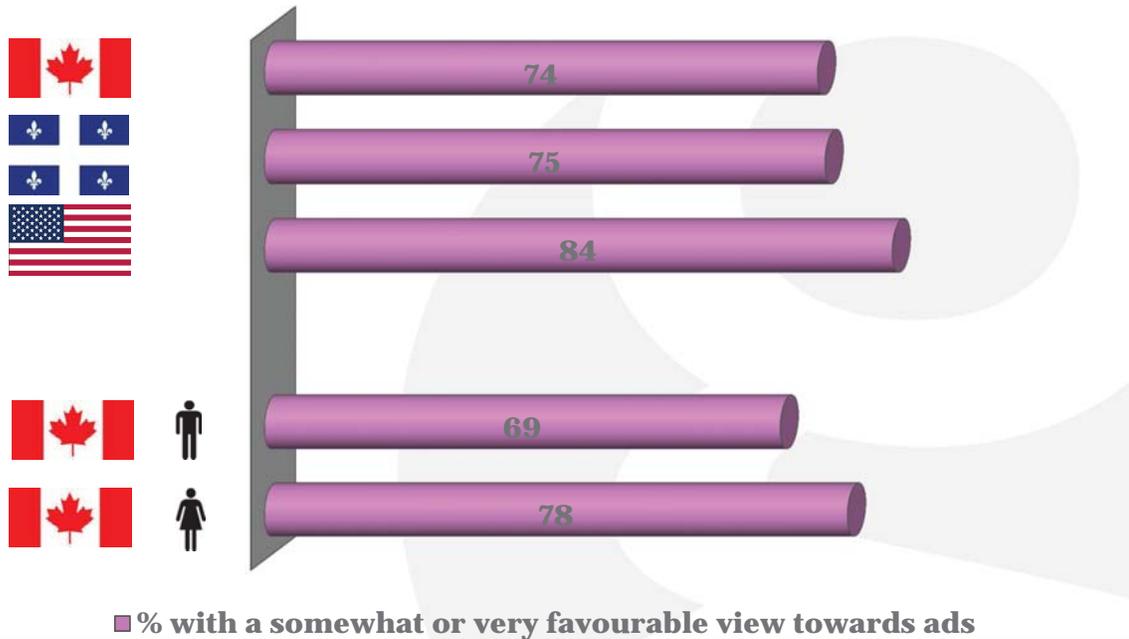
Americans More Likely to Find Ads Helpful



Most Are Favourable Towards Advertising

- Americans were more likely to have favourable views of advertising than Canadians.
- Adherence to standards is important for favourable impressions of the industry overall.

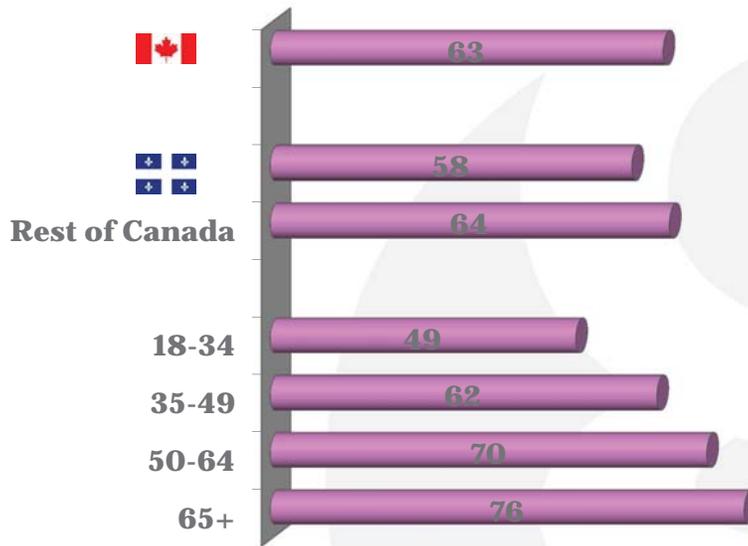
Most Have A Favourable Impression of Advertising



