

**UNISA GRADUATE SCHOOL OF BUSINESS LEADERSHIP**



**FUNDING ADVERTISING SELF-REGULATION IN SOUTH AFRICA:  
AN INDUSTRY - ETHICAL IMPERATIVE  
OR A “GRUDGE - PURCHASE” CALCULATION?**

SUBMITTED BY

Leon Jacobus Grobler

STUDENT NUMBER 78987458

Submitted in partial fulfilment of the requirements for the degree

**MASTERS IN BUSINESS LEADERSHIP (MBL)**

At

**UNISA**

**GRADUATE SCHOOL OF BUSINESS LEADERSHIP (SBL)**

SUPERVISOR:

Dr. Daan de Villiers

[www.sblunisa.ac.za](http://www.sblunisa.ac.za)

## **Declaration of Originality**

I, Leon Jacobus Grobler declare that this research report is my original work, and that any external sources of information have been properly acknowledged and referenced in accordance with UNISA's requirements. I understand and accept that failure to reference sources appropriately could result in the work being viewed as plagiarism, and that appropriate penalties might follow.

---

Leon Jacobus Grobler

---

Date

## **Acknowledgements**

I've come to accept that my relative relevance to others adds meaning and purpose beyond most common measures. When such relevance is expressed as a measure of love and support, my propensity to venture beyond the dreaded comfort zone and attempt that which seemed impossible knows no bounds. Jon Crosby (V.A.S.T.) wrote "*This your only chance at immortality. I'll give you strength, but I cannot give you the keys*".

The consistent support and encouragement from my beautiful wife Christel and our two incredible children Juan and Leané have been my strength and the keys needed to unlock this door to achieve something I could not have done alone. I thank you, and I love you.

## **Abstract:**

The study explored the general level of awareness of the Advertising Standards Authority of South Africa (the ASASA) as a personification of advertising ethics within the South African Landscape. It questioned whether the Advertising Communications Industry viewed the sustainable funding of the ASASA as a cost-constraint, or as an inherently ethical Corporate Social Responsibility / Corporate Philanthropy imperative.

The descriptive design allowed for electronic surveys to be circulated via two essential Advertising Industry Representative Organisations (the ACA and MASA) to extract data from advertising agencies and marketers across South Africa.

Results suggest that respondents are acutely aware of the existence and purpose of the ASASA as a vessel for ensuring ethical advertising, but that the predominant motivator seems to be the avoidance of additional government intervention, and not an ethical imperative or Corporate Social Responsibility / ethical function. The data further suggest that entities who offer financial support prefer sporadic, ad hoc funding, rather than committing to sustained financial assistance. Larger companies with higher annual turnover appear more likely to provide funding than smaller entities.

A low response rate prevented any attempt at statistical analysis to allow for correlational findings. Recommendations to address such concerns in future research are provided.

## Table of Contents

<b>Chapter 1: Overview and Introduction</b> .....	1
<b>1.1 Background and Introduction</b> .....	1
<b>1.2 Research Problem</b> .....	4
<b>1.3 Research Objectives</b> .....	4
<b>1.4 Literature overview</b> .....	5
<b>1.5 Hypotheses</b> .....	6
<b>1.6 Research design and methodology</b> .....	8
<i>Sampling</i> .....	8
<i>Survey questionnaire</i> .....	8
<i>Data Analysis</i> .....	10
<i>Ethical considerations</i> .....	11
<i>Envisaged timeframe</i> .....	12
<b>1.7 Delimitations of study</b> .....	12
<b>1.8 Significance of proposed research</b> .....	13
<b>1.9 Study limitations</b> .....	14
<b>1.10 Conclusion and study outline</b> .....	14
<b>Chapter 2: Literature Review</b> .....	16
<b>2.1 Introduction</b> .....	16
<b>2.2 Content-Related focus remains</b> .....	16
<b>2.3 The South African Context</b> .....	17
<b>2.4 Corporate Social Responsibility – a brief overview</b> .....	18
<b>2.5 Corporate Philanthropy – a brief overview</b> .....	21
<b>2.6 Difficulties in Identifying Corporate Philanthropy</b> .....	22
<b>2.7 The Advertising Standards Authority of South Africa</b> .....	24
<b>2.8 ASASA’s reliance on Corporate Philanthropic contributions from Advertisers and the Advertising Communications Industry</b> .....	26

2.9	Conclusion .....	29
<b>Chapter 3. Research Methodology .....</b>		<b>30</b>
3.1	Introduction.....	30
3.2	Research Problem.....	31
3.3	Purpose and intention of empirical study.....	31
3.4	Research Objectives.....	32
3.5	Hypotheses created .....	33
3.6	Quantitative approach.....	34
3.7	Population and sample framework.....	34
3.8	Data collection methods.....	36
3.9	Nature of the survey .....	36
3.10	Delivery method.....	38
3.11	Data analysis .....	39
3.12	Presentation of Data .....	41
3.13	Ethical considerations .....	41
3.14	Conclusion .....	42
<b>Chapter 4. Research Results.....</b>		<b>43</b>
4.1	Introduction.....	43
	<i>Eliminating Invalid Responses.....</i>	<i>44</i>
	<i>Delayed Response from MASA members.....</i>	<i>45</i>
4.2	Presentation of Results .....	45
4.2.1	Theme 1: Awareness (or lack thereof) of the ASASA as a Self-Regulatory Organisation in need of sustainable funding.....	46
4.2.2	Theme 2: The election to offer or withhold financial support to the ASASA.	
	49	
4.2.3	Theme 3: Rationalisation of election to provide or withhold funds.....	52
4.2.4	Theme 4: Differentiation.....	57
4.3	Discussion of Results .....	59

4.4	<b>Concluding remarks</b> .....	62
<b>Chapter 5. Conclusions, Limitations and Recommendations of Study</b> .....		63
5.1	<b>Introduction</b> .....	63
5.2	<b>Research Objectives and Conclusions</b> .....	64
	<i>First Primary Objective – conclusions</i> .....	64
	<i>Second Primary Objective – conclusions</i> .....	65
	<i>Differentiation – conclusions</i> .....	67
5.3	<b>Practical implications of findings</b> .....	67
5.4	<b>Limitations of the study</b> .....	69
5.5	<b>Conclusion and Recommendations</b> .....	72
<b>LIST OF REFERENCES</b> .....		73
<b>Annexure 1: Research questionnaire</b> .....		82

## LIST OF ABBREVIATIONS

ACA	Association for Communication and Advertising	<a href="http://www.acasa.co.za">www.acasa.co.za</a>
ASASA	Advertising Standards Authority of South Africa	<a href="http://www.asasa.org.za">www.asasa.org.za</a>
CSR	Corporate Social Responsibility	
CP	Corporate Philanthropy	
EASA	European Advertising Standards Alliance	<a href="http://www.easa-alliance.org">www.easa-alliance.org</a>
MAC	Marketing and Advertising Communications	
MASA	Marketing Association of South Africa	<a href="http://www.marketingsa.co.za">www.marketingsa.co.za</a>
SRO	Self-Regulatory Organisation	

## LIST OF FIGURES, TABLES AND CHARTS

TABLE / CHART NUMBER	TITLE	PAGE
Figure 1	Four Hierarchical Components of CSR	19
Figure 2	“Tripod” of areas of common research pertaining to the construct of “Ethics” within the construct of Advertising	23
Figure 3	Additional area of study – Corporate Philanthropy signalled by voluntary ASASA funding	28
Figure 4	Visual representation of information cascade to illustrate how the research will home in on the themes identified	40
Table 1	Responses to Questions 2, 3 and 4	46
Table 2	Self-reported funding to the ASASA	50
Table 3	Cross-referencing of turnover and election to fund or not	58
Table 4	Relative proportionate funding by respondents	59
Chart 1	Responses to Questions 2, 3 and 4	47
Chart 2	Responses to Question 11	48
Chart 3	Self-reported funding to the ASASA over a 12-month period	50
Chart 4	Views on whose prerogative the funding of the ASASA should be	51
Chart 5	Respondents who have supported the ASASA	53

Chart 6	Respondents who opted not to fund the ASASA	54
Chart 7	Industry's perception of the ASASA as a resource for ensuring ethical activities	55
Chart 8	Indication of the belief that ASASA could prevent rigorous government intervention	56
Chart 9	Company turnover brackets	58
Chart 10	Indication that ASASA funding is not perceived as CSR-related	61

# Chapter 1: Overview and Introduction

## 1.1 Background and Introduction

The origins of advertising as a means of influencing the decisions of society and citizens can be traced back to the Victorian Era (Woker, 1999). However, this industry has attracted much criticism because of unethical advertising practices by means of deceptive and/or harmful advertising (Grewal and Levy, 2016).

An important facet of responsible, ethical marketing and advertising is *decent* and *truthful* advertising. In the South African Advertising Communications landscape several laws and regulations govern marketing and advertising related activities, products or promotions. Some examples include the Consumer Protection Act 68 of 2008, the Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972, the Tobacco Products Control Act 83 of 1993 as amended, The National Credit Act 34 of 2005, and the Medicines and Related Substances Control Act 101 of 1965 (Code of Advertising Practice - Guideline 9, 2016). These pieces of legislation form a broad web of governance aimed at preventing illegal and abusive activities that arise as a consequence, and are similar to laws and regulations at play in foreign jurisdictions (Harker and Cassim, 2002). However, these laws are not the sum of all codified prescriptive requirements that aim to ensure legal and ethical conduct in the local advertising Industry.

In South Africa, this has led, *inter alia*, to the establishment of entities aimed at ensuring ethical advertising practices such as the Advertising Standards Authority of South Africa (“the ASASA”), whose main purpose is to “... *ensure that its system of self-regulation works in the public interest* ...” (Code of Advertising Practice, 2016).

International best practice for business in general (Omarova, 2011) as well as advertising in particular suggest a natural preference for robust Self-Regulatory Organisations; or “SROs” (Jenkins, 2001). The guiding principle across all jurisdictions is that advertising needs to be legal, decent, honest and truthful (Muela-molina and Perelló-oliver, 2014). In fact, these ideals are espoused in the International Chamber of Commerce’s “Advertising and Marketing Communication Practice Consolidated ICC Code” (International Chambers of Commerce, 2011), which notes that:

*“Over the years, the ICC Code has served as the foundation and building block for self-regulatory structures around the world. These self-regulatory systems have built*

*trust with consumers by assuring them of advertising that is honest, legal, decent and truthful and quick and easy redress when transgressions occur.*

*The Code also has served business and society by providing ethical guidelines that create a level playing field and minimize the need for legislative or regulatory restrictions. As new practices and technologies have evolved, ICC has revised and extended the scope of the Code to assure its usefulness and relevance”.*

Mirroring the ethical principles and values of the ICC, the Preface to the Code of Practice of the Advertising Standards Authority of South Africa (Code of Advertising Practice, 2016) states:

*“The Advertising Standards Authority of South Africa (also known as the ASA) is an independent body set up and paid for by the marketing communication industry to ensure that its system of self-regulation works in the public interest. The ASA has a president independent from the industry.*

*The Code of Advertising Practice is the guiding document of the ASA. The Code is based upon the International Code of Advertising Practice, prepared by the International Chamber of Commerce. This is inter-nationally accepted as the basis for domestic systems of self-regulation, it forms the foundation of this Code in which the basic principles laid down in the International Code are related to the particular circumstances of advertising in South Africa. The Code is drawn up by the ASA with the participation of representatives of the marketing communication industry, and is amended from time to time to meet the changing needs both of the industry and of our society”.*

The ASASA’s mandate and jurisdiction is derived from a voluntary contract with its members to reactively administer and adjudicate disputes, leading to determinations about the acceptability (or lack thereof) of disputed advertising (Advertising Standards Authority<sup>2</sup>, 2017). Advertising that is found to have contravened the ASASA Code of Advertising Practice has to be removed irrespective of the cost implications for an offending advertiser and / or marketer. The absence of governmental sanctioning or any substantial enabling legislation means that funding is not derived from taxes or government budgets, and the ASASA is necessarily reliant on voluntary industry-sourced funding for all operational activities.

Noting that societal and regulatory focus on ethical issues appears to follow cyclical patterns (Maitland, 2010), it is interesting to note that the ASASA has verged on extinction twice in the past two decades; once in 1996 (Harker and Cassim, 2002), and again more recently in 2016 (Eripio, 2017). On both occasions, the predominant constraint was lack of adequate, sustainable funding. As a Not-For-Profit Company, the ASASA is entirely dependent on industry-sourced funding which has recently dwindled to practically non-existent (Nevill, 2017). A substantial part of its recent rejuvenation effort involved not only securing interim “stop-gap” contributions from the Advertising Industry, but also revising the funding model to allow for sustainable contributions based on advertising expenditure (Schimmel, 2017). This required immediate financial support to the tune nearly R5 000 000 (Eripio, 2017) as well as continued operational funding going forward.

Initial support for the “stop-gap” funding (which involved a once-off contribution of R24 396,00 by a supportive Advertising Agency or Marketer) was largely positive, with several advertising agencies and marketers depositing this fee, and in some instances, several multiples of this fee in the ASA Business Rescue Account (Advertising Standards Authority of South Africa<sup>1</sup>, 2017). The subsequent drive to obtain industry consent to subscribe to an on-going system of monthly funding contributions is underway, and appears to be evolving into a hybrid model to suit the needs and logistical challenges of each contributing entity (Schimmel, 2017).

From an ethics-perspective, this present a unique opportunity to evaluate the actions of Advertising Agencies and Marketers with a specific emphasis on establishing causal links between the ethical character of the Advertising Industry and its CSR-based support or *ad hoc* philanthropic donations to the ASASA.

The question arises as to what motivates industry participants to fund a body which has the authority to order the immediate cessation of misleading or offensive marketing campaigns; causing the advertiser and/or marketer to forfeit vast sums of money as a consequence? In the absence of any immediate and compelling economic benefit, the author hypothesises that the answer lies within the realm of Corporate Social Responsibility (“CSR”) and/or Corporate Philanthropic (“CP”) perspectives. The study aims to determine whether such an assumption is founded, and whether this can be interpreted to suggest that the Advertising Industry is substantively concerned with operating ethically.

## **1.2 Research Problem**

Advertisers often insist that compliance with applicable legislation and (where such environments exist) self-imposed regulation presupposes an inherently ethical industry and fundamental support for the spirit of consumer protection. Global Self-Regulatory bodies have emerged, championing a world-wide commitment to legal, decent, honest and truthful advertising (European Advertising Standards Alliance, 2018). Despite this, advertising still attracts substantial criticism for unethical, deceptive, and exploitative practices (Nooh, 2007). These regulations and self-imposed limitations tend to focus more on advertising content, but do not generally prescribe any investment in CSR / CP activities.

Acknowledging that the costs associated with such CSR / CP activities serve as deterrent, many jurisdictions compel advertisers and marketers to contribute to the sustained funding of Self-Regulatory Authorities such as the ASASA. In South Africa, however, this funding has dried up, and advertisers have adopted a more litigious approach against ASASA findings (Eripio, 2017).

This presents an opportunity to explore whether South African advertising practitioners and marketers still see value in maintaining an organisation that seeks to protect consumers at the cost of its benefactors; the advertising industry. Should such support no longer exist, it could be argued that the South African advertising landscape has “gone rogue”, which presents a poor prognosis for consumers and suggests that increased governmental intervention may well be one of the consequences.

The proposed study seeks to explore the general level of awareness of the ASASA as a personification of advertising ethics within the South African Landscape. Furthermore, it aims to determine whether the Advertising Industry views the sustainable funding of the ASASA as a cost-constraint, justified only by the apparent need to retain consumer confidence, or as an inherently ethical CSR / CP imperative. Finally, it seeks to explore the extent to which Advertising Industry participants are willing to subject themselves to such a commitment, if at all.

## **1.3 Research Objectives**

Having a unique opportunity to analyse events as they unfold, this descriptive research project (Lee, 1999) aims to answer the research problem by obtaining clearer understanding of the following research objectives:

Primary Objective 1: To determine whether advertisers and the Advertising Communications Industry are cognisant of the plight of the ASASA with regards to the need for sustainable funding.

Primary Objective 2: To determine whether advertisers and the Advertising Communications Industry who offer financial support to the ASASA do so out of ethical concerns, or rather incur this cost to stave off increased government intervention.

The above objectives give rise to the following secondary objectives (“S/O”):

S/O 1: To determine whether advertisers and the Advertising Communications Industry who do offer financial assistance prefer to provide continuous sustainable financial support or *ad hoc* support.

S/O 2: To determine whether the size and annual turnover of an Advertising Agency and/or Marketer impacts on its decision to fund the ASASA.

#### **1.4 Literature overview**

Corporate Philanthropy (“CP”) is conceptually understood to refer to *ad hoc* “donations” by corporate entities in support of causes or organisations they feel would not only derive benefit from the donation, but also apply said donation to effect positive change in society (von Schnurbein, Seele & Lock, 2016). By providing much needed financial support to non-profit entities such as the ASASA, the industry helps safeguard the ASASA’s independence, arguably its most significant asset (Carroll and Buchholtz, 2016). This in turn appears to suggest that advertisers and the Advertising Communications Industry strives to ensure that ethics prevail within its industry at no additional cost to the tax payer or government.

It falls within the broader concept of Corporate Social Responsibility (“CSR”), which in itself is rather complex and dynamic, varying by industry, sector, business environment and academic circumspection (Hack, Kenyon & Wood, 2014). For purpose of this proposal, CSR will be regarded as referring to continuous and sustained investment at the direction of the shareholders or management with the aim of achieving (what appears to be) non-economic objectives beyond mandatory or legal requirements (Schmitz and Schrader, 2015). The reason for distinguishing between CP and CSR-oriented behaviour stems from the fact that a number of entities exhibited willingness to contribute to the interim, “Stop-Gap” funding (Advertising Standards Authority of South Africa<sup>1</sup>. 2017), but have not yet, or may never

contribute to the ASASA's sustainable monthly. This presents an opportunity to explore why some Advertising Agencies and some Marketers behave in a particular manner insofar as ASASA support is concerned.

It is common cause that CSR initiatives and investments are increasingly perceived as vital to ethical business in general, and the Advertising Industry is no exception (Štumberger and Golob, 2016). CSR disclosures are commonplace in annual integrated reports, and advertising agencies are increasingly relying on such disclosures to offset general negative sentiments about the ethics of the advertising industry (Waller and Lanis, 2009).

The South African Government is increasingly laying blame at the Advertising Industry's door for social ills such as the increase in certain communicable diseases, and research (Schoonees, Young & Volmink, 2013) seems to suggest that this view has some merit (Nortje, Faber & de Villiers, 2017).

Commercial entities are increasingly abandoning stereotypical views of CSR and CP as a cost constraint, and are moving to embrace the strategic importance of CSR-like activities in addressing a large category of environmental and/or social concerns within society (Verk and Golob, 2014). Proponents of "Stakeholder Theory" advocates that CSR activities aligns business interests with those of stakeholders and mitigating the impact of idiosyncratic risk (Price and Sun, 2017), whereas some research suggests that CSR activities positively moderates advertisers' return on investment (Assaf, Josiassen, Ahn & Mattila, 2017).

This proposal postulates that by contributing to the immediate and/or long-term sustainable funding of the ASASA, Advertising Agencies and Marketers not only realise CSR objectives, but may also be doing so out of ethical imperative, rather than attempting to leverage such support to stave off further government regulatory restrictions and consumer backlash.

## **1.5 Hypotheses**

Given that the ASASA has remained under Business Rescue for more than a year, it is assumed that adequate and sustainable funding has not yet been secured, and the immediate urgency of doing so remains. This gives rise to the perception that the Advertising Industry is either oblivious to, or ignorant of the plight of the ASASA, which in turn contradicts any argument that this industry is ethically orientated.

As is apparent from the research objectives, the thought-process and analyses follow a cascading chain of elections, giving rise to the hypotheses outlined below, which are tied to

general constructs as identified. The hypothesis for each construct (*awareness, election, rationalisation* and *differentiation*) are presented in a manner that suggests ignorance and defiance of any ethical or CSR-oriented intentions. This is done in order to accept or reject such hypotheses. Presumably, if an ethical-imperative motivates support for the ASASA, these hypotheses will predominantly be rejected (apart from Hypothesis H5).

*Awareness of an existing SRO and its need for sustainable industry-based funding*

H1: The Advertising Industry is not aware of the existence of the ASASA and its current plight to generate and secure sustainable funding to carry out its consumer-protection operations.

*Contributory elections exercised*

H2: The Advertising Industry is not contributing to the ASASA's funding in a collective and unified manner.

H3: Those Advertising Industry participants that have contributed indicate a preference for once-off, CP-type funding,

*Rationalisation of election to fund or not*

H4: The decision to contribute was influenced by weighing up the cost of doing so against the potential implications of further governmental regulation and consumer backlash.

Or in the alternative

H5: The decision to contribute was influenced by altruistic ethical considerations aimed at fulfilling inherent CSR objectives.

*Differentiation*

It is suspected that contribution elections and rationalisation might be different for larger entities than it would be for smaller entities. This justifies a further hypothesis;

H6: There is no discernible difference between the elections exercised by larger advertisers and/or Advertising Communications Industry participants compared to those exercised by smaller participants.

H7: There is no discernible difference between the approach followed by Advertising Agencies (ACA members) as compared to the approach by Marketers (MASA members).

## 1.6 Research design and methodology

The nature of this research requires extensive reach across the South African Advertising landscape to include as many as possible Advertising Agencies and as many as possible Marketers (who either advertise their products directly or retain the services of an advertising agency for this purpose). It specifically designed to accommodate the substantial differences in size and annual turnover of Advertising Agencies and Marketers, because it is hypothesised that such differences may influence discretionary spend on CSR / CP endeavours.

### *Sampling*

The population to be studied is large and cannot be finitely quantified because companies are registered and deregistered frequently, and many may provide advertising and/or marketing services without necessarily belonging to a representative industry body. The research therefore must rely on a non-probability approach, making use of Convenience Sampling (Leedy and Ormrod, 2015) and incorporating all responses received. This is where the respective industry-representative organisations (ACA and MASA, discussed in more detail below) serve a vital purpose as gateway to entities operating in this industry. Via these industry-representative bodies advertisers and agencies are easier to reach. Due to its relatively small list of members, currently totalling 48 (ACA, 2018), the entire ACA population will be surveyed in the hope that this would add significant reliability. MASA does not disclose its membership figures, hence the reliance on convenience sampling.