Unacceptable Advertising Will Affect Sales

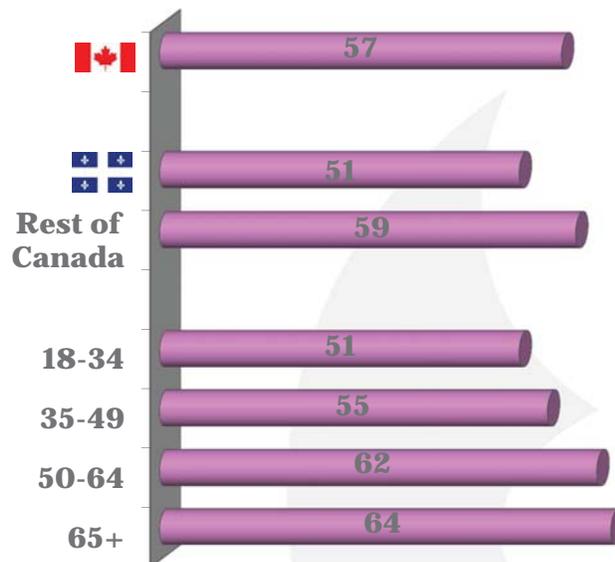
- Unacceptable advertising has an impact on the bottom line.
- 89% very or somewhat likely to stop purchasing an item or service.
 - 63% very likely.
- Most said they had already done so with respect to at least one product or service.

Most Canadians Very Likely to Stop Buying if Ads Unacceptable



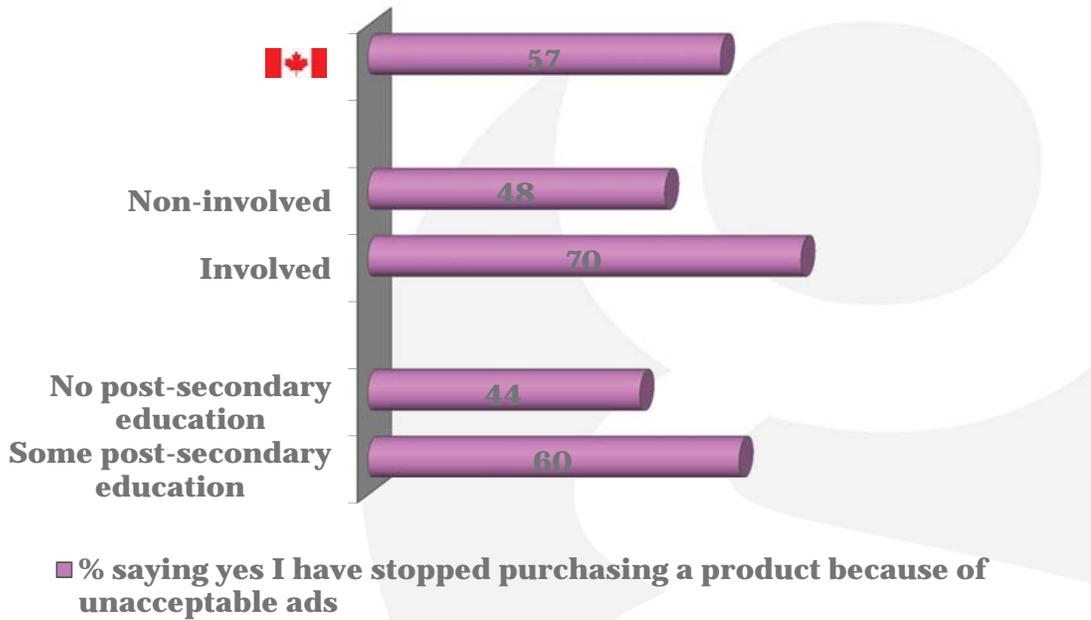
■ % saying they are very likely to stop purchasing a product if an ad was unacceptable

Youth and Quebecers Less Likely to Have Stopped Buying Because of Unacceptable Ad