These bodies will be relied on to help disseminate and facilitate the survey (discussed under “Survey questionnaire”), which should help negate an argument that such sampling methods are inappropriate, as they represent Advertising Agencies and/or Marketers on a national level. As will be explained later, the industry-representative bodies chosen are membership-based, and face a constant flux in membership tallies, which could impact negatively on population and sample size; presenting a reliability and/or validity risk. However, as this is the first study to research evidence of support for ethical advertising from a financial perspective (in the form of *ad hoc* or sustained contributions to the ASASA), it is envisaged that preliminary findings might justify and encourage further research.

### *Survey questionnaire*

The questionnaire (included as “Annexure 1”) proposed will predominantly be of a quantitative nature, but *Objectives 4 and 5* seek to develop deeper understanding of discretionary preference exercised by the relevant agency or marketer, whereas the emergent *Objective 6*

might provide direction for further research in order to develop reasonable and sustainable funding. Accordingly, a somewhat superficial Mixed Design Methodology appears appropriate (Leedy and Ormrod, 2015). This will provide quantitative insights into the level of awareness of the ASASA as an ethical best-practice entity, and extract opinions relevant to the core purpose of the study; to determine whether the decision to contribute or not is based on budget-allocation concerns for return on investment, or whether it is based on ethical awareness from a CSR / CP prerogative. Where appropriate, respondents will be asked to provide brief reasons. Such instances may arise when:

- a) Respondents are asked to explain WHY they opted to fund or not to fund, and
- b) Respondents are asked to explain WHY they adopt a particular perspective (i.e. was the decision based on capital budgetary considerations, or based it on core ethical value considerations).

While these brief responses are unlikely to generate in-depth, qualitative understanding, they do inherently require some measure of deductive interpretation, thus lending a qualitative aspect to the study. The predominant reason for including such qualitative questions is to provide an indication of which emerging motives and reasons behind any decision to support the ASASA (either as a philanthropic endeavour or as an ongoing CSR project) warrant further research.

South Africa has a robust industry-representative sector that promotes and represents the concerns of both the Advertising Agency landscape as well as the Marketer landscape. To leverage from existing relationships, the Association for Communication and Advertising (the ACA) will be approached and requested to distribute the survey to all its members. It's industry-representative role is apparent from its statement "*The Association for Communication and Advertising (ACA) is the official, representative body for the Communications and Advertising profession in South Africa*" (ACA, 2017). It provides a comprehensive list of existing Advertising Agency members of varying size and scope, and lists 48 agencies as members (ACA, 2018).

The Marketing Association of South Africa (MASA) will be asked to facilitate the distribution of the survey to its entire network of members, which will expand the reach of this project beyond Advertising Agencies, allowing for more representative findings due to the larger overall sample-size (Leedy & Ormrod, 2015) and help identify any emerging discrepancies in thinking between Advertising Agencies and Marketers whom sit on different sides of the spectrum.

As both these entities are membership-oriented, and have close ties with the ASASA, measures need to be implemented to remove any potential bias and avoid any possible interference by the representative industry bodies aimed at influencing perceptions about their respective industries. This can be mitigated by the fact that respondents will be provided a URL to access and complete the survey directly as opposed to having to channel completed surveys via these industry bodies.

Easily customisable and distributable surveys from SurveyMonkey (SurveyMonkey<sup>1</sup>, 2017) will be utilised for this purpose, allowing the researcher greater reach and meaningful insights for interpretation and validation of findings. The nature of these surveys enable significant savings in terms of speed and costs, and potential reach spans well beyond conventional means of distributing surveys. It also allows participants to complete the surveys at their leisure and in confidence, without a need to send it back to the researcher directly.

An additional benefit of relying on SurveyMonkey is that it records Internet Protocol (“IP”) addresses, meaning any duplicate surveys can be flagged and eliminated to ensure data integrity and validity (SurveyMonkey<sup>2</sup>, 2017).

The survey will be designed to incorporate nominal-scale 2-point questions like “*In the past financial year I have contributed funds to the ASASA – YES or NO*”. Because the purpose of the study is not to impose any specific perspective or create an impression that one answer is preferable to another, such questions and nominal scales are appropriate for reporting the phenomena without imposing any particular perspective or influence on the respondents.

For the more probative question to evaluate general attitudes, 7-point Likert-Scale questions (for interpretive questions such as “My company agrees that sustainable Self-Regulation of advertising promotes ethical advertising”) would be relied on. The reason for introducing 7-point questions is to benefit from increased reliability when clustering attitudes (Joshi, Kale, Chandel & Pal, 2015).

The survey will be completed only once per company, and by the most senior member of management to ensure that opinions expressed are likely to represent those of the corporate identity and strategic objectives of the company.

#### *Data Analysis*

Information gathered from the questionnaire will be analysed to rank responses in accordance with the objectives stated earlier. This will provide insights into the awareness of the ASASA, the preference for funding and the rank order in which funding is preferably provided.

Respondents will be asked to select an appropriate option from a predefined bracket for annual turnover, which should allow for comparison to determine whether smaller companies exhibit different funding preferences to larger companies. Should a sufficient number of responses be received such interval scales (Likert-Scales) could allow for appropriate statistical analysis (Leedy and Ormrod, 2015) to evaluate what the prevailing sentiment is within the Advertising Industry, and to what extent this sentiment outweighs dissenting views.

The design inherently requires respondents to indicate whether they are acting as an Advertising Agency or as a Marketer, which inevitably means a comparison in attitudes and responses is possible to satisfy the purpose of Hypothesis H7.

While a smaller level of statistical significance would be preferable, it is proposed that a 5% level of significance be relied on for the purpose of this research, because the predominant purpose is to extract attitudinal preference, rather than highlight definitive correlation or causality.

#### *Ethical considerations*

Participants / Respondents will be assured of anonymity, and the survey will not collect any demographic or personal data beyond where the respondent operates, and into which broad bracket its annual turnover falls. It will be explained that this information is merely gathered to highlight any discernible difference between larger and smaller entities and their approach to the research problems. The fact that IP addresses are collected will be stated, but assurances offered that this is merely to prevent duplication of surveys.

Personal demographics such as race, age, gender and sexual orientation are not collected, and there is no inherent risk to participants in completing the questionnaire.

Survey completion will be voluntary, and participants will be briefed on the nature and purpose of the survey, as well as provided with contact information for the researcher, should any additional concerns arise that require clarification.

Participants will be asked to consent to the publication of the ultimate findings and, should circumstances warrant, the publication of noteworthy responses (Greenwood, 2016). As surveys will be completed anonymously, this does not appear to pose any significant risk to participants.

### *Envisaged timeframe*

Due to the convenient nature of survey-design and data collection, a protracted time-frame is unnecessary, and it is envisaged that no more than a month would be necessary to circulate and retrieve the surveys to all ACA and MASA members. Unlike, or instance, telephone surveys, which take time, are often considered an invasion of privacy and often necessitate careful scheduling to avoid respondent bias and inconvenience (Vicente, 2015), this survey can be completed at a time and location most convenient to the respondent. However, to ensure that the research is top of mind to maximise response rates, the proposed deadline for completion should not be excessive, and the ACA and MASA will be asked to constantly remind their members (once every week).

### **1.7 Delimitations of study**

The concept of ethical behaviour and intrinsic motivation towards CSR-oriented activities spans far and wide, with many theories and studies venturing beyond the scope and intended focal point of this study. Research about the reach, value and significance of advertising SROs is not relevant to this project, and no views will be expressed on such concerns. Similarly, this study will not explore potential links between leadership styles and any affinity to CSR-type initiatives, as this relates to different concerns and academic fields of study.

There is no intention to create new definitions for the constructs of Corporate Philanthropy or Corporate Social Responsibility, and the study does not ponder the impact of such activities on a commercial entity or its organisational motivation *vis-a-vis* organisational inertia.

In addition, the survey is purposefully not crafted to include individual demographic particulars such as race, religion, gender etc. as there is no desire to ascertain whether any of these variables act as mediating variables in the decision to support or not to support the ASASA.

The purpose of the study remains to generate an industry “map” of the Advertising Industry’s awareness of the ASASA’s ethical value, its propensity to support or not to support such an ethical endeavour at the instance of consumer-stakeholders, and develop insights into whether or not the decision to support or not stems from financial, budgetary considerations, or from innately ethical impulses to preserve and promote ethical advertising practices and provide transparent and accessible resources of redress.

The study will be limited to the South African context, and will not concern itself with similar issues and debates on a global scale where other SROs have also faced difficulties in obtaining sustainable and reliable industry financial support (Harker and Cassim, 2002).

## **1.8 Significance of proposed research**

The International umbrella body for advertising SROs - EASA - outlines mounting evidence of the argument that international best-practice calls for Self-Regulation of advertising in the interest of consumers (European Advertising Standards Alliance, 2017). There is a growing demand for “Transformative Research” in order to facilitate a move away from erosion of accountability to a more ethical, sustainable approach (Scarpaci, Sovacool & Ballantyne 2016). The proposed study explores attitudinal values from an empirical perspective to determine the prevalence of industry-centric ethical support and to discern whether advertisers and marketers view financial contributions to the ASASA as part of their ethical obligation, or as a necessary cost constraint aimed at avoiding more stringent government intervention and market failures due to consumer distrust. While the concern for sustainable financial support of such entities is not novel (Boddewyn, 1989), literature and research from within a South African context is virtually non-existent, and tends to focus on the benefits or limitations of Advertising Self-Regulation as a means of ensuring ethical advertising (Harker and Cassim, 2002) rather than questioning the underlying motive for financial support of this ethical imperative.

The proposed research will facilitate dialogue around the relative ethical norms within the industry and whether or not the South African Advertising Industry is willing to embrace the opportunity to sustain its local SRO at the behest of consumers who are subjected to their advertising and marketing initiatives. Conceivably, any insights with regards to the Advertising Industry’s perception and sense of ethical obligation to facilitating an ethical economy stand to benefit the ASASA who, at the time of preparing this proposal, still found itself under Business Rescue, and was still trying to negotiate and secure sustainable funding to prevent liquidation.

Ideally, should Hypotheses 1, 2 and 4 be accepted, a subsequent experimental study could probe whether an intervention to change Advertising Industry participants’ perceptions so as to approach ASASA funding from the perspective of a CSR endeavour, could determine whether or not the inherent ethical-centric nature of the industry constitutes lip-service or true intent to safeguard consumers and the global best-practice of Advertising Self-Regulation.

## **1.9 Study limitations**

The researcher acknowledges a personal bias towards viewing support for the ASASA as an ethical imperative. Having worked for the ASASA for 13 years and having been instrumental in preventing consumer abuse at the hands of dishonest and exploitative advertisers at various junctures, such a bias is justifiable. To compensate, the questions will be structured so as not to reveal any inherent bias or create a sense that Advertising Industry participants are obligated to support the ASASA from an ethical imperative approach. Participant anonymity is a key feature of ensuring reliability and garnering respondent-support. Having since left the ASASA, the researcher no longer has a “stake” in the findings of this research, meaning researcher bias is non-existent.

The researcher also acknowledges that personal characteristics of respondent-entities may influence their propensity to cooperate and complete the questionnaire. It could be argued that Advertising Industry participants that are naturally inclined to engage in CSR / CP initiatives would be more willing to partake in a survey of this nature than those who do not engage in CSR / CP behaviour. This is precisely why the industry representative organisations of the ACA and the MASA are asked to assist. As key stakeholders in the advertising landscape, both ACA and the MASA should be able to generate momentum and compliance from their members even if such members are not concerned with the sustainability of the ASASA. Irrespective of the findings, it should provide insights into the collective Advertising Industry sentiment, which might generate an overhaul of proposed funding mechanisms to the benefit of the industry at large.

Reliance on convenience sampling tends to attract criticism for lack of statistical robustness and representativeness (Farrokhi and Mahmoudi-Hamidabad, 2012). However, these concerns are mitigated by the fact that the study does not intend to provide in-depth explanations for subjective human behaviour. The survey and research objectives have deliberately been narrowed to merely indicate whether significant differences exist within the South African Advertising Industry’s approach to the funding of the ASASA. Any exploration for the motives of such differences would form part of follow-up studies and interrogation of motivational factors at play.

## **1.10 Conclusion and study outline**

The notion that advertising as a profession is fraught with omissions and deception undoubtedly undermines consumer confidence in advertising. One of the key measures implemented on a global scale is that of advertising Self-Regulation (European Advertising Standards Alliance, 2017). However, a core principle of Self-Regulation of this kind is that of

independence, which is why it is the norm throughout the world for such SROs to be subsidised by the advertising industry, rather than taxes or consumer fees.

In the South African context, the Advertising Standards Authority of South Africa has faced increasing pressure in recent history, and is currently under Business Rescue in accordance with the Companies Act (Eripio, 2017), due largely to inadequate funding from the industry. Initial attempts to obtain and secure sustainable funding have proven somewhat effective (Schimmel, 2017), but have not yet yielded sustainable, long-term funding. This presents a unique challenge to determine what motivates (or dissuades) industry participants – in the form of Advertising Agencies and/or Marketers – to provide financial support for the ASASA.

From an ethical perspective, it also presents a novel opportunity to explore the notion that the Marketing and Advertising Communications Industry may view its funding of the ASASA as a “grudge-purchase”, rather than an ethical imperative falling within their respective Corporate Social Responsibility activities and endeavours. This research aims to investigate whether the decision to support the ASASA is fundamentally a cost-benefit determination, or one that stems from altruistic and deliberate intent to safeguard consumers, ensure integrity and ethical advertising, and provide accessible redress for any transgressions.

The proposed research relies on the cooperation of two representative industry bodies; the Association for Communication and Advertising (which represents Advertising Agencies) and the Marketing Association of South Africa (which represents Marketers). These bodies will be approached to circulate a survey compiled to extract general attitudes and motivation for actual or intended support of the ASASA.

Once appropriate analyses have been completed, the research aims to unlock empirical evidence of industry-sentiment regarding the value (or cost) of Advertising Self-Regulation in South Africa. This information will allow the ASASA to align its funding-activities and strategy with real industry sentiment, and will incorporate a dynamic into the question of advertising ethics which has not been comprehensively research before.

## Chapter 2: Literature Review

### 2.1 Introduction

The origins of advertising as a means of influencing the decisions of society and citizens can be traced back to the Victorian Era (Woker, 1999). However, this industry has attracted much criticism because of unethical advertising practices by means of deceptive and/or harmful advertising (Grewal and Levy, 2016).

Academic interest in ethics, particularly the construct of ethics within the broader framework of advertising, has predominantly been concerned with issues such as deceptive, harmful or inappropriate advertising content (Ford, 2017), the exploitation of credulous citizens and unjustifiable, exploitative or negative gender stereotyping (Nooh, 2007). As far back as 1994 (Hymen, Tansey & Clark, 1994), researchers noted that advertising practitioners appear disinterested in ethics-oriented research or that different ethical cultures reign in different geographic regions (Javalgi and Russell, 2018), adding that impediments to further research include lack of academic and practitioner (Marketer / Advertiser / Public Relations Officer) interest as well as lack of theory in related disciplines. At the time (Hymen, Tansey & Clark, 1994) predicted that future research would likely focus on the prevalence of taboo topics or legal vices (such as sexual products, alcohol or tobacco) and inappropriate means of appealing to an audience (for instance through fear). Such concerns, however, clearly still relate more to the content and likely audience than any other ethical concern.

### 2.2 Content-Related focus remains

It seems little has changed since Hymen *et al.* made this prediction; as modern research into ethics in advertising still predominantly concerned with content-related issues. While an interest has developed into attempts to broadcast (make known or advertise) firms' commitment to Corporate Social Responsibility and Sustainability in an attempt to garner support or strategic advantage (Pantani, Peltzer, Cremona, Robaina, Babor & Pinsky, 2017), this still relates to content of such promotional material. Even as the lines between editorial content and commercial (advertising) content are increasingly blurred by means of so-called *sponsored content* or *product placement*, ethics-related research (Ikonen, Luoma-aho & Bowen, 2017) remains focussed on the content of such material and its potential impact on viewers or listeners. Similarly, the recent interest in promotional content within digital games (Schauster and Neill, 2017) still relates predominantly to awareness of the fact that this is promotional material, and suitability of the actual content.

This is significant, because advertising content is but one facet of advertising, and by extension ethics in advertising. Society has come to expect more from businesses, particularly in the form of increased transparency and integrity (Wixley and Everingham, 2015) which explains why corporate governance requirements increasingly expect Integrated Reporting (Nylander, 2015) to gain a deeper understanding of a company's ethical values and long-term growth potential. Not surprisingly, however, there appears to be a correlation between a company's corporate profile and public scrutiny and the extent to which it provides comprehensive reports on its social and environmental strategies and activities (van Zijl, Wöstmann and Maroun, 2017). Companies that attract substantial scrutiny (for example banks) tend to provide greater detail regarding its environmental and social strategies, with companies that are not necessarily in the "public eye" (which arguably includes companies engaged in marketing and/or advertising) falling by the proverbial wayside in this regard.

### **2.3 The South African Context**

The local Advertising Industry represent a collective grouping of a broad collection of marketing, advertising and communication enterprises that derive more than 50% of their income from such activities (MAC SA Charter, 2015).

For purposes of this research, frequent reference will be made to either an "*Advertiser*" or a "*Marketer*" as well as the Advertising Industry; a collective gathering of both concepts:

- It is worth noting that an "*Advertiser*" (for purposes of this report) refers to an entity engaged in the creation and/or production of advertising content (advertisements) irrespective of which media is relied on. The generic collective of "*Advertiser*" in this report is therefore intended to represent advertising agencies across the South African Landscape. While many of these advertisers are members of the Association for Communication and Advertising (as discussed later), this is not a prerequisite;
- "*Marketer*" for the purpose of this report will represent corporate entities that own and/or manufacture and/or sell and/or import for the sake of distributing or selling products or services in South Africa. The term is not, however, intended to include "advertiser" as defined above. While many such entities are members of the Marketing Association of South Africa (as discussed later), this is not a prerequisite.

The Advertising Industry, through the Association for Communication and Advertising, has compiled and promulgated into law an extensive Marketing, Advertising and Communications Code (colloquially called the "MAC Charter") to guide and facilitate the Advertising Industry's

transformation in line with South Africa's stated transformation objectives (Ayvel Media, 2018). This charter, however, deals with issues of economic empowerment and transformation of the industry at large, not with philanthropic or typical CSR-type activities. It is also not applied to "marketers" as understood for the purpose of this project.

South African Legislation and reporting standards such as the Companies Act 71 of 2008 and International Financial Reporting Standards ("IFRS") dictate the nature and extent of disclosures needed in financial and other reports, which include disclosures about *Sustainability* activities. However, given the fact that companies have overriding discretion over which ethical, socially responsible or sustainable endeavour and initiative they opt to support, drawing parallels between them becomes an enormous task. It would appear reasonable to attempt to compare the interest in *ethical* behaviour within the Advertising Industry by means of a comparison of Corporate Social Responsibility and Philanthropic activities, but this is fraught with complications due to the inherent subjectivity involved in selecting an appropriate benefactor.

#### **2.4 Corporate Social Responsibility – a brief overview**

The inherently pluralistic nature of society presupposes a complex and dynamic relationship between business and citizens, resulting in a diffusion of power among the innumerable groups and organisations that function within the macro environment of any society (Carroll and Buchholtz, 2015). Increasingly, organisations are under pressure to ensure a harmonious relationship with not only its clients, but the environment within which it operates and from which it draws resources. This demand for responsible behaviour has given rise to the construct of "Corporate Social Responsibility" (hereafter "CSR").

Commercial entities are increasingly abandoning stereotypical views of CSR as a cost constraint, and are moving to embrace the strategic importance of CSR-like activities in addressing a large category of environmental and/or social concerns within society (Verk and Golob, 2014). Proponents of "Stakeholder Theory" advocate that CSR activities align business interests with those of stakeholders, mitigating the impact of idiosyncratic risk (Price and Sun, 2017), whereas some research suggests that CSR activities positively moderates advertisers' return on investment (Assaf, Josiassen, Ahn & Mattila, 2017).

As a construct, CSR is an evolving field of study, and researchers are often at odds over the most appropriate and comprehensive way to define it (Simpson and Taylor, 2013). While academic and corporate perceptions differ over which variables are significant (Mosca and Civera, 2017), a common theme seems to be some measure of profit sacrifice (Roszkowska-

Menkes, 2016) at the behest of an external entity or entities. This may appear counter-intuitive, but research suggests that CSR activity is positively correlated to company reputation, competitive capacity and overall customer satisfaction (Saeidi, Sofian, Saeidi, Saaeidi & Saeidi, 2015), thus suggesting some covert benefit to the decision to sacrifice profit for CSR activities.

CSR is increasingly factored into consumer and business related decisions, including whether or not to invest in a particular company (Branzei, Frooman, McKnight & Zietsma, 2018). Scholars have created models (McWilliams, Parhankangas, Coupet, Welch & Barnum, 2016) to analyse the optimal trade-off inherent in balancing the so-called “Triple Bottom Line” of interests of civil society (“People”), the Natural Environment (“Planet”) and the Competitive Environment (“Profit”). Increased awareness of corporate ventures and disasters pose significant risk for companies, who stand to lose reputation and income as a consequence of failure to act in the interest of all stakeholders (Dupire and M’Zali, 2018). Certain industries are also at risk of increased governmental intervention when corporate disasters strike or when strict compliance with existing laws does not seem to curb potential harm. South Africa is no exception.

Generally CSR activities tend to include elements related to economic, social, voluntary, stakeholder and environmental concerns (Dahlsrud, 2008), with companies striving to find equilibrium when balancing their own desire for profits with stakeholders’ expectations of fair, transparent and responsible business practices. Acknowledging that CSR encompasses Ethical, Legal, Economic and Philanthropic Responsibilities (Carroll and Buchholtz, 2015), these activities or responsibilities tend to follow a hierarchical arrangement (Carroll, 2016), frequently depicted as a pyramid of responsibilities:



**Figure 1:** Four Hierarchical Components of CSR – adapted from Carroll and Buchholtz, (2015)

In ascending order, these components refer to:

- **Economic Responsibilities:** firms are required to generate profit to survive, a notion understood and accepted by society, business and governmental institutions,
- **Legal Responsibilities:** firms are required to operate within a legal framework. A notion shared by society, governmental institutions and presumably business,
- **Ethical Responsibilities:** firms are expected to act with integrity and fairness, an intangible expectation, the nature of which varies significantly between stakeholders, and
- **Philanthropic Responsibilities:** firms are expected to be good corporate citizens and actively contribute to issues such as development, empowerment and affiliated business and/or humanitarian causes.

For purposes of this research project, CSR as a construct is understood to refer to:

*Activities, contributions, expenditure or support given by a corporate entity to deserving causes, organisations or individuals. Such activities may be, but are not necessarily, mandated by law or policy, and may, but do not necessarily, provide reciprocal benefit to the corporate entity engaged in such CSR activities.*

Generally speaking, the concept of CSR emanates not only from altruistic motives, but are also understood to have strategic value when leveraged appropriately (Van Rekom, Go & Calter, 2014). In particular, companies that successfully align and communicate their CSR activities with entities or causes seen to enhance societal welfare (Rim, Yang & Lee, 2016) are likely to be perceived as sincere. This, in turn, may improve said company's perceived trustworthiness, and potentially translate into improved support, both emotionally and commercially, because such activities would signal an *ethical* company from a stakeholder's perspective.

Accepting that CSR activities do not occur spontaneously, and are assumed to be motivated by market imperfections or competition, it is reasonable to suggest that CSR activities, including Corporate Philanthropy, are at least partially motivated by pressure exerted by regulators, Non-Governmental Organisations ("NGOs"), activists and other stakeholders (Crifo and Forget, 2015). Taking its cue from the World Health Organisation, South Africa has experienced a concerted political effort to curb advertising of so-called "Junk food" as well as alcohol in an effort to reduce the social and fiscal burden caused by non-communicable

diseases (Mchiza, 2017). This has given rise to renewed industry participant efforts to bolster Advertising Self-Regulation to stave off governmental intervention, and as consequence, provided the conceptual basis of this research project aimed at providing empirical data on the nature and substance of the Advertising Industry's commitment to ensuring a sustainable, ethical industry. To better understand the intended research, a working understanding of the notion of Corporate Philanthropy within the Advertising Industry is needed.

## **2.5 Corporate Philanthropy – a brief overview**

Within the field of CSR, the concept of “Corporate Philanthropy” (hereafter “CP”) has emerged. As is evident from **Figure 1** above (Carroll and Buccholtz, 2015), this is commonly considered the pinnacle of CSR endeavour, an “ideal” of sorts.

CP is conceptually understood to refer to ad hoc “donations” by corporate entities in support of causes or organisations they feel would not only derive benefit from the donation, but also apply said donation to effect positive change in society (von Schnurbein, Seele & Lock, 2016). Often regarded as a *convenient* form of CSR, the appeal of CP seems to be its simplicity; benefactors simply have to choose the organisation to which they wish to donate (Rahmawati, Ramadania and Gunawan, 2018).

Divergent theories have emerged, arguing that CP ought to be attributed its own conceptual status and field of study distinct and potentially unrelated to CSR (von Schnurbein, Seele & Lock, 2016). Such discussions, are, however, not material for this Research Report. The significance of CP as a construct lies in the generic perception thereof as a manner of voluntary, charitable and (increasingly) strategic contribution to beneficiaries selected. A Key factor of this construct is the implicit non-reciprocal relationships between benefactor and beneficiary (Gautier and Pache, 2013), suggesting an inherent value of “care” rather than “obligation”.

Literature suggest that such CP endeavours are desired by society despite the fact that no immediately apparent or objective reason exists that would compel a company to engage in such philanthropic activities (Carroll, 2016). Contrary to Friedman's popular view that business should not concern itself with any altruistic activities (Friedman, 1970), a global shift in favour of *Corporate Citizenship*, *Corporate Societal Accountability* and the *Creation of Shared Value* (Roszkowska-Menkes, 2016) has elevated societal demand for CP. Naidoo (2016: 377) puts it quite succinctly when writing:

*“It involves projects that are not directly related to the normal business activities of the company, usually having a strong developmental approach and geared for the benefit and upliftment of communities, often those in which the company operates”.*

This begs the question – how do companies determine where to invest in such CP activities? Considering several viewpoints on this, Schons (2017) admits that the process appears somewhat arbitrary, with the CEO’s discretion or influence being a predominant factor. As is the case with CSR in general, a strategic approach to this form of expenditure may deliver positive affect in existing and/or potential customers and provide societal benefit (Beyond Philanthropy, 2018). The arbitrary nature of this discretionary spend, however, complicates efforts to accurately measure it.

## **2.6 Difficulties in Identifying Corporate Philanthropy**

To accurately measure CP and its resultant impact on business and society, one would have to gain insights into where and when companies engage in not only CSR, but CP specifically. With increased governance requirements, companies are disclosing financial activities in greater detail, and citizens often consider CP activities as indicative of the “citizenship” of an organisation (Szócs, Schlegelmilch, Rusch & Shamma, 2016), albeit to varying degrees. In fact, it is acknowledged (Manasakis, Mitrokostas and Petrakis, 2014) that companies rely on such disclosures to signal responsible citizenship.

CSR reporting and disclosures are not only recommended in terms of good governance principles (Naidoo, 2016), but are increasingly featured more prominently in most large corporations measured by size and revenue (Simpson and Taylor, 2013). In South Africa JSE listed companies are forced to integrate sustainability reporting with financial reporting (Naidoo, 2016), but the same rigorous reporting standards are not uniformly applied to smaller business entities, many of whom are at liberty to adopt somewhat less stringent standards (IFRS Foundation, 2016).

Interestingly, however, research (Oh, Bae, and Kim. 2017) suggests that so-called “Sinful Firms”; those that produce tobacco, alcohol, firearms, adult entertainment and other controversial products such as nuclear power production, tend to broadcast their CSR-related initiatives through extensive advertising to offset stigma. Many such entities also subscribe to a host of voluntary and compulsory codes of conduct that complement established legislative frameworks (Jenkins, 2001).

Unfortunately, South Africa’s politically unstable history coupled with prolonged, systematic exclusion of large population groups from economic activities means that typical CSR-related activities are predominantly focussed on empowerment and transformation to an inclusive, democratic society, and the Advertising industry is no exception. Van den Haar (2018), previous CEO of the Association for Communication and Advertising (an Industry-Representative body concerned with all matters pertaining to creative and advertising agencies) provides insights into the challenges facing the Advertising Industry and advertising agencies, particularly insofar as it seeks to enhance transformation processes. These challenges remain geared towards sustaining efforts to transform and retain credibility of the Industry.

While an increase in sustainability reporting is encouraging, these reports still lack consistent terminology and often generate confusion over the relevant value of divergent CSR concepts (Gatti and Seele, 2014) making it difficult to fully appreciate the scope and extent of, *inter alia*, CP-oriented activities.

Recent research (Kim, Hayes & Avant & Reid 2014) suggests that research into the predominant ethical concerns relating to the Advertising Industry is skewed in favour of content-related issues, with some attention being given to techniques relied on to gain broader exposure (Schauster and Neill, 2017) or a newer audience (Freeman and Shapiro, 2014), while CSR-related concerns are predominantly focussed on issues of transformation. **Figure 2** below illustrates this in a convenient self-designed graphic:



**Figure 2:** “Tripod” of areas of common research pertaining to the construct of “Ethics” within the construct of Advertising.

This “Tripod” appears to lack evidence of a truly philanthropic “*give something for nothing because it bolsters ethics*” commitment, which is why funding of the ASASA was selected as the main criteria of research.

## **2.7 The Advertising Standards Authority of South Africa**

Acknowledging the immense influence that the Advertising Industry has on consumers and the South African Economy, the Association for Communication and Advertising (hereafter the “ACA”) notes, *inter alia*, as follows:

“... [Advertising] is an intrusive form of communication to which over 40 million South Africans are subjected every day of their lives. For such a small industry, its power to influence South Africans is disproportionate to its size ...” (ACA, 2017).

In the South African advertising landscape several laws and regulations govern marketing and advertising related activities, products or promotions. Some examples include the Consumer Protection Act 68 of 2008, the Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972, the Tobacco Products Control Act 83 of 1993 as amended, The National Credit Act 34 of 2005, and the Medicines and Related Substances Control Act 101 of 1965 (Code of Advertising Practice - Guideline 9, 2016). These pieces of legislation form a broad web of governance aimed at preventing illegal and abusive activities that arise as a consequence, and are similar to laws and regulations at play in foreign jurisdictions (Harker and Cassim, 2002). However, these laws are not the sum of all codified prescriptive requirements that aim to ensure legal and ethical conduct in the Industry.

This led, *inter alia*, to the establishment of entities aimed at ensuring ethical advertising practices such as the Advertising Standards Authority of South Africa (hereafter “the ASASA”), whose main purpose is to “... ensure that its system of self-regulation works in the public interest ...” (Advertising Standards Authority of South Africa<sup>9</sup>, 2018).

International best practice for business in general (Omarova, 2011) as well as advertising in particular suggest a natural preference for robust Self-Regulatory Organisations; or “SROs” (Jenkins, 2001). The guiding principle across all jurisdictions is that advertising needs to be legal, decent, honest and truthful (Muela-molina and Perelló-oliver, 2014); a principled approach that links closely to the construct of ethics from a global perspective. In fact, these ideals are espoused in the International Chambers of Commerce’s “Advertising and Marketing

Communication Practice Consolidated ICC Code” (International Chambers of Commerce, 2011), which notes that:

*“Over the years, the ICC Code has served as the foundation and building block for self-regulatory structures around the world. These self-regulatory systems have built trust with consumers by assuring them of advertising that is honest, legal, decent and truthful and quick and easy redress when transgressions occur.*

*The Code also has served business and society by providing ethical guidelines that create a level playing field and minimize the need for legislative or regulatory restrictions. As new practices and technologies have evolved, ICC has revised and extended the scope of the Code to assure its usefulness and relevance”.*

Mirroring the ethical principles and values of the ICC, the Preface to the Code of Practice of the Advertising Standards Authority of South Africa (Advertising Standards Authority of South Africa<sup>9</sup>, 2018) states:

*“The Advertising Standards Authority of South Africa (also known as the ASA) is an independent body set up and paid for by the marketing communication industry to ensure that its system of self-regulation works in the public interest. The ASA has a president independent from the industry.*

*The Code of Advertising Practice is the guiding document of the ASA. The Code is based upon the International Code of Advertising Practice, prepared by the International Chamber of Commerce. This is internationally accepted as the basis for domestic systems of self-regulation, it forms the foundation of this Code in which the basic principles laid down in the International Code are related to the particular circumstances of advertising in South Africa. The Code is drawn up by the ASA with the participation of representatives of the marketing communication industry, and is amended from time to time to meet the changing needs both of the industry and of our society”.*

Acknowledging that the ASASA’s fundamental purpose is closely aligned with concerns for ethical advertising, the question arises as to how its existence and function ties in with CSR and more specifically, CP activity within the Advertising Industry.

## **2.8 ASASA's reliance on Corporate Philanthropic contributions from Advertisers and the Advertising Communications Industry**

The ASASA's mandate and jurisdiction is derived from a voluntary contract with its members, i.e. Advertisers and Advertising Communications Industry Participants, to administer and adjudicate disputes reactively, leading to determinations about the acceptability (or lack thereof) of disputed advertising (Advertising Standards Authority<sup>2</sup>, 2017). Advertising found to have contravened the ASASA Code of Advertising Practice has to be removed irrespective of the cost implications for an offending advertiser and/or marketer. Advertising costs can escalate dramatically depending on the selection of media, time, likely audience and exposure. Accordingly, the "compliance cost" associated with an adverse ASASA ruling can range from a few thousand to several millions of Rand when campaigns containing unsubstantiated, deceptive or harmful content must be removed from all media in which they appear (Advertising Standards Authority of South Africa<sup>f</sup>, 2018).

The irony is that the ASASA's services are provided free of charge to consumers, whom are also the predominant beneficiary of the ASASA's work. The ASASA's Operating costs are the sole responsibility of the very industry it seeks to regulate. The absence of governmental sanctioning or any substantial enabling legislation means that funding is not derived from taxes or government budgets, and the ASASA is necessarily reliant on voluntary industry-sourced funding.

Noting that societal and regulatory focus on ethical issues appears to follow cyclical patterns (Maitland, 2010), it is interesting to note that the ASASA has verged on extinction twice in the past two decades; once in 1996 (Harker and Cassim, 2002), and again more recently in 2016 (Eripio, 2017). On both occasions, the predominant constraint was lack of adequate, sustainable funding. As a Not-For-Profit Company, the ASASA is entirely dependent on industry funding which has recently dwindled to practically non-existent (Nevill, 2017). A substantial part of its recent rejuvenation effort involved not only securing interim "stop-gap" contributions from the Advertising Industry, but also revising the funding model to allow for sustainable contributions based on advertising expenditure (Schimmel, 2017).

Initial support for the "stop-gap" funding (which involved a once-off contribution of R24 396,00 by a supportive Advertising Agency or Marketer) was encouraging, with several advertising agencies and marketers depositing this fee, and in some instances, several multiples of this fee in the ASA Business Rescue Account (Advertising Standards Authority of South Africa<sup>1</sup>, 2017). The subsequent drive to obtain industry consent to subscribe to an on-going system of

monthly funding contributions is underway, and appears to be evolving into a hybrid model to suit the needs and logistical challenges of each contributing entity (Schimmel, 2017).

From an ethics-perspective, this presents a unique opportunity to evaluate the actions of Advertising Agencies and Marketers with a specific emphasis on establishing causal links between the ethical character of the Advertising Industry and its CSR / CP-based support for the ASASA. In addition, it allows for an investigation into the question of whether entities prefer to contribute to continuous funding or provide *ad hoc* funding in a less binding, and more discretionary manner.

The question arises as to what motivates industry participants to fund a body which has the authority to order the immediate cessation of misleading or offensive marketing campaigns; causing the advertiser and/or marketer to forfeit vast sums of money? In the absence of any immediate and compelling economic benefit, the author hypothesises that the answer lies within the realm of CSR and/or CP perspectives.

As noted earlier, a symbiotic relationship between a corporate entity and a Non-Profit entity is generally regarded as favourable by most consumers when the “fit” between corporate and Non-Profit appears favourable or complementary, and when there is a significant degree of familiarity of the Non-Profit and its function within society (Rim, Yang and Lee, 2016).

The ASASA serves not only a consumer-protection purpose, but helps safeguard consumer confidence in advertising as a whole, suggesting close alignment with the nature of typical Advertising Industry participants; which in turn signals a complementary relationship. In addition, the ASASA is a Non-Profit organisation with a significant degree of familiarity, having adjudicated on disputes brought to it by the National Department of Health (Advertising Standards Authority of South Africa<sup>a</sup>, 2018), the Department of Trade and Industry (Advertising Standards Authority of South Africa<sup>b</sup>, 2018), the Department of Agriculture (Advertising Standards Authority of South Africa<sup>c</sup>, 2018) as well as a myriad of consumers, consumer activists, Animal Welfare Organisations such as the National Society for the Prevention of Cruelty to Animals (Advertising Standards Authority of South Africa<sup>d</sup>, 2018), and Civil Society Organisations (Advertising Standards Authority of South Africa<sup>e</sup>, 2018) such as the Treatment Action Campaign (the TAC).

It has been subjected to protracted litigation (Southern African Legal Information Institute, 2017) and receives significant media coverage, particularly in instances where rulings are of public interest or pertain to well-known commercial entities. It can reasonably be argued that

this renders the ASASA familiar in terms of its function with society, meeting the second criteria identified by Rim, Yang and Lee (2016).

Considering the predominant focussed on the three areas depicted in **Figure 2** above, it is proposed that a fourth “leg” of the conceptual epistemology of “Ethics” within the construct of Advertising be added, as per the crafted **Figure 3** below. This additional area of study has not yet been explored in research. Given the ASASA’s efforts to attract such CSR / CP support, and given its current organisational predicament (Nevill, 2017), the surrounding circumstances favour such research.



**Figure 3:** Additional area of study – **Corporate Philanthropy** signalled by voluntary ASASA funding.

By providing much needed financial support to non-profit entities such as the ASASA, the industry conceivably helps safeguard the ASASA’s independence, arguably its most significant asset (Carroll and Buchholtz, 2016). This in turn appears to suggest that the collective Advertising Industry strives to ensure that ethics prevail within its industry at no additional cost to the tax payer or government.

The reason for distinguishing between CP and CSR-oriented behaviour stems from the fact that several entities exhibited willingness to contribute in a CP-like manner to the interim, “Stop-Gap” funding (Advertising Standards Authority of South Africa<sup>1</sup>. 2017), but have not yet, or may never opt in to on-going funding (CSR-like support). This presents an opportunity to explore why some Advertising Agencies and some Marketers behave in a particular manner insofar as ASASA support is concerned, prompting research into the influence (or lack thereof) of an ethical-centric concern for the continued existence of the ASASA.

## **2.9 Conclusion**

The fact that research into ethics in advertising has predominantly been limited to content-related concerns justifies the novel approach proposed in this document. Lack of disclosures over CSR and/or CP – related expenditure by Advertising Agencies and Marketers have, to date, obscured any empirical evidence to validate statements that suggest inherent support for the work of the ASASA. Where information about CSR activities is available, it suggests a prominent focus on transformational issues to redress South Africa's unequal political past. As a consequence, philanthropic endeavours; particularly those aimed at retaining the credibility of South Africa's Marketing and Advertising Communications Industry has been neglected; which provides further justification for the proposed research.

As will become evident in the following chapter, this research will afford advertisers and Advertising Communications practitioners an opportunity to disclose their sentiments and extent of their support for the ASASA in a transparent and completely anonymous manner. The study is purposefully designed to be as convenient as possible, and to provide insights into which factors weigh more heavily in influencing the election to fund or not to fund the ASASA.

## Chapter 3. Research Methodology

### 3.1 Introduction

Advertisers often insist that compliance with applicable legislation and (where such environments exist) self-imposed regulation through industry codes and good practice guidelines is indicative of an inherently ethical industry and fundamental support for the spirit of consumer protection. Global Self-Regulatory bodies have emerged, championing a world-wide commitment to legal, decent, honest and truthful advertising (European Advertising Standards Alliance, 2018). Despite this, advertising still attracts substantial criticism for unethical, deceptive, and exploitative practices (Nooh, 2007). These regulations and self-imposed limitations tend to focus more on advertising content (Ford, 2017), ignoring potentially significant contributions to society that could flow from CSR / CP activities or expenditure emanating from the advertising industry.

In particular, the Advertising Industry's CSR / CP activities specifically directed at sustaining ethical approaches to advertising content (for instance through sustainable funding of an Advertising Self-Regulatory Organisation such as the ASASA) have attracted no academic interest. This is surprising given the perceived increase in government attention to advertising content and potential consumer abuse.

There is an inherent acknowledgement that the costs associated with CSR / CP activities directed at sustaining ethical advertising content serve as deterrent and may be perceived as counter-productive. To circumvent the resulting reluctance to forfeit profit for benevolence, most jurisdictions compel advertisers and marketers to contribute to the sustained funding of Self-Regulatory Authorities such as the ASASA (ICAS - International Council for Ad-Self Regulation, 2017). Global best practice guidelines speak to the notion that secure, sustainable funding from within the advertising industry is part and parcel of the process of ensuring ethical advertising practices and content (Strachan, 2016).

In South Africa, however, this funding has dried up, while advertisers have adopted a more litigious approach against ASASA findings (Eripio, 2017), and have actively sought to circumvent if not abandon altogether the ASASA's attempts to regulate advertising content by means of its impartial adjudication process (Supreme Court of Appeal of South Africa, 2017). As a consequence of reduced funding, the ASASA has been placed under voluntary Business Rescue as per the Companies Act (Marklives, 2016).

This presents an opportunity to explore whether South African advertising practitioners and marketers still see value in sustaining an organisation that seeks to protect consumers at the cost of its benefactors; the advertising industry. Should such support no longer exist, it could be argued that the South African advertising landscape has “gone rogue”, which presents a poor prognosis for consumers, and may prompt increased governmental intervention.

### **3.2 Research Problem**

The Research Problem is stated as follows:

The proposed study seeks to explore the general level of awareness of the ASASA as a personification of advertising ethics within the South African Landscape. It further aims to determine whether advertisers and the Advertising Communications Industry views the sustainable funding of the ASASA as a cost-constraint, justified only by the apparent need to retain consumer confidence, or as an inherently ethical Corporate Social Responsibility / Corporate Philanthropy imperative. Finally, it seeks to explore the extent to which Advertising Industry participants are willing to subject themselves to such a commitment, if at all.

As the research objectives (articulated below) do not require insights into motivational variables, but rather seeks to measure general attitudes towards sustaining advertising Self-Regulation, a quantitative research design presents an ideal research design. The study follows a positivistic design, deduces hypotheses and aims to measure these to compare them to reality (Blumberg, Cooper and Schindler, 2014).

### **3.3 Purpose and intention of empirical study**

Having a unique opportunity to analyse industry sentiment while the ASASA is still in Business Rescue (Eripio, 2017) this study lends itself to descriptive research (Lee, 1999), aimed at answering the research problem by obtaining a clearer understanding of the Advertising Industry’s general attitude towards the ASASA. Because it is conceivable that Industry participants may not be fully cognisant of the purpose and precarious position of the ASASA, the study will obtain information pertaining to the general awareness of, concern for, and support of initiatives aimed at ensuring the sustainability of the ASASA.

The research therefore aims to determine whether participants and practitioners in the Advertising Industry are cognisant of the plight of the ASASA with regards to the need for sustainable funding, and if so, whether they are willing to make funds available to ensure the sustainability of the ASASA. Assuming that there may be a causal relationship between

awareness of and support for the ASASA's need for continued existence, any apparent relationship between general awareness and support for the ASASA will be recorded and reported.