■ % saying yes I have stopped purchasing a product because of unacceptable ads

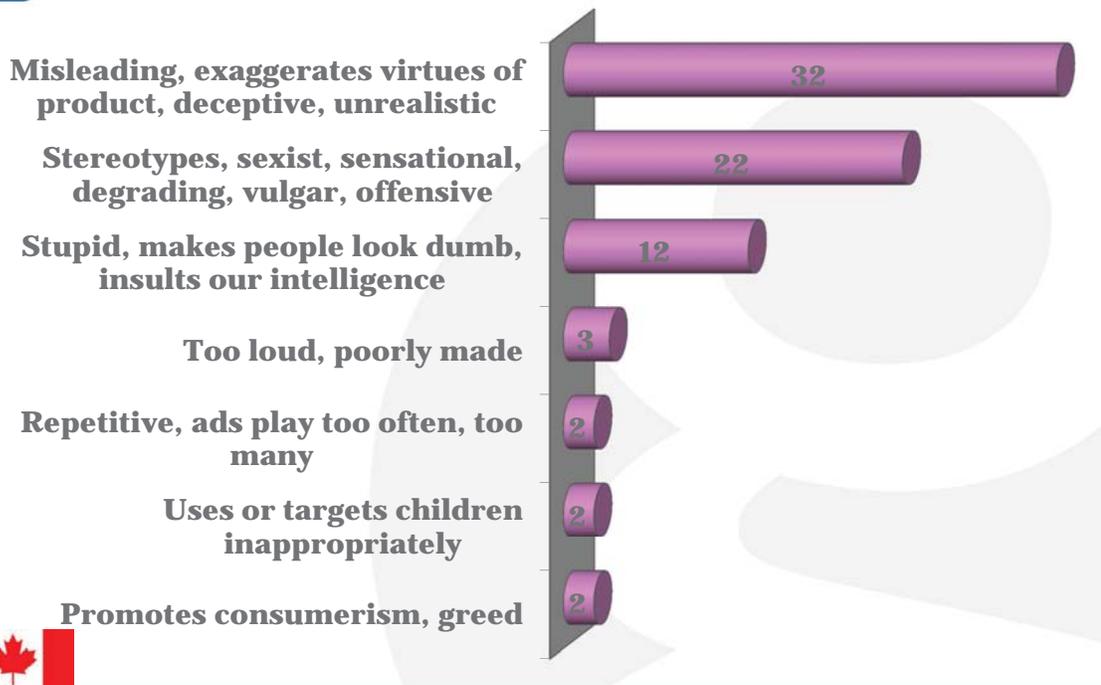
Involved Canadians More Likely To Act



Truthfulness, Accuracy Drive Standards for Acceptability

- Truth and accuracy are very important to how Canadians determine “acceptability.”
 - Concern about truthful advertising is higher than for offensive advertising.
 - Other concerns not as top of mind: e.g. volume, violence, targeting children.

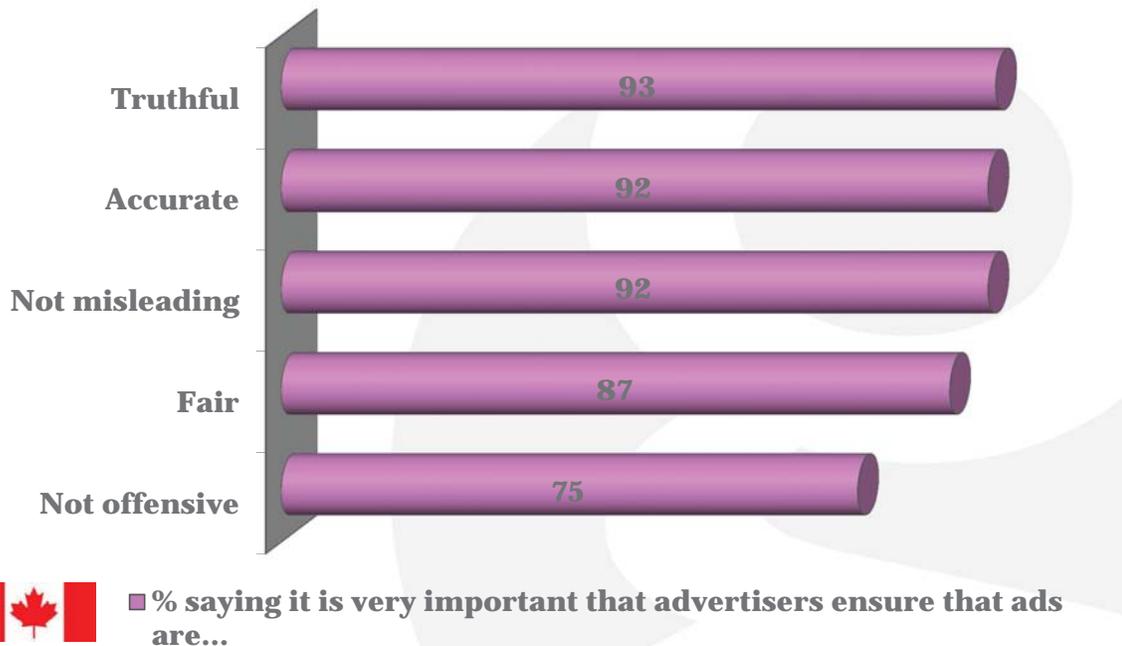
“Misleading” Is the Most Cited Reason Why Ads Are Unacceptable



Priority for Standards: Truthfulness

- Ensuring that ads are not offensive is important
- Even greater expectation that standards be in place for truth, accuracy and misleading claims.
- This is the priority Canadians set for a body like the ASC.