In addition, the study aims to measure whether industry participants exhibit a tendency to provide infrequent, *ad hoc* financial support as some seem to prefer (Schimmel, 2017) or whether continuous funding predominates behaviour. This should also provide an opportunity to explore whether the above election is in any way related to the size and annual turnover of such a participant / respondent.

Finally, given that the underlying construct of ethics informed the conceptualisation of this research, participant attitudes will be measured to determine whether their elections to fund (or not fund) the ASASA are motivated by and indicative of *ethical intentions* or whether it is merely considered a necessary *cost constraint* to stave off increased government regulation.

### **3.4 Research Objectives**

To summarise, the Research Objectives can be stated as follows:

Primary Objective 1: To determine whether advertisers and Advertising Communications Industry participants are cognisant of the plight of the ASASA with regards to the need for sustainable funding.

Primary Objective 2: To determine whether advertisers and Advertising Communications practitioners who offer financial support to the ASASA do so out of ethical concerns, or simply elect to incur this cost to stave off increased government intervention.

The above objectives give rise to the following secondary objectives ("S/O"):

S/O 1: To determine whether advertisers and Advertising Communications practitioners who support the ASASA prefer to provide continuous sustainable financial support or infrequent *ad hoc* support.

S/O 2: To determine whether the size and annual turnover of an Advertising Agency and/or Marketer impacts on its decision to fund the ASASA.

### 3.5 Hypotheses created

As is apparent from the research objectives, the thought-process and analyses follow a cascading chain of elections that give rise to the hypotheses outlined below, which are tied to general constructs as identified. The hypothesis for each construct (*awareness, election, rationalisation* and *differentiation*) are presented in a manner that suggests ignorance and defiance of any ethical or CSR-oriented intentions. This is done to allow for analysis of any discrepancy found, in order to accept or reject such hypotheses. Presumably, if an ethical-imperative motivates support for the ASASA, these hypotheses will be rejected, with the exception of hypothesis H5.

*Awareness of an existing SRO and its need for sustainable industry-based funding:*

H1: The Advertising Industry is not aware of the existence of the ASASA and its current plight to generate and secure sustainable funding to carry out its consumer-protection operations.

*Contributory elections exercised:*

H2: The Advertising Industry is not contributing to the ASASA's funding in a collective and unified manner.

H3: Those Advertising Industry participants that have contributed indicate a preference for once-off, CP-type funding,

*Rationalisation of election to fund or not:*

H4: The decision to contribute was influenced by weighing up the cost of doing so against the potential implications of further governmental regulation and consumer backlash.

Or in the alternative

H5: The decision to contribute was influenced by altruistic ethical considerations aimed at fulfilling inherent CSR objectives.

*Differentiation:*

It is suspected that contribution elections and rationalisation might be different for larger entities than it would be for smaller entities. This justifies two additional hypotheses;

H6: There is no significant difference between the elections exercised by larger advertisers and/or Advertising Communications Industry participants compared to those exercised by smaller participants.

H7: There is no significant difference between the approach followed by Advertising Agencies (ACA members) as compared to the approach by Marketers (MASA members).

### **3.6 Quantitative approach**

The research proposed is less concerned with mediating factors that influence the decision to support or abandon sustainable funding of Advertising Self-Regulation in South Africa, and more concerned with measuring whether such a supportive sentiment exists, and if so, whether it indicates a causal link between the Advertising Industry's ethical ethos and willingness to sustain the ASASA. As such, a descriptive design would suit this purpose (Blumberg, Cooper and Schindler, 2014), allowing for survey data collection and creating a potential for correlational research (Leedy and Ormrod, 2015). Descriptive research is by definition quantitative, and regarded as more conclusive, because rigorous statistical analyses is possible once data has been gathered (FluidSurveys, 2014).

Given that the ASASA has remained under Business Rescue for more than a year, it is assumed that adequate and sustainable funding has not yet been secured, and the immediate urgency of doing so remains. This gives rise to the perception that the advertising Industry is either oblivious to, or ignorant of the plight of the ASA, which in turn contradicts any argument that this industry is ethically orientate, providing justification for the research in order to obtain clarity.

### **3.7 Population and sample framework**

The nature of this research requires data collection to reach the broader South African advertising landscape to include a significant and representative sample of Advertising Agencies and a significant and representative sample of Marketers (who either advertise their products directly or retain the services of an advertising agency for this purpose). It needs to be specifically designed to accommodate the substantial differences in size and annual turnover of Advertising Agencies and Marketers, because it is hypothesised that such differences may influence discretionary spend on CSR / CP endeavours. Conceivably, smaller companies would be less inclined to forfeit capital for the sake of consumer protection (via the ASASA) when doing so might jeopardise the company. In order to determine whether this assumption holds water, however, both large and small Advertisers and Advertising Communications Industry Participants need to be included (refer Hypothesis H6).

However, the population to be studied is large and cannot be finitely quantified because companies are registered and deregistered frequently, and many may provide advertising and/or marketing services without necessarily belonging to a representative industry body such as the Marketing Association of South Africa (MASA) or the Association for Communication and Advertising (ACA). While, for instance, the ACA could initially lay claim to representing more than 100 agencies across South Africa, it currently only lists 48 members on its website (ACA, 2018), indicating the severity of the potential variation. In addition, these members include smaller agencies with only a handful of employees, and large agencies with provincial and often international offices, making it exceptionally difficult to speculate as to the exact number of advertisers involved. Conversely, MASA provides no membership numbers on its website, but claims to include large corporations and individual marketing practitioners (MASA, 2018). Providing accurate population figures is therefore virtually impossible, making it difficult to calculate sample size accurately as is typically done in quantitative research.

The current ACA population is relatively small (48 members listed), meaning that the entire population can be invited to partake in the survey, which is generally recommended for small population sizes (Leedy and Ormrod, 2015). This does not apply to MASA membership though. Therefore, Non-Probability sampling is necessary. This type of sampling technique (Blumberg, Cooper and Schindler, 2014) is an appropriate method for data collection when measured items or attitudes do not have a “common scale”, and when researchers do not have access to information about the full list of the population under scrutiny (Laerd Dissertation, 2018). The lack of information about the entire Industry population suggests that research in this area must rely on a non-probability approach, making use of Convenience Sampling (Leedy and Ormrod, 2015) and incorporating all responses received.

The fact that this research will survey marketers and advertisers in a real-life setting should increase external validity (Leedy and Ormrod, 2015). It is acknowledged that convenience sampling attracts much criticism insofar as its generalisability is concerned (Landers and Behrend, 2015). However, in this instance, it provides the only manner in which a broad population can potentially be reached, and is most practical as the entire MASA membership population size is not known. In addition, the study aims to provide improved triangulation of data, because it is designed to reach all advertisers and marketers that fall under the respective Industry Representative Bodies (ACA and MASA) irrespective of size, scale or available resources in order to identify converging themes (Leedy and Ormrod, 2015).

Such methodologies tend to bring an added practical benefit; the reduction of cost and time needed (Blumberg *et al.*, 2014). Given that no research of this kind has been conducted within

the Advertising Industry to date, a less complex descriptive research design suits the intended purpose and may generate new insights and could potentially provide compelling enough feedback to negate the need for more sophisticated sampling (Blumberg *et al.*, 2014)

### **3.8 Data collection methods**

For reasons of practicality, convenience and transparency, a self-report survey-questionnaire (refer “Annexure 1”) will be relied on. Reliance on an international digital survey platform called “Survey Monkey” allows for customised solutions to survey dissemination, including unique URLs and direct to email options (Morvant, 2018). This provides added convenience to respondents and mitigates any potential interference by the researcher or the ASASA, as well as potential influence from the relevant industry representative bodies that will be asked to facilitate the dissemination to their respective members. By leveraging the convenience of digital communication, and allowing potential participants to interact directly with the survey on a Uniform Resource Locator (“URL”) provided, anonymity can be safeguarded (Pecáková, 2016) while respondents are at liberty to complete the survey at a time and place most convenient to them.

Easily customisable and distributable surveys from SurveyMonkey (SurveyMonkey<sup>1</sup>, 2017) provides greater reach and meaningful insights for interpretation and validation of findings. The nature of these surveys means speed and costs are greatly reduced, and potential reach spans well beyond conventional means of distributing surveys. It also allows participants to complete the surveys in confidence, without a need to send it back to the researcher directly.

An additional benefit of relying on SurveyMonkey is that it records Internet Protocol (“IP”) addresses, meaning any duplicate surveys can be flagged and eliminated to ensure data integrity and validity (SurveyMonkey<sup>2</sup>, 2017).

### **3.9 Nature of the survey**

The survey will be designed to incorporate nominal-scale 2-point questions like “*In the past financial year I/we have contributed funds to the ASASA – YES or NO*”. Because the purpose of the study is not to impose any specific perspective or create an impression that one answer is preferable to another, such questions and nominal scales are appropriate for reporting the phenomena without imposing any particular perspective or influence on the respondents.

For the more probative question to evaluate general attitudes, 7-point Likert-Scale questions (for interpretive questions such as “*My company agrees that sustainable Self-Regulation of advertising promotes ethical advertising*”) would be relied on. The reason for introducing 7-

point questions is to benefit from increased reliability when clustering attitudes (Joshi *et al.*, 2015), and to help mitigate central tendency errors (Blumberg *et al.*, 2014).

The survey will be completed only once per company, and by the most senior member of management to ensure that opinions expressed are likely to represent those of the corporate identity and strategic objectives of the company.

The questionnaire (refer “Annexure 1”) proposed will predominantly be of a quantitative nature, but *Objectives 4 and 5* discussed above seek to develop deeper understanding of discretionary preference exercised by the relevant agency or marketer. *Objective 6* might provide direction for further research in order to develop reasonable and sustainable funding. While this is not an inherently Mixed Design Methodology, because the research is not actively searching for qualitative themes alongside quantitative information (Leedy and Ormrod, 2015) there is reason to suspect that the research will provide qualitative insights into the level of awareness of the ASASA as an ethical best-practice entity. Such information would be aligned and relevant to the core purpose of the study; to determine whether the decision to contribute or not is based on budget-allocation concerns for return on investment, or whether it is based on ethical awareness from a CSR / CP prerogative.

Where essential, respondents will be presented with open-ended questions, and be asked to provide brief reasons. Such instances will arise when:

- c) Respondents are asked to explain WHY they opted to fund or not to fund,
- d) Respondents are asked to explain WHY they adopt a particular perspective (i.e. was the decision based on capital budgetary considerations, or based it on core ethical value considerations).

While these brief responses are unlikely to generate in-depth, qualitative understanding, they do inherently require some measure of deductive interpretation, thus lending a qualitative aspect to the study. The predominant reason for including such qualitative questions is to provide an indication of which emerging motives and reasons behind any decision to support the ASASA (either as a philanthropic endeavour or as an ongoing CSR project) warrant further research. Considering that self-administered surveys should not be long and complex (Blumberg *et al.*, 2014) in order to increase participation, probing of this nature will be kept to an absolute minimum.

### 3.10 Delivery method

South Africa has a robust industry-representative sector that promotes and represents the concerns of both the Advertising Agency landscape as well as the Marketer landscape. To leverage from existing relationships, the Association for Communication and Advertising (the ACA) will be approached and requested to distribute the survey to all its members. Its industry-representative role is apparent from its statement “*The Association for Communication and Advertising (ACA) is the official, representative body for the Communications and Advertising profession in South Africa*” (ACA, 2017). It provides a comprehensive list of existing Advertising Agency members of varying size and scope, and claims to represent the country’s communication leaders (ACA, 2018).

The ACA therefore provides a suitable delivery channel for the dissemination of these surveys. Aside from the apparent convenience, the ACA’s involvement provides an extra layer of independence, because responding agencies will not be interacting directly with the ASASA, and would conceivably not perceive any pressure or coercion to participate or to provide views that are critical of the ASASA.

The Marketing Association of South Africa (MASA) is another of the ASASA’s “core members” (Advertising Standards Authority<sup>3</sup>, 2018), and “*is an Association comprising of Marketers, and also those with a keen interest in Marketing*” (MASA, 2018). MASA will be asked to facilitate the distribution of the survey to its network of members, which will expand the reach of this project beyond Advertising Agencies, allowing for more representative findings due to the larger sample-size (Leedy and Ormrod, 2015). This should mitigate the inherent limitations of convenience sampling and help identify any emerging discrepancies in thinking between Advertising Agencies and Marketers who sit on different sides of the spectrum. As is the case with the ACA, these surveys can be conveniently distributed by MASA, which removes the ASASA from any interaction and should liberate potential respondents from any perceived intimidation or coercion.

### 3.11 Data analysis

There are two primary and two secondary research objectives to analyse. The two primary objectives require a determination of the Advertising Industry's awareness of the plight of the ASASA, and its motivation for electing to fund (or not to fund) the ASASA.

The secondary objectives necessitate a determination as to whether Advertisers and Advertising Communications practitioners who provide financial support demonstrate a measurable preference for either continuous or *ad hoc* support, and whether the size and annual turnover of such industry participants influences this preference.

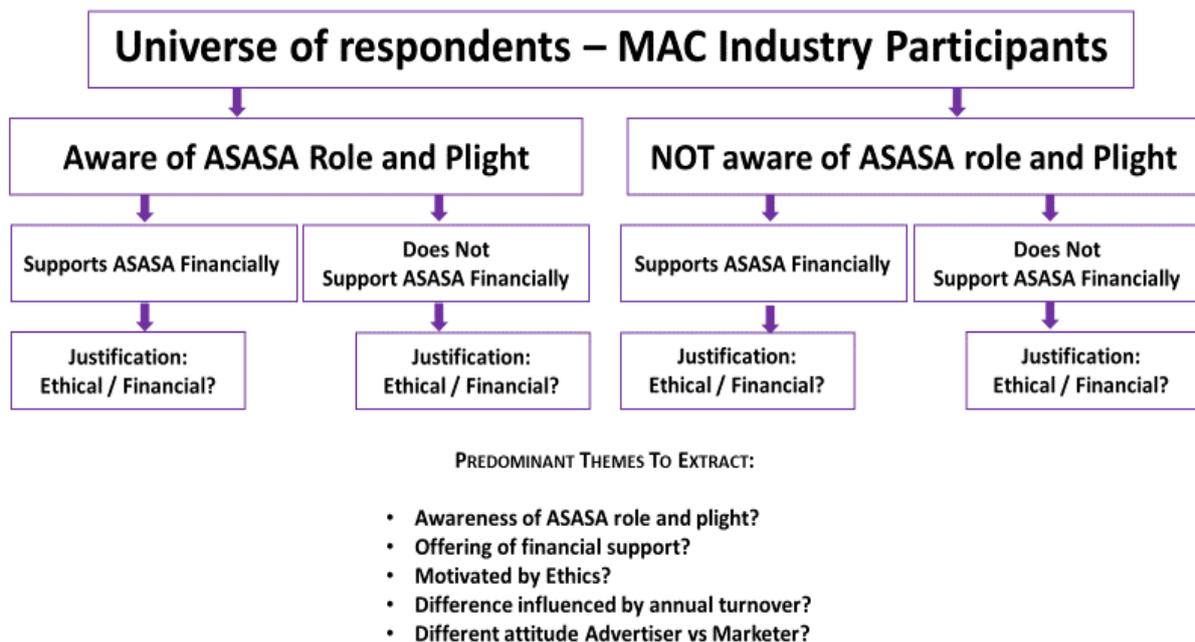
Primarily, this calls for analysis and ranking of nominal data to illustrate incidence and prevalence of pro- or anti- ASASA sentiment. Nominal data is considered easy to group and distinguish, as categories are generally mutually exclusive (Blumberg *et al.*, 2014). Respondents will presumably either fall within the grouping that is aware of the ASASA's precarious financial situation or within the grouping that is oblivious thereto. Similarly, respondents would either have elected to contribute to the sustainable funding of the ASASA or they would have elected not to do so.

However, nominal scales are inherently weak in identifying and possibly explaining (Leedy and Ormrod, 2015) relational phenomena such as the relationship between an election to fund and the size and annual turnover of a responding Advertising Industry participant. Similarly, nominal data would not be able to extract any correlation between Industry participants' ethical orientation and its election to fund or not to fund the ASASA. As such, the research must collect data that correlates to the second primary objective as well as the secondary objectives. To this end, the Likert scale discussed earlier will be employed to evaluate the extent to which respondents agree or disagree with statements such as "*The ASASA's existence ensures honest / ethical advertising*". Likert-scale items will undoubtedly serve to support or reject the hypothesis that the Advertising Industry's decision to fund the ASASA is influenced by financial considerations more so than by ethical considerations

Because Likert scales provide an opportunity to measure and report on ratio data such as preference and judgement (Warmbrod, 2014), they provide a suitable mechanism to determine the extent to which Industry participants are influenced in their decision to support the ASASA. In addition, such measurements will provide insights in to which variable (ethical-imperative or cost-constraint calculation) weighs more heavily on this decision. Acknowledging that Likert Scale measurements tend to be more reliable and accurate when multiple items are measured (Warmbrod, 2014), the questionnaire will be crafted to include more than one

Liker-scale item. However, it has to be kept in mind that this descriptive study is not overly concerned with subjective variables, and therefore would not need to include numerous items of this nature. There is, accordingly, no need to include as many as 20 to 25 Likert-scale items, as is commonly recommended to ensure reliability (Blumberg *et al.*, 2014).

Guided by the problem statement, objectives and hypotheses, the analysis will distil information provided to categorise respondents into two predominant categories; those that have elected to contribute, and those that have not. From here, sub-groupings will be clustered to indicate whether respondents in each particular category were aware of the ASASA’s plight and role as ethical safeguard, what pre-defined bracket their annual turnover falls in, and whether the decision to support (or not to support) the ASASA was based on predominantly financial considerations or ethical considerations. The thematic analysis is predicted to produce a cascade of information that will ultimately be contextualised as follows – refer **Figure 4** below:



**Figure 4:** Visual representation of information cascade to illustrate how the research will home in on the themes identified.

### **3.12 Presentation of Data**

Given the cascade of information articulated above, the categories and relevant information will be tabulated and presented through use of visual charts to indicate majority preferences and which themes emerge most prominently.

The intention of this is to articulate the Advertising Industry's autonomous elections and motivational factors that influence these elections in a clear, visual and easily understandable manner.

### **3.13 Ethical considerations**

While reliance on digital communication methods for the distribution of surveys and collection of information provide convenience and cost-reduction, they also bring about added concerns over ethical research (Gupta, 2017). Given that this research is not concerned with individual or company specifics beyond (1) indicating the nature of the respondent, i.e. an Advertising Agency or a Marketer, and (2) indicating which predefined bracket of each respondent's annual turnover, privacy concerns and risk of confidentiality breaches are largely negated.

Participants / Respondents will be assured of anonymity with express notice that the survey will not collect any demographic or personal data other than the information referred to in the preceding paragraph. It will be explained that this information is merely gathered to highlight any discernible difference between larger and smaller entities and their approach to the research problems. The fact that IP addresses will be collected shall be disclosed, but assurances offered that this is merely to prevent duplication of surveys. Personal demographics such as race, age, gender and sexual orientation are not collected, and there is no inherent risk to participants in completing the questionnaire that any such information could be compromised or leveraged for improper gain.

Survey completion will be voluntary, and participants will be briefed on the nature and purpose of the survey, as well as provided with contact information for the researcher, should any additional concerns arise that require clarification. As explained earlier, the surveys will predominantly be disseminated by the appropriate Industry Representative Bodies (MASA and ACA) as a means to further guarantee anonymity and avoid any perception of coercion or undue influence.

Participants will be reminded that participation implies consent to the publication of the ultimate findings and, should circumstances warrant, the publication of noteworthy responses

(Greenwood, 2016). As surveys will be completed anonymously, this does not appear to pose any significant risk to participants.

### **3.14 Conclusion**

As can be seen, the methodology design is intentionally simplified to allow for convenience and streamlined facilitation. The intention is not to burden the industry with verbose and time-consuming surveys, but to provide a clear snapshot of general sentiment towards the ASASA, while providing insights into factors motivating this sentiment. In the following chapters, the results will be discussed and analysed to indicate whether clear themes have emerged, and whether the proposed hypotheses are accepted or not.

## Chapter 4. Research Results

### 4.1 Introduction

The pinnacle of Carroll and Buchholtz's pyramid of CSR hierarchy of components (Carroll and Buchholtz, 2015) suggest an envisaged transcendence of obligatory CSR endeavours to voluntary, agape-like philanthropic activities. Given that such endeavours come at a cost, it would be of interest to determine whether the South African advertising and marketing industry has attained this higher ideal from an ethical perspective. To this end, the study set out to explore the South African marketing and advertising industry's sentiment towards the ASASA as a personification of advertising ethics. The predominant purpose was to determine whether advertisers and the Advertising Communications Industry view the sustainable funding of the ASASA as a cost-constraint, which would place it on the lower CSR hierarchy of "mandated" CSR activities, or as an inherently ethical philanthropic imperative, which sits higher towards the "desired" end of this CSR spectrum (refer Figure 1 of Chapter 2).

The primary research objectives were:

1. To determine whether advertisers and Advertising Communications Industry participants are cognisant of the plight of the ASASA with regards to the need for sustainable funding.
2. To determine whether advertisers and Advertising Communications practitioners who offer financial support to the ASASA do so out of ethical concerns, or simply elect to incur this cost to stave off increased government intervention.

As potential adjunct, or secondary objectives, it was postulated that the research might help establish whether entities who do contribute to the sustainable funding of the ASASA prefer to do so on an *ad hoc* or a continuous basis, and whether the annual turnover of respondents influence the ultimate decision to contribute or to abstain from contributing.

To achieve these objectives, the research categorised hypotheses in terms of four broad themes, illustrated visually in "**Figure 4**" presented in Chapter 3:

- a. Awareness (or lack thereof) of the ASASA as a Self-Regulatory Organisation in need of sustainable funding,
- b. Election insofar as financial contribution is concerned,
- c. Rationalisation of this election, and

- d. Any apparent differentiation between smaller and larger commercial entities regarding the first three themes. This incorporates a consideration of any apparent difference between the behaviour of ACA and MASA members with regards to recognition of the ASASA's role and circumstances.

As alluded to earlier, the advertising industry in South Africa has been somewhat apathetic towards the plight of the ASASA, and its purpose as a bastion of ethical advertising (Harker and Cassim, 2002; Eripio, 2017). The results presented below lend credence to rumours that the industry has failed to unify efforts to sustain an industry-owned Self-Regulatory platform at the instance of consumers and the industry at large (Moerdyk, 2016). The following points bear reference:

#### *Eliminating Invalid Responses*

The research tool tracked and recorded Internet Protocol addresses for the sake of flagging any duplicate responses (SurveyMonkey<sup>2</sup>, 2017). Of the 30 responses received, one duplicate response was noted. This respondent's IP address completed the survey on 28 August 2018 and again on 7 September 2018, thus constituting the fourth and thirteenth response received. The respondent provided conflicting answers to questions number 5, 6, 7, 8, 9, 11, 12, 13, 14 and 15. As per the methodology and data collection discussion in Chapters 1 and 3 above, these two responses have been flagged and eliminated, and have not been incorporated in the final analysis.

In addition, the 27<sup>th</sup> respondent provided conflicting answers to certain questions, which invalidates his responses. Question 5 asked respondents to indicate whether their respective companies had contributed to ASASA funding in the 12 months preceding the research. This respondent selected both "Yes" and "No". In response to Questions 6 and 7 the respondent indicated both that its organisation had provided continuous funding as an institutionalised practice, and that it had not contributed to funding. The response to Question 8, however, again noted "Not applicable. I/We have contributed", contradicting the answers given prior. Given the ambivalence and ambiguity caused by these responses, this respondent was excluded from the final analysis.

Accordingly, the survey elicited a total of 14 usable responses obtained as a consequence of ACA involvement, and 13 valid responses obtained as a consequence of MASA involvement, totalling 27 complete responses between these two industry representative bodies.

To maintain respondent anonymity, the IP addresses are not included in this report.

It is acknowledged that 27 responses are unlikely to be regarded as statistically significant. However, as discussed in Chapters 1 and 3 above, it is impossible to gauge the exact population size, and membership figures for both the ACA and MASA tend to fluctuate on a regular basis. This inevitably presents a challenge with regard to the reliability and transferability of the findings, which is why a descriptive research design was regarded as fit-for-purpose. These shortcomings are discussed in more detail in Chapter 5.

#### *Delayed Response from MASA members*

The study set out to obtain responses from both ACA (Association for Communication and Advertising) members and MASA (Marketing Association of South Africa) members. The URL granting access to the online survey was provided to MASA and ACA over the same period, with an invitation to all respective members to complete this short survey. The survey was kept “live” for a period of three weeks between 27 August 2018 and 14 September 2018, and both MASA and the ACA received weekly reminders that the online survey would be “closed” after 14 September 2018. As the first question in the survey requires respondents to indicate whether they were members of either MASA or ACA, it was easy to distinguish between responses from either Industry Representative Organisation’s members. None of the responses received during the initial testing period (i.e. between 27 August 2018 and 14 September 2018) indicated that the respondent was a member of MASA. All respondents at the time (16 respondents) reported being ACA members. This presented a challenge insofar as validity and representativeness was concerned.

MASA was contacted for clarity regarding the apparent failure from its members to participate. It advised that internal administration complications arose, and it was agreed that its members would be provided an additional week to complete the survey. In the period 16 – 24 October 2018, a further 14 surveys were completed as a result of MASA’s interaction, bringing the total number of respondents to 30. It is noted, however, that four of the 13 responses received subsequent to MASA’s second attempt submitted that they were neither ACA nor MASA members. Where relevant, this discrepancy is discussed below.

## **4.2 Presentation of Results**

To present a concise overview of the responses obtained and the consequent relevance (or lack of relevance) to the research objectives, results will be collated and presented visually, using, *inter alia*, charts and tables reflecting the relevant responses. Because the questions posed in the questionnaire (refer “Annexure 1”) serve particular purpose, and were crafted to

support a particular hypothesis as outlined in Chapter 3, any thematically significant responses will be presented as a themed unit.

In keeping with the four core themes articulated above (refer **Figure 4** in Chapter 3 and discussion of hypotheses in Chapters 1 and 3), the relevant hypotheses are discussed below with reference to the respective themes they seek to explore:

**4.2.1 Theme 1: Awareness (or lack thereof) of the ASASA as a Self-Regulatory Organisation in need of sustainable funding.**

While not the central concern of the research, it is plausible that a lack of awareness of the function and purpose of the ASASA within an ethical advertising perspective contributed to the ASASA’s financial woes and operational challenges. Hypothesis H1, as articulated in Chapters 1 and 3, was designed to probe this issue. It reads as follows:

*The Advertising Industry is not aware of the existence of the ASASA and its current plight to generate and secure sustainable funding to carry out its consumer-protection operations.*

This hypothesis was measured using the following questions to which respondents had to answer either “Yes” or “No”:

- Q2: “Are you aware of the existence and purpose of the ASASA?”,
- Q3: “Are you aware that the ASASA requires sustainable funding?”, and
- Q4: “Are you aware that the ASASA’s funding is sourced from the advertising industry?”

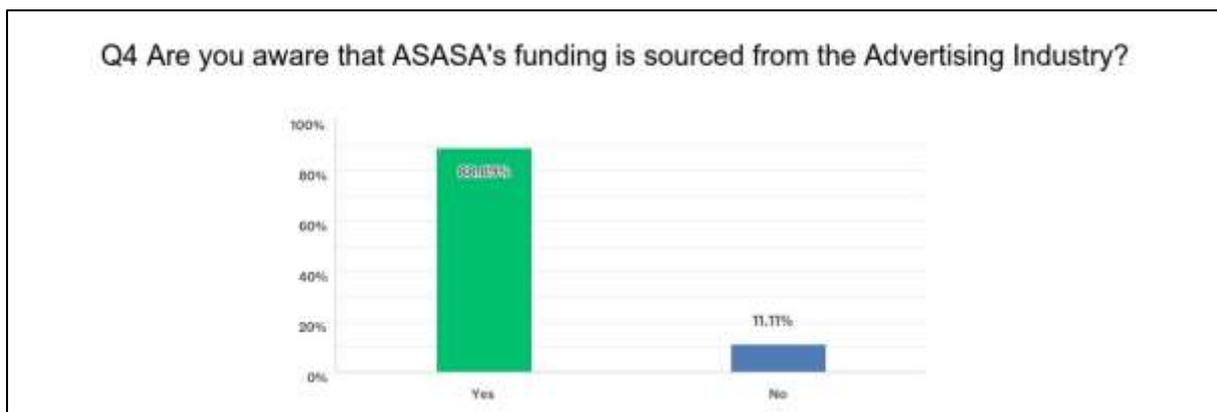
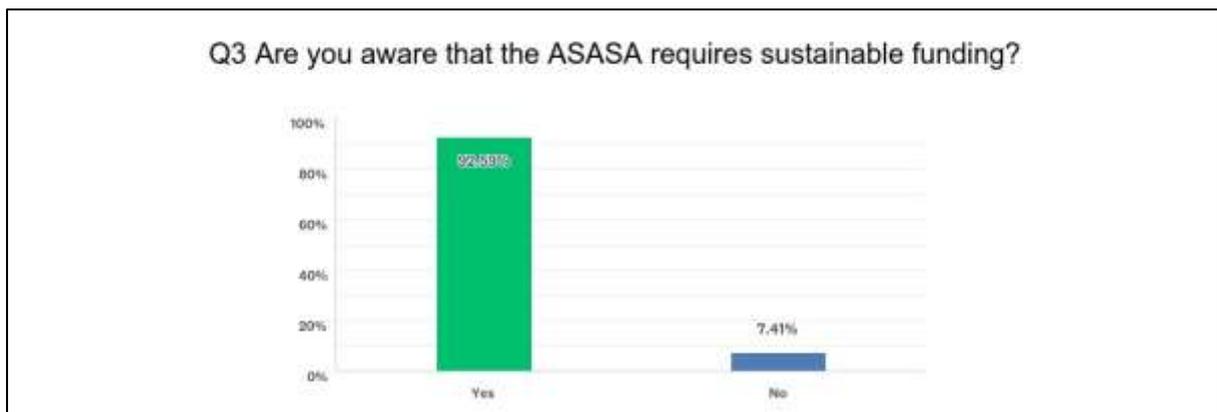
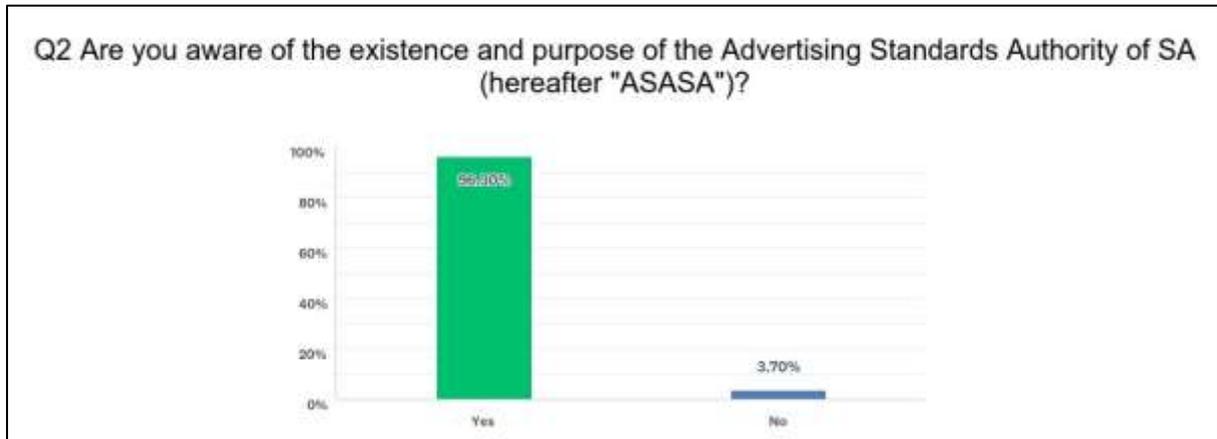
The responses are tabulated below in “**Table 1: Responses to Questions 2, 3 and 4**” and “**Chart 1: ACA Members’ Responses to Questions 2, 3 and 4**”.

**Table 1: Responses to Questions 2, 3 and 4**

<b>Question:</b>	<b>Total “Yes” Responses</b>	<b>Total “No” Responses</b>	<b>Total answered</b>
<b>Q2:</b> <i>Are you aware of the existence and purpose of the Advertising Standards Authority of SA (hereafter "ASASA")?</i>	26 (96,30%)	1 (3,70%)	27 (100%)
<b>Q3:</b> <i>Are you aware that the ASASA requires sustainable funding?</i>	25 (92,59%)	2 (7,41%)	27 (100%)

<b>Q4:</b> <i>Are you aware that ASASA's funding is sourced from the Advertising Industry?</i>	24 (88,89%)	3 (11,11%)	27 (100%)
---------------------------------------------------------------------------------------------------	-------------	------------	-----------

The following chart (“**Chart 1**”) present a graphic overview of these responses:

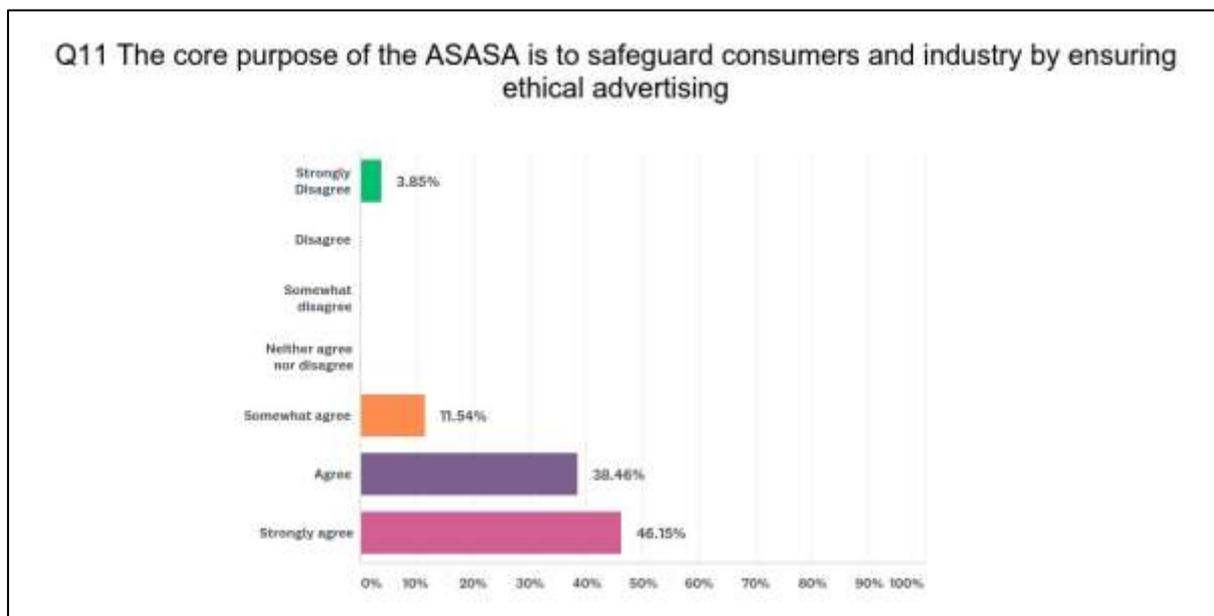


**Chart 1:** Responses to Questions 2, 3 and 4 (dealing with “Theme 1”)

These responses indicate that virtually all respondents (96,30%) were aware of the existence and purpose of the ASA, while the overwhelming majority (92,59%) acknowledged an awareness of the need for funding of the ASASA to provide its consumer-protection services.

It appears that a minority (11,11%) was unaware that funding of the ASASA is derived from the industry directly.

To corroborate these findings, a 7-point Likert-Scale question was posed, asking respondents to indicate their respective consensus or disagreement with the statement “*The core purpose of the ASASA is to safeguard consumers and industry by ensuring ethical advertising*”. The scale was populated with options ranging between “Strongly Disagree”, “Disagree”, “Somewhat disagree”, “Neither agree nor disagree” and “Somewhat agree”, “Agree”, “Strongly agree”. **Chart 2** below (“*Responses to Question 11*”) represents the responses, indicating a strong agreement, with 84,61% of respondents collectively selecting “Agree” or “Strongly agree”.



**Chart 2:** Responses to Question 11 (dealing with Theme 1).

These findings suggest that respondents were aware of the existence of the ASASA, and were aware of the need for funding of the ASASA in order to allow it to provide its consumer-protection services.

**From the results discussed above, Hypothesis H1 can be rejected. The overwhelming majority of respondents (96,43%) noted an awareness of the plight of the ASASA. Similarly, the majority of respondents (89,29%) indicated an awareness that funding is sourced from the advertising industry.**

#### 4.2.2 Theme 2: The election to offer or withhold financial support to the ASASA.

Conceivably, this theme arises out of the general sentiment expressed under Theme 1. To determine whether this theme emerges from the research, hypotheses H2 and H3 (refer Chapters 1 and 3) were developed. These read as follows:

- *The Advertising Industry is not contributing to the ASASA's funding in a collective and unified manner, and*
- *Those Advertising Industry participants that have contributed indicate a preference for once-off, CP-type funding.*

To test these hypotheses, Question 5 asked participants whether they have provided financial support to the ASASA in the 12 months preceding the survey (i.e. between September 2017 and September 2018). Respondents were asked to select either "Yes" or "No". In addition, Question 6 asked respondents to indicate whether any financial support that may have been offered was:

- Sporadic / once-off in nature,
- Continuous / regular in nature, or
- Not applicable (for entities who have not contributed).

To determine whether respondents viewed the continued funding of the ASASA as an industry-prerogative, the following two 7-point Likert-Scale questions were asked (with respondents being asked to select between "Strongly disagree", "Disagree", "Somewhat disagree", "Neither agree nor disagree", "Somewhat agree", "Agree", and "Strongly agree"):

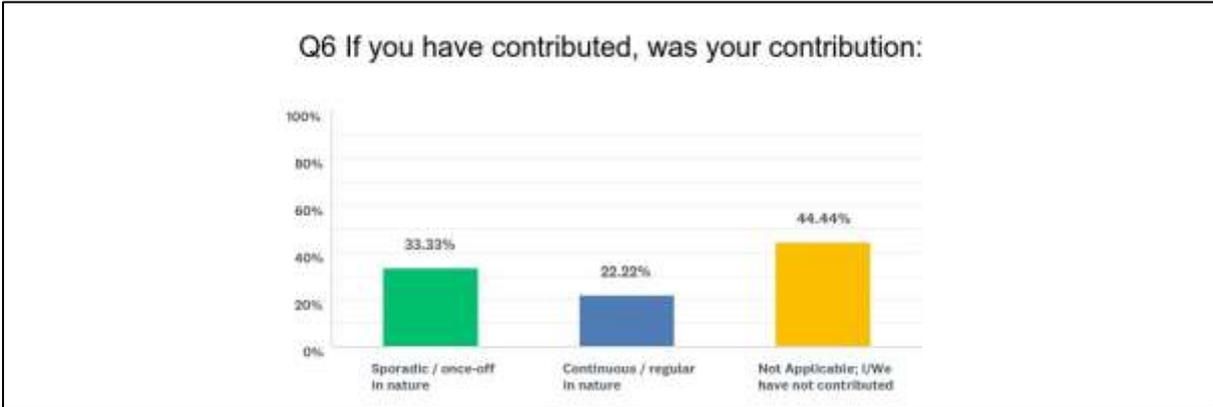
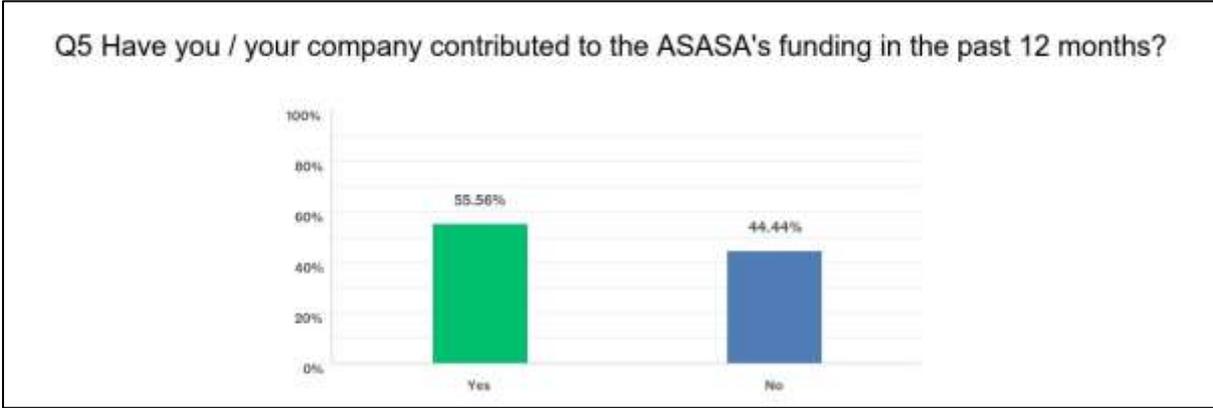
Q14: "Providing sustainable funding to the ASASA should be the Advertising Industry's concern"

Q15: "Providing sustainable funding to the ASASA should be the Government's concern"

The results are depicted below in **Table 2** ("*Self-reported funding to the ASASA*") and **Chart 2** ("*Self-reported funding to the ASASA over a 12-month period*") provides a concise overview, and suggests that only marginally more than half of the respondents have provided funding, of which the majority indicated a preference for sporadic / *ad hoc* contributions. **Chart 3** presents this information in a convenient bar chart from which the preferences are apparent.

**Table 2: Self-reported funding to the ASASA**

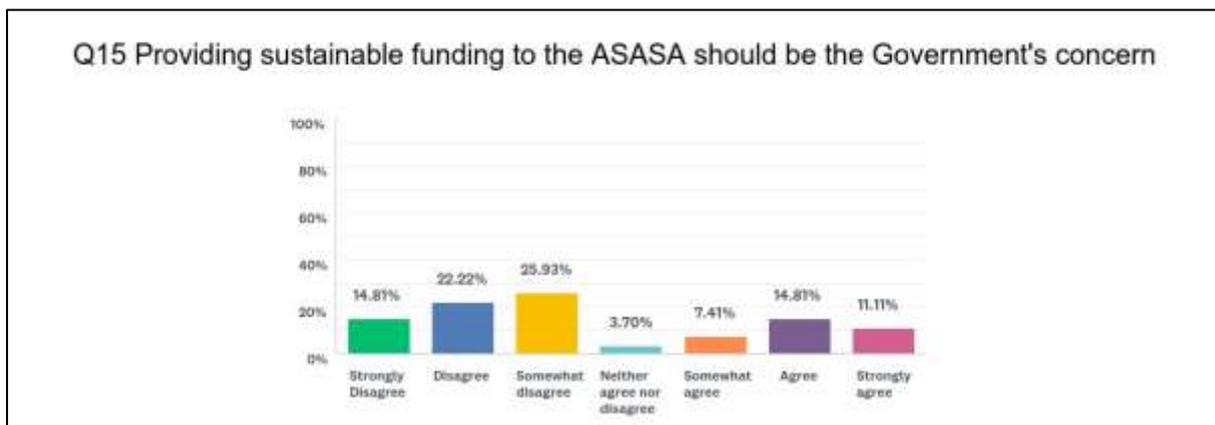
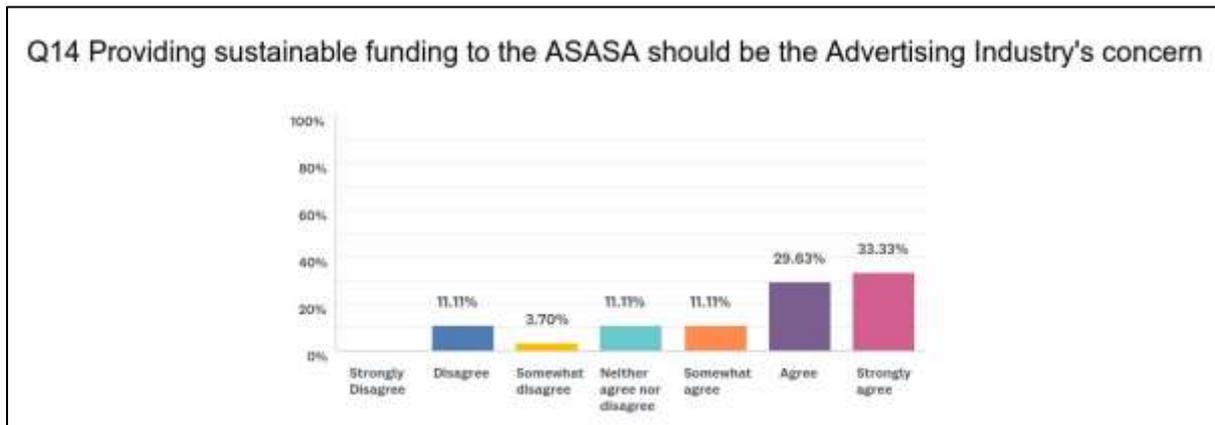
Question:	Total “Yes” Responses	Total “No” Responses	Total answered
<b>Q5:</b> Have you / your company contributed to the ASASA’s funding in the past 12 months?	15 (55,56%)	12 (44,44%)	27 (100%)
<b>Q6:</b> If you have contributed, was your contribution:  <ul style="list-style-type: none"> <li>• Sporadic / once-off in nature</li> <li>• Continuous / regular in nature</li> <li>• Not applicable (have not contributed)</li> </ul>	<b>Sporadic:</b>  9 (33,33%)	<b>Continuous:</b>  6 (22,22%)	<b>N/A:</b>  12 (44,44%)



**Chart 3: Self-reported funding to the ASASA over a 12-month period.**

These results show that more than 44% of respondents (refer **Chart 3**) actively elected not to support the ASASA financially, whereas those who have provided financial support (**Chart 3**) appear to exhibit a noticeable preference (33,33%) for sporadic / *ad hoc* contributions over continuous funding (22,22%).