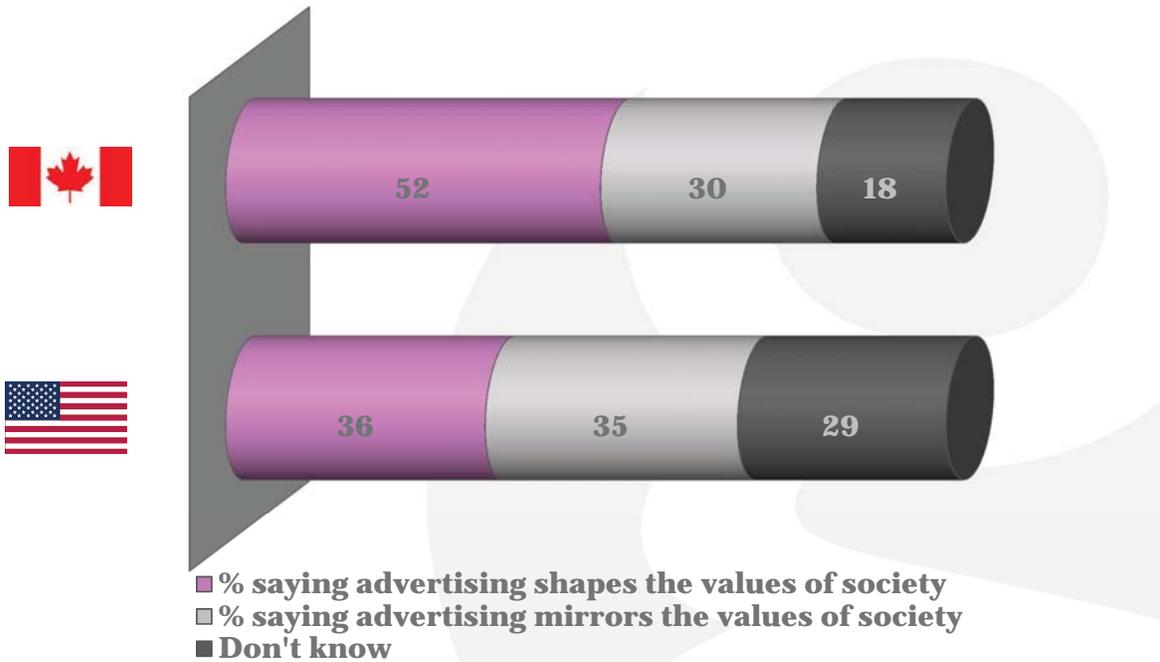
Most Important That Standards Ensure Truthful, Accuracy



Canadians Value Ad Rules; Half Say Ads Shape Societal Values

- There is a different cultural perspective between Canadians and Americans on the impact of advertising.
- Half of Canadians said that advertising shapes the values of society.
- In the US, one third said advertising shapes the values of society, while another third said that advertising mirrors the values of society.
- Canadians were much more likely than Americans to say rules and regulations for advertising are very important.

Half of Canadians Say Ads Shape Values of Society



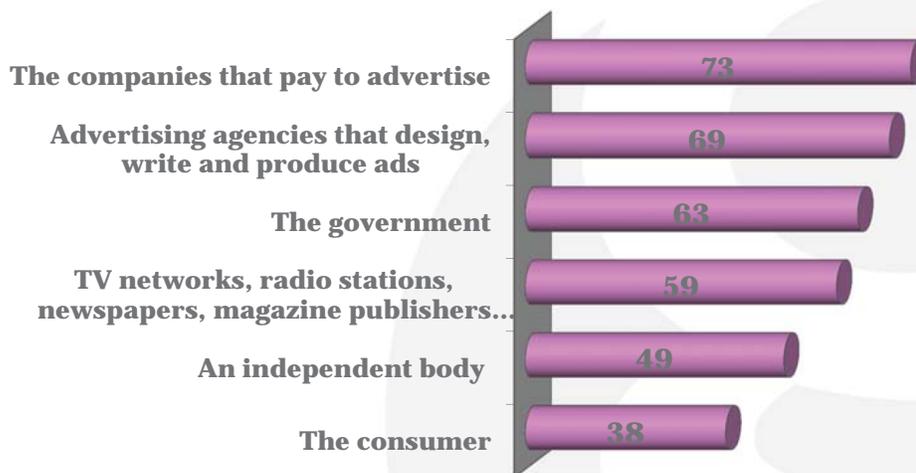
Vast Majority Say Ad Rules and Regulations Very Important