The survey also highlighted a measure of ambivalence towards the question of who should shoulder the responsibility of supporting the ASASA. As is evident from **Chart 4**, 62,96% of respondents felt strongly (i.e. selected “Agree” or “Strongly agree”) that this was the prerogative of the advertising industry as a collective, whereas 25,92% of respondents selected “Agree” or “Strongly agree” with the notion that government should provide funding for the ASASA.



**Chart 4:** Views on whose prerogative the funding of the ASASA should be

Hypothesis H2 postulated a fragmented approach to industry funding. This hypothesis can be accepted, as 44,44% of respondents actively chose not to fund the ASASA.

Hypothesis H3 pertains only to those respondents who have contributed to the funding of the ASASA. 15 respondents noted having done so, of whom 9 (i.e. 60%) indicated a preference for once-off funding over continuous financial support. Hypothesis H3 can therefore be accepted.

#### 4.2.3 Theme 3: Rationalisation of election to provide or withhold funds.

Theme 3 sought to determine whether the election to fund the ASASA (or the election not to do so) emanated from an ethical imperative, or whether it was solely based on financial realities experienced by respondents. The research proposed two hypotheses (H4 and H5) to determine the motivating factors behind the industry's decision to provide or withhold financial support to the ASASA:

- *The decision to contribute was influenced by weighing up the cost of doing so against the potential implications of further governmental regulation and consumer backlash,*  
  
and as an alternative
  
- *The decision to contribute was influenced by altruistic ethical considerations aimed at fulfilling inherent CSR objectives.*

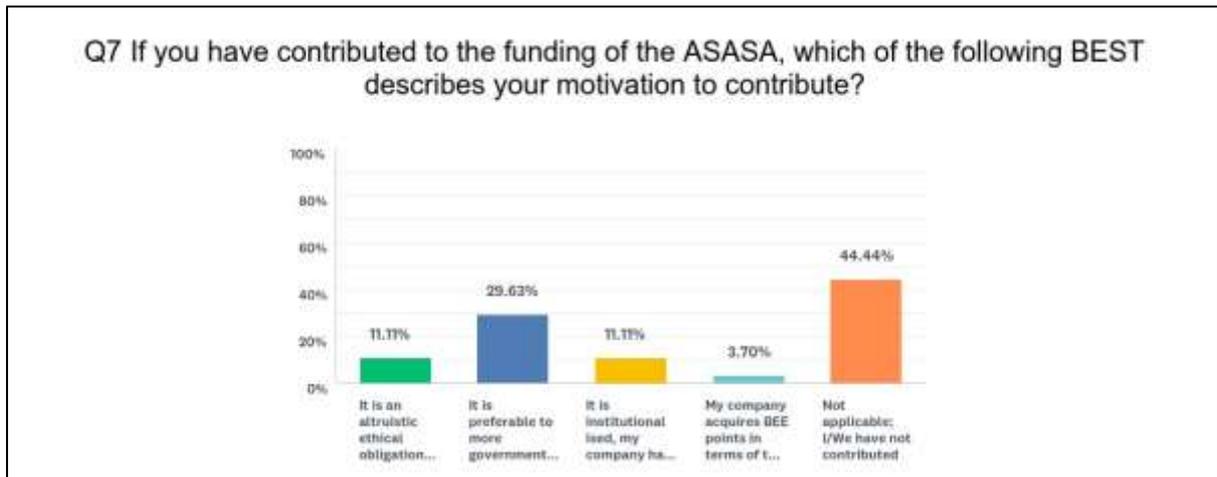
Participants were asked to answer questions to this effect by selecting the option that most resonated with their respective sentiments towards the notion of funding the ASASA. The questions were phrased to accommodate respondents who opted not to fund the ASASA as well as respondents who had provided or are still providing financial support to the ASASA. The relevant questions read as follows:

Q7: "If you have contributed to the funding of the ASASA, which of the following BEST describes your motivation to contribute?"

Participants were offered the following options from which to choose:

- It is an altruistic ethical obligation (akin to Corporate Social Responsibility / Corporate Philanthropy),
- It is preferable to more government intervention,
- It is institutionalised, my company has been doing it for years, and
- Not applicable; I/we have not contributed.

**Chart 5** (Respondents who have supported the ASASA) below provides a breakdown of the options selected. Ignoring for the moment the fact that nearly half of the respondents have not contributed to the ASASA's funding, it is possible to determine a predominant motivation among those respondents who have supported the ASASA financially:



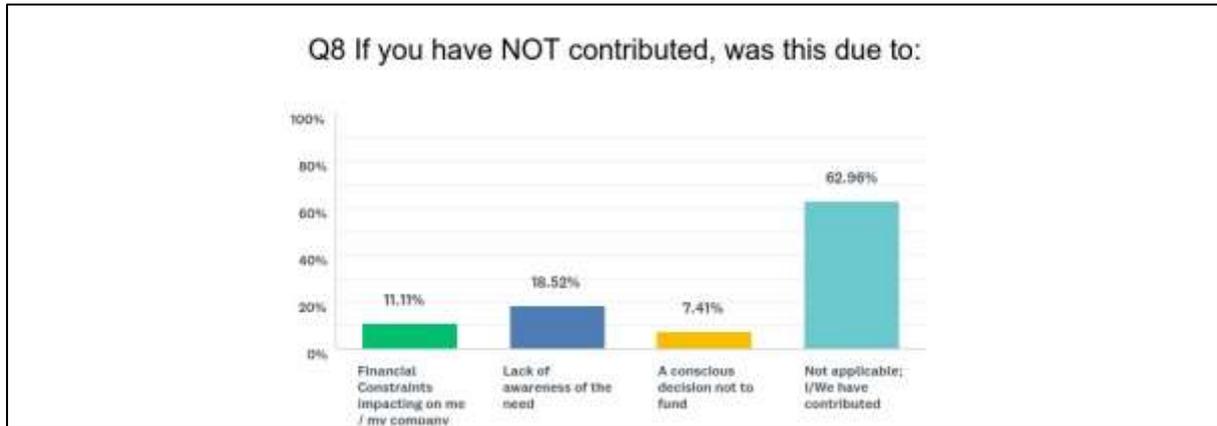
**Chart 5:** Respondents who have supported the ASASA

The data suggests that financial support for the ASASA is regarded as preferable to more government intervention; scoring 29,63%; a commanding lead in the ranks of those who have provided financial support. This appears to be the predominant motivator for providing funding to the ASASA, outstripping the notion that it is an institutionalised action and/or that such support constitutes an altruistic ethical obligation (akin to Corporate Social Responsibility / Corporate Philanthropy). When excluding the 44,44% (12 of the 27 respondents) who did not fund the ASASA, the notion that supporting the ASASA is preferable to additional government intervention constitutes 53,33% of responses (8 of the remaining 15 respondents).

For respondents who elected not to provide funding to the ASASA, Question 8 read:

- Q8: “If you have NOT contributed, was this due to:
- Financial constraints impacting on me / my company,
  - Lack of awareness of the need,
  - A conscious decision not to fund,
  - Not applicable; I/we have contributed”.

**Chart 6** (“Respondents who opted not to fund the ASASA”) provides an overview, suggesting that Lack of awareness of the need and Financial constraints were the dominant reasons for not providing funding to the ASASA. It is noted that 7,41% of respondents recorded a conscious decision not to provide funding.



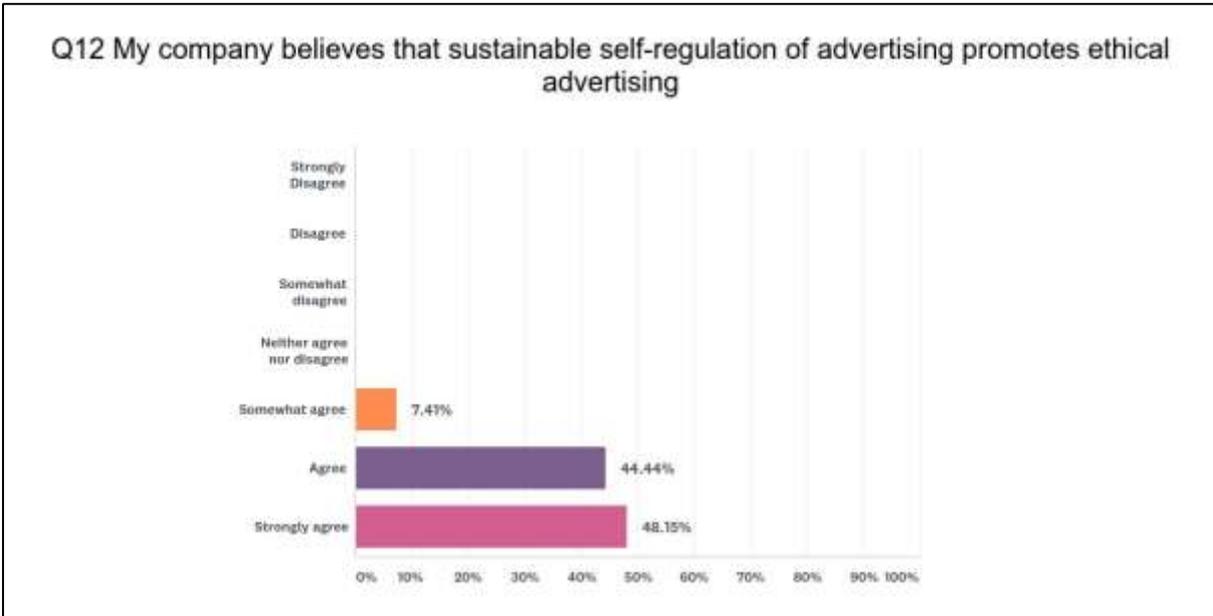
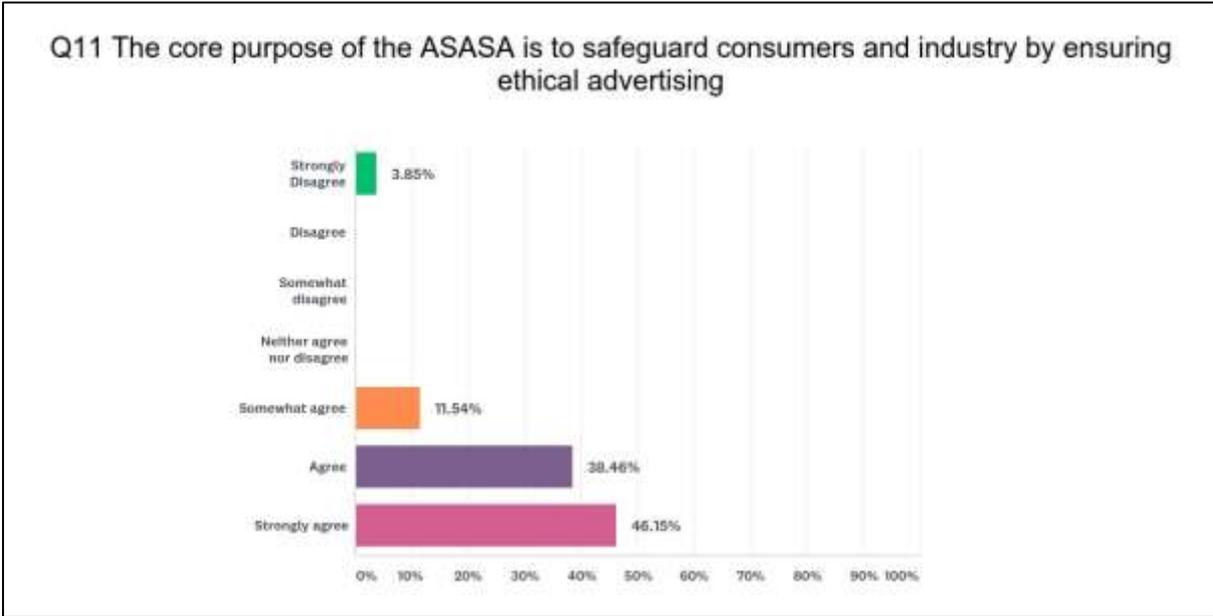
**Chart 6:** Respondents who opted not to fund the ASASA

Because the rationale behind the election to provide funding or withhold funding may be of significant value, and could give rise to further research, the following three questions were posed as 7-point Likert-Scale questions, with participants being asked to select “Strongly disagree”, “Disagree”, “Somewhat disagree”, “Neither agree nor disagree”, “Somewhat agree”, “Agree” and “Strongly agree”:

Q11: “The core purpose of the ASASA is to safeguard consumers and industry by ensuring ethical advertising” [results are presented in **Chart 7**].

Q12: “My company believes that sustainable self-regulation of advertising promotes ethical advertising” [results are presented in **Chart 7**].

As is evident from **Chart 7** below, the respondents reported an overwhelming agreement with the notion that the ASASA contributes to the safeguarding of ethical advertising and that sustainable advertising self-regulation would contribute towards the promotion of ethical advertising within the South African Marketing and Advertising Communications landscape.

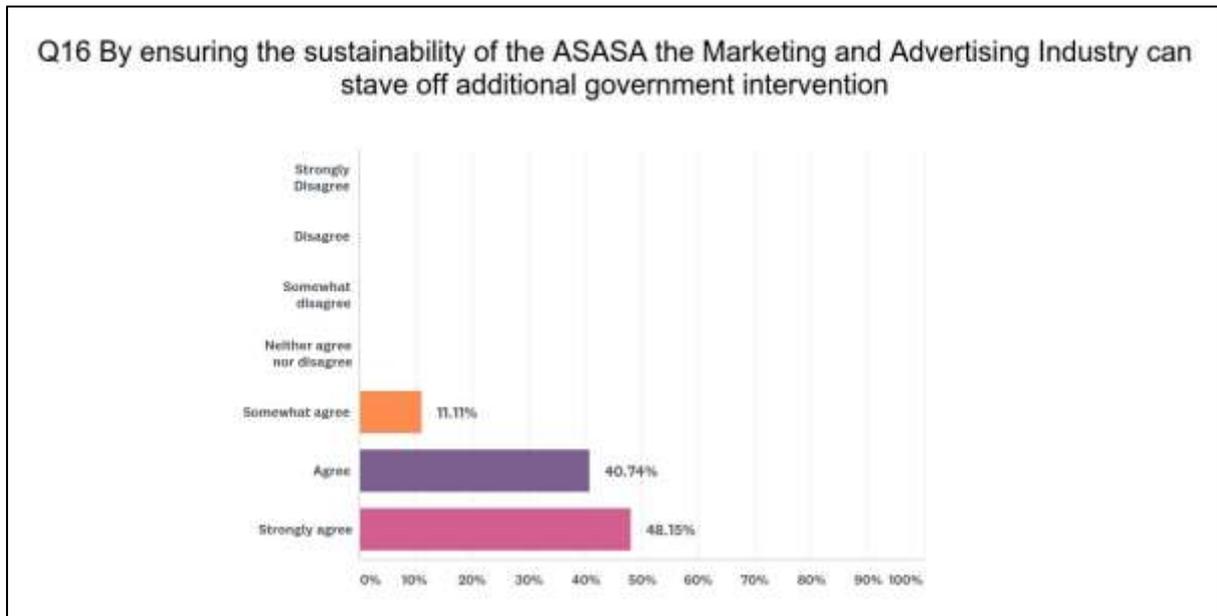


**Chart 7:** industry’s perception of the ASASA as a resource for ensuring ethical activities

Acknowledging the possibility that support for the ASASA could predominantly be a veiled attempt to stave off more rigorous government regulation and intervention, the following question was posed, and respondents were asked to select the most appropriate option:

Q16: “By ensuring the sustainability of the ASASA the Marketing and Advertising Industry can stave off additional government intervention”.

As is evident from **Chart 8** below, there appears to be marked consensus that this is a benefit of supporting the ASASA.



**Chart 8:** Indication of the belief that ASASA could prevent rigorous government intervention.

Hypothesis H4 proposed that the decision to fund the ASASA was predominantly motivated by efforts to stave off more rigorous government intervention. Hypothesis H5 postulated that the decision to support the ASASA financially was predominantly influenced by altruistic ethical motives.

The results suggest that respondents view the ASASA as an essential vehicle to ensure and maintain ethical advertising, and that they acknowledge the likelihood that a well-funded ASASA could stave off additional government regulation. The results do not, however, suggest that respondents view the sustainable funding of ASASA as an ethical or altruistic obligation (akin to Corporate Social Responsibility / Corporate Philanthropy). This accords with the information conveyed in Chart 5 above, suggesting that the ASASA is predominantly seen as preferable to more rigorous government intervention, but is not regarded as a vehicle for industry-wide CSR / CP activity.

**Hypothesis H4 is accordingly accepted, because the results suggest that the dominant motivational factor for supporting the ASASA originates in the likelihood that a successfully functioning ASASA is likely to discourage additional and presumably more onerous government intervention.**

**By the same logic, Hypothesis H5 is rejected, as respondents have not demonstrated any significant CSR-related or altruistic motivator for contributing to the ASASA.**

#### 4.2.4 Theme 4: Differentiation.

While the literature reviewed did not suggest as much, it was speculated that the financial circumstances in which advertisers found themselves may impact on their eventual decision to fund or abandon the ASASA. Admittedly, this variable provides a practical justification for the decision, and is not necessarily indicative of a presence (or absence) of any ethical contemplation. It does, however, provide an opportunity to determine whether the company's financial realities impacted on its decision insofar as the ASASA is concerned. The theme of differentiation intends to refer to any data that suggests either a difference in approach between smaller companies & their larger counterparts, or between ACA members and MASA members.

Hypothesis H6, which was crafted to test for differentiation between smaller and larger companies, read as follows:

- *There is no significant difference between the elections exercised by larger advertisers and/or Advertising Communications Industry participants compared to those exercised by smaller participants.*

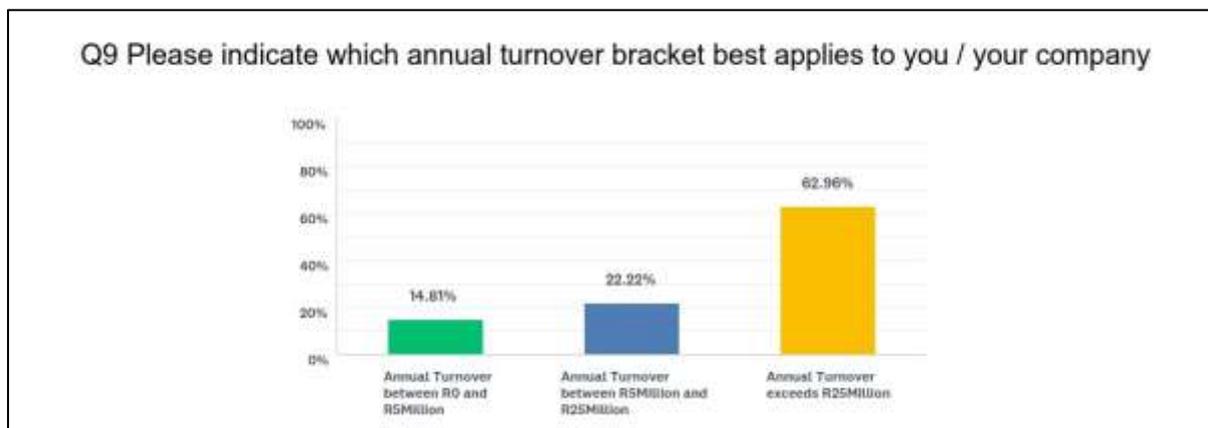
To test this hypothesis, Question 5 asked respondents (through a "Yes" or "No" answer) to indicate whether they had contributed to the ASASA's funding in the 12 months preceding this research, while Question 9 asked respondents to indicate which broad turnover bracket best applied to their company.

Twelve respondent reported not having provided some form of financial support in the 12-month period preceding this research, whereas 15 respondents indicated that they had provided financial assistance to the ASASA – refer "**Table 2**" and "**Chart 3**" above.

The broad brackets within which respondents' turnover was categorised were:

- between R0 and R5million,
- between R5million and R25million, and
- in excess of R25million.

Of the 27 respondents, 17 (62,96%) self-reported an annual turnover in excess of R25Million, whereas six (22,22%) self-reported an annual turnover between R5Million and R25Million. Four respondents (14,81%) volunteered an annual turnover of less than R5Million. **Chart 9** ("*Company turnover brackets*") reflects the relative distribution between all respondents.



**Chart 9:** Company turnover brackets

The respective decisions to fund or not to fund were cross-referenced with the company turnover brackets as declared. The results appear below in “**Table 3: Cross-referencing of turnover and election to fund or not**”. Indications are that companies with turnover that exceeds R5Million were more likely to provide funding to the ASASA than those with a turnover between R0 and R5Million.

**Table 3:** Cross-referencing of turnover and election to fund or not

Turnover Bracket	Funding Provided	
	Yes	No
R0 - R5 Million		4
R5 Million - R25 Million	4	2
> R25 Million	11	6

Presented as a ratio of each respective turnover bracket, it becomes apparent that companies who exceed an annual turnover of R5Million reported a ratio of 2:1 in favour of funding the ASASA. This ratio dropped marginally to 1,83:1 in the highest bracket with an annual turnover exceeding R25Million. None of the respondents in the R0 - R5Million annual turnover bracket, reported having contributed to the funding of the ASASA. These findings suggest a clear difference in the decision to fund as exercised by smaller entities, with larger entities (with an annual turnover exceeding R5Million) reporting a substantially larger propensity to provide funding to the ASASA.

**Hypothesis H6 is therefore rejected.**

Hypothesis H7 read:

- *There is no significant difference between the approach followed by Advertising Agencies (ACA members) as compared to the approach by Marketers (MASA members).*

The survey required respondents to indicate whether they were members of the ACA or MASA or whether they were independent (indicated by selecting “Neither”). Fourteen (14) respondents reported being ACA members, and nine (9) reported being MASA members, with four (4) opting to select “neither”. Of the 14 ACA members, 12 (85,71%) reported having funded the ASASA, whereas only 2 of the 9 MASA members (22,22%) reported having done so. Only one of the four entities (25%) who did not categorise itself as either an ACA or a MASA member reported having provided funding to the ASASA. **Table 4** (“*Relative proportionate funding by respondents*”) provides a concise overview of this distribution.

**Table 4:** *Relative proportionate funding by respondents*

	MASA	%	ACA	%	Neither	%	Totals	Total %
<b>Total Respondents</b>	9		14		4		27	100%
Yes - Provided Funding	2	22,22%	12	85,71%	1	25,00%	15	55,56%
No - Provided no Funding	7	77,78%	2	14,29%	3	75,00%	12	44,44%

This suggests that Advertising Agencies (ACA Members) are substantially more likely to provide funding to the ASASA than MASA Members. Interestingly, respondents who do not identify as either MASA or ACA members appear marginally more likely to support the ASASA than MASA members. However, those respondents who identified as “Neither” were too few to permit any meaningful comparison.

**Hypothesis H7 is accordingly rejected, as ACA members’ relative propensity to provide ASASA funding (85,71% of its members) appears to be nearly quadruple that of MASA members (22,22% of its members).**

### 4.3 Discussion of Results

The proverbial “elephant in the room” is the low response rate relative to the potential size of the Marketing and Advertising Communications Industry. Saleh and Bista (2017) recommends, *inter alia*, that researchers elicit the aid of authorities to increase response rate to online surveys, which was achieved in this research by means of negotiating assistance from the Industry Representative bodies MASA and ACA. In addition, Saleh and Bista (2017)

recommend targeting a population that has an interest in the research, which again as achieved by targeting advertising industry participants and benefactors of the existence of the ASASA. The survey, in keeping with all recommendations by Saleh and Bista (2017), was crafted to be short and concise, with only 17 questions and a recorded 6-minute average time to complete, which was disclosed to prospective respondents when asked to partake. Anonymity was assured in writing to all prospective participants and weekly reminders were sent to the gatekeepers ACA and MASA. Despite this, the response rate has been less than substantial, with only 14 valid responses received from the 48 ACA members currently listed on the ACA website (ACA, 2018).

This equates to 29,17% of the ACA survey population, which appears to be significantly higher than the norm for external (i.e. distributed to independent third-party respondents) surveys (Fryrear, 2015), but still not enough to ensure statistically significant reliability of findings. However, this alone does not automatically invalidate the findings or conclusions drawn, and is not necessarily indicative of potential bias in the findings (Rindfuss, Choe, Tsuya, Bumpass & Tamaki, 2015).

In the absence of any indication as to how many members MASA has, it is impossible to gauge how significant the nine (9) responses are. Given the size and scope of South Africa's Marketing and Advertising Communications landscape, however, it can be assumed with relative confidence that this figure does not constitute any significant proportion.

The convenience and economic value in using online survey platforms such as SurveyMonkey is offset by a consistent drop in typical response rates for such tools, which is often pegged at 11% on average (Saleh and Bista, 2017). While this figure was surpassed insofar as ACA membership is concerned, it is not possible to evaluate whether the same applies to MASA members.

The research set out to establish industry sentiment and determine whether significant discrepancies exist between advertising agents (represented by the ACA) and advertisers and marketers (represented by MASA). The findings articulated above suggest that there is awareness of the existence, purpose and plight of the ASASA, as well as the fact that funding is generally derived from the advertising industry. As such, "Primary Objective 1" articulated in Chapters 1 and 3 has been achieved.

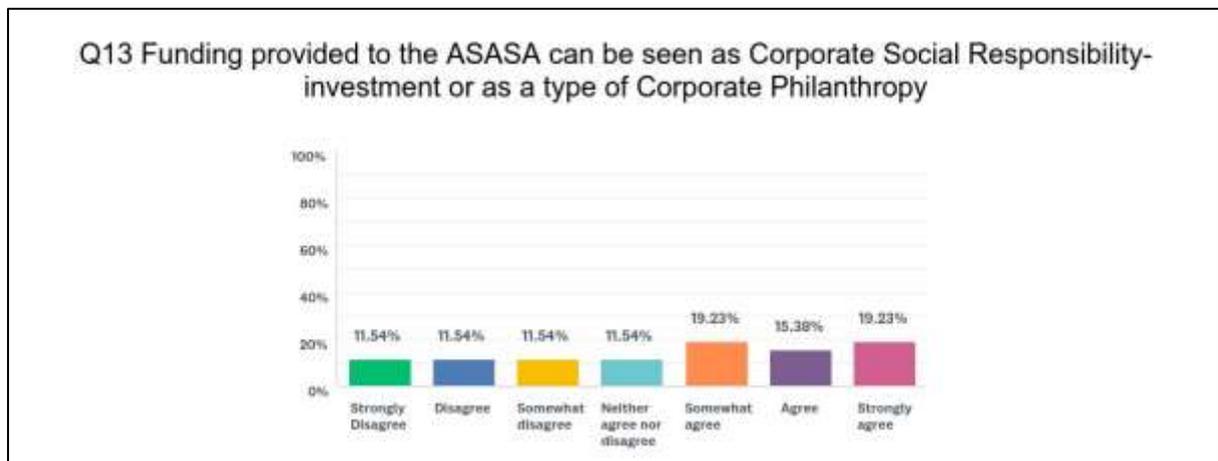
Similarly, the findings suggest that the primary motivator for supporting the ASASA is the prevention of further costly, onerous government regulation, and that the inherent ethical

advertising ensured by means of the ASASA’s function is not the main determinant of an entity’s decision to fund the ASASA. Of significant interest is the response to Question 13, which read:

*“Funding provided to the ASASA can be seen as Corporate Social Responsibility-investment or as a type of Corporate Philanthropy”.*

The results indicate a relatively even spread between respondents who agree and those who do not (as is illustrated in **Chart 9** below). While this is perhaps not significant in and of its own, it does seem to correlate with the finding on Hypotheses H4 and H5 above.

As such, “Primary Objective 2” as articulated in Chapters 1 and 3 has been achieved.



**Chart 10:** Indication that ASASA funding is not perceived as CSR-related

The emergent Secondary Objectives “S/O1” and “S/O2” noted in Chapters 1 and 3 have also been achieved, albeit on a smaller scale. There appears to be clear preference for once-off *ad hoc* financial assistance, as opposed to continuous, dedicated ASASA funding (“S/O1”) and there is a noticeable difference between smaller entities (with a turnover below R5Million) and larger entities (with a turnover between R5Million and R25Million and those with a turnover above R25Million) and their respective propensity to fund the ASASA. Entities with a turnover below R5Million are more likely to abstain from funding the ASASA, citing financial constraints as the main reason for this. Larger entities appear to show an increased propensity to fund the ASASA (refer **Table 3** and **Chart 8** above).

#### **4.4 Concluding remarks**

Accepting that the low response rate does not automatically invalidate the findings (Rindfuss *et al.*, 2015), this remains disheartening. One could be forgiven for interpreting this as another indication of industry apathy or perhaps ignorance as noted by Moerdyk (2016). This reduces the inherent value and significance of this project. However, the findings still provide valuable insight, especially as research has not typically considered financial support for Self-Regulatory Organisations such as the ASASA as a potential indicator of inherent ethical motives (refer discussion in Chapter 2 under “1.8 Significance of Proposed Research”). While the statistical concerns cannot be ignored, and will be discussed in the following chapter, the findings above appear to suggest that the advertising industry is not predominantly motivated by ethical concerns insofar as funding the ASASA is concerned.

## **Chapter 5. Conclusions, Limitations and Recommendations of Study**

### **5.1 Introduction**

This research study acknowledges that the phrase “ethical advertising” is often perceived as an oxymoron, and that public-opinion frequently views advertising with measured disdain due to an assumption that advertising is focussed on selling a product or a service, rather than communicating fact. While advertisers will argue the contrary, the abundance of legislative and, in many international jurisdictions, self-imposed measures to ensure honest advertising, suggests that concerted efforts are needed to safeguard an advertising narrative of integrity, honesty and transparency.

The research project peered beyond typical research which tends to evaluate the construct of ethics in advertising by considering the content of published advertising. The point of departure was a deliberate focus on the question of whether or not the advertising industry at large was willing to commit financial resources to the “cause” of safeguarding consumers and providing a platform for neutral arbitration. This approach was borne out of the fact that the Advertising Standards Authority of South Africa (“ASASA”), the entity charged with ensuring legal, decent, honest and truthful advertising (Code of Advertising Practice, 2017), had been experiencing extreme financial distress, had been placed under voluntary Business Rescue (Eripio, 2017) and was facing onerous litigation from advertisers who had been instructed to remove unsubstantiated claims (Supreme Court of Appeal of South Africa, 2017). The research was informed by the knowledge that funding for the ASASA was traditionally derived from the advertising industry, but that mounting costs and dissatisfaction with the organisation (Moerdyk, 2018) had seen a significant drop in sustained funding (Maggs, 2017). The confluence of factors that gave rise to the decision to file for business rescue provided an opportunity to determine whether the industry was still motivated to provide financial support for the ASASA despite its mandate to remove questionable advertising.

From a business-ethics perspective, it also presented an opportunity to explore the possibility that the Marketing and Advertising Communications Industry may view its funding of the ASASA as a “grudge-purchase”, rather than an ethical imperative falling within their respective Corporate Social Responsibility activities and endeavours. This research aimed to investigate whether the decision to support the ASASA was fundamentally a cost-benefit determination, or one that presupposes an altruistic and deliberate intent to safeguard consumers, ensure integrity and ethical advertising, and provide accessible redress for any transgressions.

The two primary research objectives were as follows

- 1) To determine whether advertisers and the Advertising Communications Industry are cognisant of the plight of the ASASA with regards to the need for sustainable funding.
- 2) To determine whether advertisers and the Advertising Communications Industry who offer sustained financial support to the ASASA do so out of ethical concerns, or rather incur this cost to stave off increased government intervention.

Two secondary objectives emerged from the above primary objectives, prompting consideration of:

- a) Whether or not ASASA supporters prefer *as hoc* or continuous funding obligations.
- b) Whether the size and annual turnover of ASASA supporters impacts on the decision to provide funding.

As is evident from the discussion below under “Practical Implications and Study Conclusions”, there appears to be a market sense of industry apathy and arguably some disagreement as to who should assume the responsibility of providing sustainable funding for the ASASA.

## **5.2 Research Objectives and Conclusions**

It is important to note that the ASASA has since halted its Business Rescue activities and has issued a notice of liquidation (de Villiers, 2018). While a new entity has since been formed to allow for the continued safeguarding of consumer interests (Schimmel, 2018) the liquidation of the ASASA arguably suggests that the Advertising Industry, or perhaps certain sectors thereof, did not see merit in sustaining this organisation, which perhaps points to the fact that the ASASA is not widely regarded as aligned with Corporate Social Responsibility or Corporate Philanthropic endeavours.

### *First Primary Objective – conclusions*

This objective sought to establish an awareness of, or conversely ignorance of the plight of the ASASA and its need for sustainable funding. The secondary emergent objective tied to this was whether or not those entities who are aware of this concern and who do offer support prefer to do so on an *ad hoc* or continuous basis.

As noted in Table 1 and Chart 1 (refer Chapter 4), the overwhelming majority of respondents (96,30%) were aware of the fact that the ASASA required sustainable funding, which was generally sourced from the advertising industry. Similarly, 84,61% of respondents (Chart 2) agreed that the ASASA served the purpose of safeguarding consumers and industry by ensuring ethical advertising. Evidently, marketers and advertisers appear to be acutely aware of the purpose of, and plight of the ASASA. It is therefore interesting to note that only 55,56% of respondents reported having provided financial support to the ASASA (Chart 3). This suggests an absence of any discernible drive or industry-wide prerogative to provide funding for the ASASA.

The results do, however, suggest a common “denominator” in apparent preference for sporadic, *ad hoc* financial support over continuous financial contributions. Chart 3 illustrates the overall spread, and the preference for once-off funding. When isolating the supportive respondents (15 of 27), it is interesting to note that 60% of them preferred once-off financial support over continuous financial support. At a crude and rudimentary level, this can be likened to a preference for handing money to a beggar at the side of the road, as opposed to supporting a charitable soup-kitchen. Such *ad hoc* donations are likely to be more convenient, cause less administrative complications and require no firm commitment to any future action, thus mitigating any financial risk inherent in such a long-term commitment.

#### *Second Primary Objective – conclusions*

This objective sought to establish and articulate any differentiation in the motivating factors driving the decision to offer financial support to the ASASA. The intention was to isolate those marketers and advertisers who offer sustained financial support in order to investigate whether they do so as an ethical prerogative, or whether it is predominantly motivated by the desire to keep additional government intervention in abeyance.

The responses to Question 7 (refer Chart 5) and Question 16 (refer Chart 8) are informative. Not only do respondents agree substantially that a sustained ASASA can stave off additional government intervention (Chart 8) but they also record this as the primary motivator for providing funding to the ASASA (Chart 5). Only 3 of the 27 respondents (11,11%) submitted that the primary motivation for providing funding was that of an altruistic ethical imperative akin to CSR / CP type activities. This inherently suggests that support for the ASASA is predominantly motivated by the desire to prevent further government intervention and more rigorous mandatory compliance requirements.

Relating this knowledge to the CSR pyramid presented in Chapter 2 (refer **Figure 1**), it would appear that the South African advertising industry sits somewhere between the third and fourth level of Carroll and Buchholtz's hierarchy, and have not yet achieved the pinnacle of philanthropic endeavours as proposed by Carroll and Buchholtz, (2015).

Despite this, however, it is interesting to note that there was strong agreement with the sentiment that the ASASA is a vessel for ensuring ethical advertising (**Chart 2**). The suggestion that government should foot the bill for such an entity appears to have polarised respondents somewhat, although a notable majority has expressed the view that the Marketing and Advertising Communications Industry should be assume responsibility for the sustainable funding of the ASASA (as is evident from **Chart 4**).

These results suggest that the industry prefers to retain as much as possible control over how its advertising content is regulated and how this regulation is funded, but at the same time it seems reluctant to provide the funding needed to keep the government at bay. This ambivalence appears to have exacerbated the ASASA's financial situation, and can be assumed to have contributed to the ultimate decision to liquidate this organisation (de Villiers, 2018).

The responses to questions 13 and 16 (refer Charts 8 and 10 above) point to two crucial insights insofar as the second Primary Research Objective is concerned:

Firstly, question 13 asked respondents to indicate the extent of their agreement or disagreement with the statement "*Funding provided to the ASASA can be seen as Corporate Social Responsibility-investment, or as a type of Corporate Philanthropy*". Despite one respondent electing not to answer this question, it is worth noting that 23% of respondents disagreed or strongly disagreed with this sentiment, and a further 11,54% selected "Neither agree nor disagree". This suggests that support for the ASASA is not perceived as an extension of or indication of CSR or CP behaviour by almost half of the respondents, which appears to be congruent with the insight that support for the ASASA is predominantly motivated by a desire to stave off additional government intervention. In effect, this lends support to the notion that supporting the ASASA is seen as a "grudge purchase" based on a cost analysis of doing so.

Secondly, Question 16 required respondents to indicate their agreement or disagreement with the statement that "*By ensuring the sustainability of the ASASA the Marketing and Advertising Communications Industry can stave off additional government intervention*". All the

respondents noted a measure of agreement, suggesting that keeping government regulators at bay is the predominant motivator for sustaining the ASASA.

Given the findings on Hypotheses H4 and H5 (refer discussion in Chapter 4), it can reasonably be concluded that respondents did not regard financial support for the ASASA as an indication of or a function of CSR / CP-related activities, and that support for the ASASA is primarily motivated by the desire to prevent additional regulation and government intervention.

#### *Differentiation – conclusions*

As already discussed above, respondents have demonstrated a preference for sporadic, *ad hoc* funding as opposed to sustained funding contributions. The only remaining question is whether there is a noticeable difference between smaller and larger commercial entities (respondents) and their respective decisions to fund the ASASA. This was articulated as the second of two Secondary Objectives (refer discussions on Research Objectives in chapters 1, 3 and 4 above).

The results (refer **Chart 9** and **Table 3** above) indicate a marked difference, with an apparent correlation between organisational size (in terms of annual turnover) and the decision to provide financial support to the ASASA. Put simply, larger corporations (with higher annual turnover) reported a higher propensity to fund the ASASA, while smaller entities cited financial constraints as the main reason for not contributing to the ASASA (refer **Chart 6** above, as read with **Chart 3**).

When drilling deeper to compare the preference reported by ACA members with the preference reported by MASA members, it appears that ACA members are more likely to provide funding than MASA members by a considerable portion. Nearly 86% of ACA members reported having funded the ASASA in the past 12 months, whereas only 22% of MASA members reported having done so (refer Table 4). At first glance, this appears to suggest a significant difference between Advertising Agency behaviour and Marketer behaviour.

### **5.3 Practical implications of findings**

The Research Problem investigated in this study is articulated as follows (refer discussion on “Research Problem” in Chapters 1 and 3):

“The proposed study seeks to explore the general level of awareness of the ASASA as a personification of advertising ethics within the South African Landscape.

Furthermore, it aims to determine whether advertisers and the Advertising Communications Industry views the sustainable funding of the ASASA as a cost-constraint, justified only by the apparent need to retain consumer confidence, or as an inherently ethical CSR / CP imperative. Finally, it seeks to explore the extent to which Advertising Industry participants are willing to subject themselves to such a commitment, if at all”.

The discussion above reveals the following tendencies and information, which are directly related to the research objectives and research question:

- 1) The respondents are acutely aware of the existence, purpose and plight of the ASASA,
- 2) The respondents appear somewhat ambivalent, but generally do not perceive support for the ASASA as a Corporate Social Responsibility or Corporate Philanthropy-related function,
- 3) The respondents indicate clear preference for sporadic funding over continued sustained funding,
- 4) Larger entities appear more willing to provide funding than smaller entities, and
- 5) The predominant motivator for providing financial support appears to be to avoid government intervention, and not a *bona fide* concern for an ethical imperative in the Marketing and Advertising Communications sector.

These findings suggest that the respondents approach the issue of sustainable funding for the ASASA from a business-oriented perspective, weighing up potential costs against potential benefit (or risks). The tendency to prefer sporadic contributions over continued contributions negate an argument that respondents are engaging in Corporate Philanthropic behaviour, and suggests that respondents are reluctant to commit more than the minimum required resources to this particular cause. Accepting that all respondents are commercial entities that need to turn a profit to survive, it is unsurprising to note that smaller companies are less likely to contribute, and tend to cite financial constraints as a mediating variable for the decision not to provide funding to the ASASA. One cannot ignore the fact that companies inherently want to safeguard their income and mitigate financial risks. Providing funding to an entity that has the power to withdraw advertising material worth millions is undoubtedly a risk that Industry Participants have to navigate carefully.

However, this poses a substantial dilemma for the ASASA, and any successor organisation (de Villiers, 2018) that will likely be dependent on sustainable funding. Clearly, the ASASA (or its successor) cannot assume that Industry Participants subscribe to the notion that support for the ASASA is an ethical obligation which warrants financial commitment. The impression seems to be that the ASASA is merely the “lesser of two evils”, rendering it only marginally more desirable than government interventions aimed at protecting consumers and competing commercial entities from deceptive and unethical advertising. This in turn suggests that the advertising industry in South Africa may not be ready to act as complete corporate citizens and expend resources for purely philanthropic ideals (Carroll and Buchholtz, 2015).

The apparent reluctance to provide sustainable funding has since culminated in the liquidation of the ASASA (de Villiers, 2018), and presents a challenge to any entity hoping to fill the vacuum. The question of relevance comes to the forefront, especially given the fact that all respondents were aware of the existence and purpose of the ASASA, but were reluctant to commit sustained financial resources, or were unwilling / unable to provide any financial assistance.

While not essential in terms of the Primary or Secondary Objectives noted, it is interesting to observe that ACA members reported a substantially higher tendency to provide funding to the ASASA, albeit of a once-off nature. The information at hand, however, suggests that sustainable funding for the ASASA’s ultimate successor (de Villiers, 2018) is unlikely to preoccupy Industry Participants from an ethical point of view. Any decision to provide financial support will likely be based predominantly on the financial implications of doing so relative to the perceived cost of having to endure more onerous government interventions.