Vast Majority Want Rules and Regulations for Advertisers

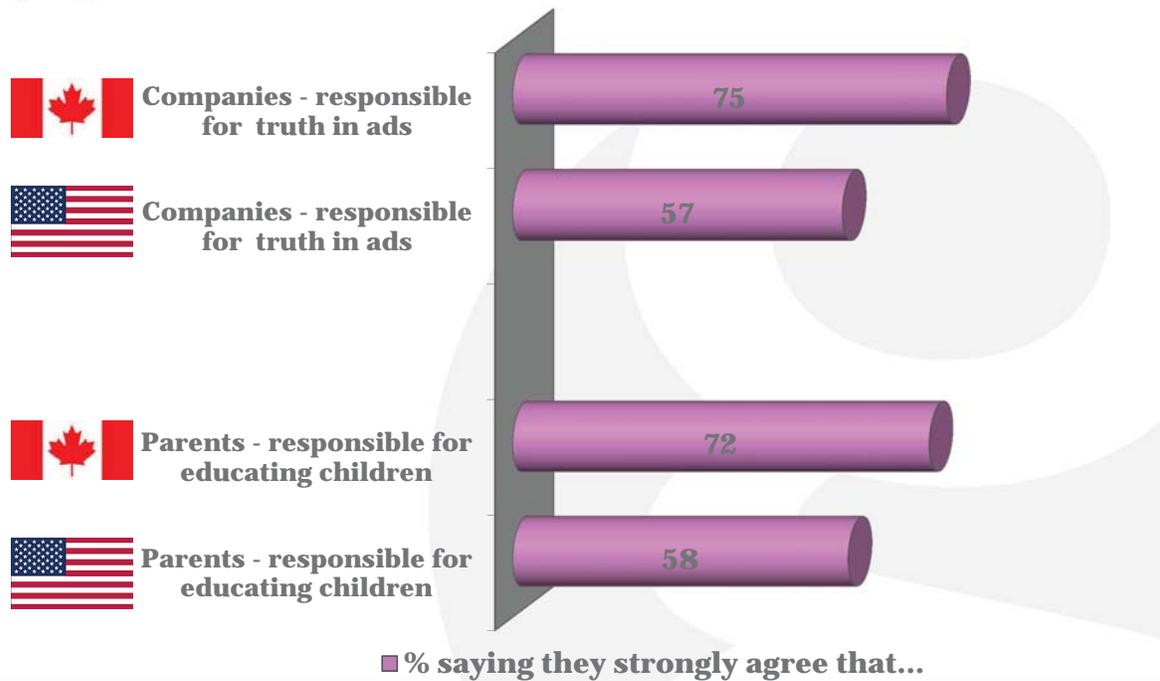
- ❑ The vast majority believes rules are in place currently.
 - 82% of Canadians believe there are rules and regulations in place that advertisers must follow.
- ❑ Most Canadians see a role for third-party oversight of advertising, whether that comes from government or elsewhere.
- ❑ However, Canadians place the primary responsibility for ensuring the acceptability of advertising on advertisers and advertising agencies.
- ❑ Good awareness of ASC and the *Canadian Code of Advertising Standards*:
 - 82% of Canadians believe there are rules and regulations in place.
 - 44% and 45%, respectively, had heard of ASC and the *Code* prior to the survey.

Highest Responsibility for Standards Falls on Companies, Advertisers



■ % saying _____ have/has a great deal of responsibility

Canadians More Likely to Agree Companies, Parents Responsible



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Key Findings on Ad Standards

- Canadians tend to look at advertising differently from Americans - less as entertainment and more impactful on societal values.
- Standards are therefore more important in the Canadian context.
- Truth and accuracy are important underpinnings.
- Important for standards and important to favourability of the industry.
- Significantly, important to the bottom line with an impact on consumer loyalty.

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