#### **5.4 Limitations of the study**

The most glaring limitation is the relatively poor response rate. While 30 respondents completed the survey, three responses were tainted or ambiguous, and had to be excised from the report. In addition, the only 14 of ACA’s 48 members submitted valid responses, which constitutes a 29% response rate. This appears relatively high for external online surveys (Fryrear, 2015), but still poses problems in terms of determining external validity.

Similarly, only nine MASA respondents were examined. While it is unclear how many members MASA has, it can be assumed that it is substantially more than nine, given the size and proportions of the South African Marketing and Advertising Communications landscape.

The anomaly of four respondents indicating neither ACA nor MASA membership, while unintended, provides interesting insights; given that 25% of such entities reported having funded the ASASA irrespective of the fact that they are neither a MASA nor ACA member. This could be an indication that the ambit of any proposed future research into this phenomenon should be cast wider than merely those entities affiliated with these two industry representative organisations.

In addition to this, it should be noted that Question 10 (“*Has any of your advertising been ruled against by the ASASA?*”) and Question 17 (“*What would encourage your continued support of the ASASA?*”) were included at the request of the ASASA and were not analysed for the purpose of this report. These questions are not related to the research problem as presented earlier, but they do provide an indication of certain industry-specific concerns about the manner in which the ASASA operates. Assuming further research is conducted by the successor organisation (Schimmel, 2018), insights from these questions could form the basis of a more comprehensive, perhaps qualitative design to gain deeper understanding of industry sentiment and perceptions around the manner in which the ASASA, or Advertising Regulatory Board as it will be known (Schimmel, 2018) conducts its business. Submissions made regarding these questions will be shared with the Advertising Regulatory Board.

The low response rate inevitably reduces external validity of the study, making it virtually impossible to extrapolate and generalise any conclusions beyond the respondents, which limits the scope and value of conclusions drawn. It does, however, appear to correlate with the perceived industry apathy regarding the funding of the ASASA (Moerdyk, 2016).

Given the descriptive nature of the study (refer discussions in Chapter 1 and 3), and given the low overall response rate, no reliable or meaningful statistical analysis was possible. In addition, the survey did not incorporate any subjective, qualitative measurements to investigate motivational factors beyond those tied to ethics and operational realities of costs. It is therefore plausible that other factors beyond an inherent cost-benefit analysis or ethical imperative may influence Industry Participants’ decision to support the ASASA. As a consequence, the potential correlation between organisational size and willingness to provide funding (refer discussion under “*Differentiation – conclusions*” above and information provided in **Table 3** and **Chart 9**) cannot be established without further research to rule out other possible variables.

Following from this, the study did not incorporate information about how much each respondent has contributed to the ASASA. Prior to its filing for liquidation, the ASASA had

implemented a process whereby Industry Participants could obtain a certificate in compliance with the MAC Charter (Ayvel Media, 2018), which would add to their BBBEE score. These certificates were provided at a cost of R632,50 (Advertising Standards Authority of South Africa, 2018), and were valid for a year. It cannot be ascertained from this survey whether respondents contributed more than R632,50, or whether this paltry sum constituted an entity's total contribution to the ASASA, making it impossible to measure the true extent of any respondent's sense of commitment to ASASA funding. Conceivably, MASA members could have contributed significant sums, whereas ACA members could have only contributed R632,50 in order to obtain its BBBEE points, thus creating a funding imbalance that is not reflected in this report. Such imbalance could alter the overall perception of industry commitment and willingness to commit financial resources to the ASASA.

It is also conceivable that marketing and advertising industry participants engage in other CSR / CP-like activities with more vigour. If this were the case, it would not reflect in the data collected for this study, meaning that such CSR / CP-like activities are ignored despite their inherent indication of an ethical imperative. While the study was limited specifically to the question of whether or not the industry views the funding of the ASASA as an ethical imperative (which appears not to be the case), it should not be interpreted to mean that the industry is ignorant of its inherent need to engage in good corporate citizenship, albeit in other areas.

Finally, the timing of this research may have contributed to the low response rate. At the time of conceptualisation and crafting the methodology, the ASASA had been placed under voluntary business rescue, and was hoping to conclude its activities through a proposed business rescue plan (Eripio, 2017). This presented an ideal opportunity to investigate the phenomenon of financial support for the ASASA as events unfolded. Shortly after the survey was circulated, however, it became apparent that this business rescue plan was not going to succeed, and that the ASASA would likely be liquidated. The Notice of Liquidation was served at the beginning of October 2018 (de Villiers, 2018). It is plausible that industry participants had seen the "writing on the wall" and saw no need to participate in research pertaining to an entity that would soon be liquidated. Considering the significant criticisms that had been levelled at the ASASA in recent years (Moerdyk, 2016; Nevill, 2017), and the fact that this survey did not set out to elicit rich qualitative information on the motivation behind the apparent industry apathy towards the ASASA, no conclusive findings can be made.

## **5.5 Conclusion and Recommendations**

Strictly speaking, the liquidation of the ASASA negates the need for any further research on the topic. At present, the findings suggest that industry participants who responded to this survey view the provision of financial support for the ASASA as a cost-constraint, motivated predominantly by intentions to stave off more onerous regulation, and that these participants are reluctant to commit to sustainable funding of this organisation. The ASASA did not appear to represent an ethical industry imperative, and respondents did not view the support for the ASASA as a CSR / CP-type of business function or activity.

These findings appear to provide clarity to the Research Problem as articulated earlier, at least insofar as it pertains to those entities who partook in the survey.

Ideally, subsequent study designs would ensure the cooperation of more ACA and MASA members, and incorporate entities who are not members of either of these industry organisations. Incorporating more qualitative research designs would allow a researcher to probe the subjective motivational factors behind the decision to fund the ASASA. This would allow for robust statistical analysis to interrogate any emerging correlations discovered. However, as the ASASA is being formally liquidated (de Villiers, 2018), such research would be fruitless. At best, this could be something the ASASA's successor (Andrews, 2018) could contemplate.

## LIST OF REFERENCES

- ACA. 2017. *About the ACA* [online]. Available from: <<http://acasa.co.za/about.aspx>> [Accessed 7 November 2017].
- ACA. 2018. *ACA Members* [online]. Available from: <<http://www.acasa.co.za/members.aspx>> [Accessed 12 September 2018].
- Advertising Standards Authority of South Africa<sup>1</sup>. 2017. *Supporters* [online]. Available from: <<http://www.asasa.org.za/supporters>> [Accessed 19 October 2017].
- Advertising Standards Authority of South Africa<sup>2</sup>. 2017. *Section 1 – Introduction* [online]. Available from: <<http://www.asasa.org.za/codes/advertising-code-of-practice/section-i-introduction>> [Accessed 10 November 2017].
- Advertising Standards Authority of South Africa. 2018. *ASA Members* [online]. Available from: <<http://www.asasa.org.za/about/asa-members>> [Accessed 15 May 2018].
- Advertising Standards Authority of South Africa<sup>a</sup>. 2018. *Rulings* [online]. Available from: <<http://www.asasa.org.za/rulings/?filter=Department%20of%20Health&order=1#Page1>> [Accessed 20 March 2018].
- Advertising Standards Authority of South Africa<sup>b</sup>. 2018. *Finance Assist / Department of Trade and Industry / 728*. Available from: <<http://www.asasa.org.za/rulings/Finance-Assist-Department-of-Trade-and-Industry-728>> [Accessed 20 March 2018].
- Advertising Standards Authority of South Africa<sup>c</sup>. 2018. *Everfresh UHT Milk / Department of Agriculture / 1243* [online]. Available from: <<http://www.asasa.org.za/rulings/Everfresh-UHT-Milk-Department-of-Agriculture-1243>> [Accessed 20 March 2018].
- Advertising Standards Authority of South Africa<sup>d</sup>. 2018. *Rulings - NSPCA*. [online] Available from: <<http://www.asasa.org.za/rulings/?filter=spca&order=1#Page1>> [Accessed 20 March 2018].
- Advertising Standards Authority of South Africa<sup>e</sup>. 2018. *Rulings – TAC* [online]. Available from: <<http://www.asasa.org.za/rulings/?filter=tac&order=1#Page1>> [Accessed 20 March 2018].
- Advertising Standards Authority of South Africa<sup>f</sup>. 2018. *Vodacom / A Read / 15693* [online]. JHNet Web Development. Available from: <<http://www.asasa.org.za/rulings/Vodacom-A-Read-15693-5348>> [Accessed 20 April 2018].
- Advertising Standards Authority of South Africa<sup>g</sup>. 2018. *Preface* [online]. Available from: <<http://www.asasa.org.za/codes/advertising-code-of-practice/preface>> [Accessed 15 February 2018].
- Andrews, L. 2018. *Get ready for the new Advertising Regulatory Board*. [online]. Available from: <<http://www.bizcommunity.com/Article/196/12/182703.html>> [Accessed 10

October 2018].

- Assaf, A.G., Josiassen, A., Ahn, J.S. and Mattila, A.S. 2017. "Advertising spending, firm performance, and the moderating impact of CSR", *Tourism Economics*, 23(7): 1484 - 1495.
- Ayvel Media. 2018. *BEE's MAC Charter's deadline* [online]. Available from: <<http://www.businessessentials.co.za/2018/02/02/bees-mac-charters-deadline/>> [Accessed 3 May 2018].
- Blumberg, B.F., Cooper, D.R. & Schindler, P.S. 2014. *Business Research Methods*, 4th ed., McGraw-Hill Education, New York.
- Boddewyn, J.J. 1989. "Advertising self-regulation: True purpose and limits", *Journal of Advertising*, 18(2): 19–27.
- Branzei, O., Frooman, J., Mcknight, B. and Zietsma, C. 2018. "What Good Does Doing Good do? The Effect of Bond Rating Analysts' Corporate Bias on Investor Reactions to Changes in Social Responsibility", *Journal of Business Ethics*, 148(1): 183–203.
- Carroll, A.B. and Buccholtz, A.K. 2015. *Business & Society Ethics, Sustainability, and Stakeholder Management*.
- Carroll, A.B. 2016. "Carroll's pyramid of CSR: taking another look", *International Journal of Corporate Social Responsibility*, *International Journal of Corporate Social Responsibility*, 1(1): 3.
- Carroll, A.B. and Buchholtz, A.K. 2016. *Business & Society. Ethics, Sustainability, and Stakeholder Management*, 9th ed., Cengage Learning, Stanford.
- Code of Advertising Practice - Guideline 9, 2016. "*Acts affecting advertising*". LexisNexis. Gauteng.
- Code of Advertising Practice. 2016. "*Preface*". LexisNexis. Gauteng
- Crifo, P. and Forget, V.D. 2015. "The economics of corporate social responsibility: A firm-level perspective survey", *Journal of Economic Surveys*, 29(1): 112–130.
- Dahlsrud, A. 2008, "How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions", *Corporate Social Responsibility and Environmental Management*, 1: 1–13.
- de Villiers, J. 2018. *SA's advertising authority files for liquidation – and promises an immediate replacement* [online]. Available from: <<https://www.businessinsider.co.za/advertising-standards-authority-of-south-africa-asasa-served-with-notice-of-liquidation-2018-10>> [Accessed 4 October 2018].
- Dupire, M. and M'Zali, B. 2018. "CSR Strategies in Response to Competitive Pressures", *Journal of Business Ethics*, 148(3): 603–623.
- Emerson, R.W. 2015. "Convenience Sampling, Random Sampling, and Snowball Sampling: How Does Sampling Affect the Validity of Research?", *Journal of Visual Impairment & Blindness*, 109(2): 164–168.

- European Advertising Standards Alliance, 2018. *The European Advertising Standards Alliance (EASA) is the single authoritative voice on advertising self-regulation issues in Europe*: [online]. Available from: <<http://www.easa-alliance.org/>> [Accessed 8 April 2018].
- European Advertising Standards Alliance, 2017. *Ad Self-Regulation: The Benefits* [online]. Available from: <<http://www.easa-alliance.org/ad-standards/what-are-ad-standards/benefits>> [Accessed 23 October 2017].
- Eripio – Business Rescue Consultants. 2017. *The Advertising Standards Authority of South Africa – Business Rescue Plan* [online]. Available from: <[https://iabsa.net/assets/2017/04/Business-Rescue-Plan-ASA\\_7-April-2017.pdf](https://iabsa.net/assets/2017/04/Business-Rescue-Plan-ASA_7-April-2017.pdf)> [Accessed 9 June 2017].
- Farrokhi, F. and Mahmoudi-Hamidabad, A. 2012. “Rethinking Convenience Sampling: Defining Quality Criteria”, *Theory and Practice in Language Studies*, 2(4): 784–792.
- FluidSurveys. 2014. *Descriptive Research: Defining Your Respondents and Drawing Conclusions* [online]. Available from: <<http://fluidsurveys.com/university/descriptive-research-defining-respondents-drawing-conclusions/>> [Accessed 18 July 2018]
- Ford, J.B. 2017. “Coming in December: What We Know about Corporate Social Responsibility Messaging”, *Journal of Advertising Research*, 57(3): 352–352.
- Freeman, D. and Shapiro, S. 2014. “Tweens’ knowledge of marketing tactics: Sceptical beyond their years”, *Journal of Advertising Research*, 54(1): 44–55.
- Friedman, M. 1970. “The Social Responsibility of Business Is to Increase Its Profits”, *Corporate Ethics and Corporate Governance*: 173–178.
- Fryrear, A. 2015. *What’s a Good Survey Response Rate?* [online]. Available from: <<https://www.surveygizmo.com/resources/blog/survey-response-rates/>> [Accessed 12 September 2018].
- Gatti, L. and Seele, P. 2014. “Evidence for the prevalence of the sustainability concept in European corporate responsibility reporting”, *Sustainability Science*, 9(1): 89–102.
- Gautier, A. and Pache, A.C. 2013. “Research on Corporate Philanthropy: A Review and Assessment”, *Journal of Business Ethics*, 126(3): 343–369.
- Greenwood, M. 2016. “Approving or Improving Research Ethics in Management Journals”, *Journal of Business Ethics*, 137: 507–520.
- Grewal, D., and Levy, M. 2016. *Marketing*. 5<sup>th</sup> ed. New York: McGraw-Hill.
- Gupta, S. 2017. “Ethical Issues in Designing Internet-Based Research: Recommendations for Good Practice”, *Journal of Research Practice*, 13(2): 1.
- Hack, L., Kenyon, A.J., & Wood, E.H. 2014. “A Critical Corporate Social Responsibility (CSR) Timeline: how should it be understood now?”. *International Journal of Management Cases*. 16(4): 46 - 55.

- Harker, D. and Cassim, S. 2002. "Towards effective advertising regulation: A comparison of UK, Australian and South African schemes", *South African Journal of Business Management*, 33(4): 1–12.
- Hymen, M.R., Tansey, R. and Clark, J.W. 1994. "Research on advertising ethics: Past, present, and future", *Journal of Advertising*, 23(3): 5–15.
- ICAS - International Council for Ad-Self Regulation. 2017. "International Guide to Developing a Self-Regulatory Organization Practical Advice on Setting up and Consolidating an Advertising Self-Regulatory System".
- Ikonen, P., Luoma-aho, V. and Bowen, S.A. 2017. "Transparency for Sponsored Content: Analysing Codes of Ethics in Public Relations, Marketing, Advertising and Journalism", *International Journal of Strategic Communication*, 11(2): 165–178.
- IFRS Foundation. 2016. South Africa. Jurisdiction Profile [online]. Available from: <<https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/south-africa/#application>> [Accessed 23 April 2018]
- International Chambers of Commerce. 2011. "Advertising and Marketing Communication Practice Consolidated ICC Code", available from: <<http://www.iccwbo.org/Data/Policies/2011/ICC-Consolidated-Code-of-Advertising-and-Marketing-2011-English/>> [Accessed: 17 October 2017].
- Javalgi, R.G. and Russell, L.T.M. 2018. "International Marketing Ethics: A Literature Review and Research Agenda", *Journal of Business Ethics*, 148(4): 703–720.
- Jenkins, R. 2001. "Corporate Codes of Conduct: Self-Regulation in a Global Economy", *Technology, Business and Society Programme Papers*, 2: 1–35.
- Joshi, A., Kale, S., Chandel, S. and Pal, D. 2015. "Likert Scale: Explored and Explained", *British Journal of Applied Science & Technology*, 7(4): 396–403.
- Kim, K., Hayes, J.L., Avant, J.A. and Reid, L.N. 2014. "Trends in advertising research: A longitudinal analysis of leading advertising, marketing, and communication journals, 1980 to 2010", *Journal of Advertising*, 43(3): 296–316.
- Laerd Dissertation. 2018. *Non-probability sampling* [online]. Available from: <<http://dissertation.laerd.com/non-probability-sampling.php>> [Accessed 7 July 2018].
- Landers, R.N. and Behrend, T.S. 2015. "An Inconvenient Truth: Arbitrary Distinctions Between Organizational, Mechanical Turk, and Other Convenience Samples", *Industrial and Organizational Psychology*, 8(2): 142-164.
- Lee, T.W. 1999. *Using Qualitative Methods in Organizational Research*, SAGE Publications Inc, London.
- Leedy, P.D. and Ormrod, J.E. 2015. *Practical Research Planning and Design*, 11th ed., Pearson, Essex.
- MAC SA Charter. 2015. *Marketing, Advertising and Communication Sector Code* [online]

- Available from: < <https://www.gcis.gov.za/sites/default/files/docs/resourcecentre/guidelines/MAC%20SA%20Charter%20-7%20Dec%202015.pdf>> [Accessed 20 April 2018].
- Manasakis, C., Mitrokostas, E., & Petrakis, E. 2014. [online]. *Strategic Corporate Social Responsibility activities and Corporate Governance in Imperfectly Competitive Markets*. Available from: <[https://www.researchgate.net/publication/258167793\\_C\\_Manasakis\\_E\\_Mitrokostas\\_and\\_E\\_Petrakis\\_2014\\_Strategic\\_Corporate\\_Social\\_Responsibility\\_activities\\_and\\_Corporate\\_Governance\\_in\\_Imperfectly\\_Competitive\\_Markets\\_Manual\\_and\\_Decision\\_Economics\\_forthco](https://www.researchgate.net/publication/258167793_C_Manasakis_E_Mitrokostas_and_E_Petrakis_2014_Strategic_Corporate_Social_Responsibility_activities_and_Corporate_Governance_in_Imperfectly_Competitive_Markets_Manual_and_Decision_Economics_forthco)> [Accessed 18 June 2018].
- Maggs, J. 2017. *ASA looking for a lifeline* [online]. Available from: <<https://www.businesslive.co.za/redzone/news-insights/2017-05-04-asa-looking-for-a-lifeline/>> [Accessed 8 October 2018].
- Maitland, I. 2010. "A theory of the ethical business cycle", *Business Ethics Quarterly*, 20(4): 749–751.
- Marklives, 2016. *ASA placed into business rescue* [online]. Available from: <<http://www.marklives.com/radar/advertising-standards-authority-placed-into-business-rescue/>> [Accessed 15 November 2017].
- MASA. 2018. *About MASA* [online]. Available from: <<https://www.marketingsa.co.za/About/About>> [Accessed 15 May 2018].
- Mchiza, Z. 2017. *How unhealthy food ads target poor illiterate people* [online]. Available from: <<https://businesstech.co.za/news/general/158561/how-unhealthy-food-ads-target-poor-illiterate-people/>> [Accessed 24 April 2018].
- McWilliams, A., Parhankangas, A., Coupet, J., Welch, E. & Barnum, D.T. 2016. "Strategic Decision Making for the Triple Bottom Line", *Business Strategy and the Environment*, 25(3): 193–204.
- Moerdyk, C. 2016. *Toothless and moneyless: Has the ad industry handed control of ASA to government?* [online]. Available from: <<http://themediainline.co.za/2016/08/toothless-and-moneyless-has-the-ad-industry-handed-control-of-asa-to-government/>> [Accessed 10 September 2018].
- Moerdyk, C. 2018. *Viva! The Advertising Standards Authority is dead. Viva!* [online]. Available from: <<https://themediainline.co.za/2018/10/viva-the-advertising-standards-authority-is-dead-viva/>> [Accessed 4 October 2018].
- Morvant, Z. 2018. *What's the best way to send my survey?* [online]. Available from: <<https://www.surveymonkey.com/curiosity/whats-the-best-way-to-send-my-survey/>> [Accessed 15 May 2018].
- Mosca, F. and Civera, C. 2017. "The Evolution of CSR: An Integrated Approach", *Symphonya. Emerging Issues in Management*, 1: 16–35.

- Muela-molina, C. and Perelló-oliver, S. 2014. "Advertising self-regulation. A comparative analysis between the United Kingdom and Spain", *Communication & Society*, 27(3): 1-18.
- Naidoo, R. 2016. *Corporate Governance. An Essential Guide for South African Companies*, 3rd ed., LexisNexis, Durban.
- Nevill, G. 2017. *ASA undergoes radical restructuring, ready for business*. [online]. Available at <<http://themediainline.co.za/2017/08/asa-undergoes-radical-restructuring-ready-for-business/>> [Accessed 1 October 2017].
- Nooh, M.N. 2007. "Advertising Ethics: a Review", *The Journal of Commerce*, 4(3): 33–44.
- Nortje, N., Faber, M. and de Villiers, A. 2017. "School tuck shops in South Africa—an ethical appraisal", *South African Journal of Clinical Nutrition*, 30(3): 74–79.
- Nylander, J. 2015. *Why Integrated Reporting Attracts Investors* [online]. Available from: <<https://www.forbes.com/sites/jnylander/2015/11/11/why-integrated-reporting-attracts-investors/#4deeeec4457e7>> [Accessed 26 April 2018].
- Oh, H., Bae, J. and Kim, S.J. 2017. "Can Sinful Firms Benefit from Advertising Their CSR Efforts? Adverse Effect of Advertising Sinful Firms' CSR Engagements on Firm Performance", *Journal of Business Ethics*, 143(4): 643–663.
- Omarova, S.T. 2011. "Wall Street as Community of Fate: Toward Financial Industry Self-Regulation", *University of Pennsylvania Law Review*, 159(2): 411–493.
- Pantani, D., Peltzer, R., Cremona, M., Robaina, K., Babor, T. & Pinsky, I. 2017. "The marketing potential of corporate social responsibility activities: the case of the alcohol industry in Latin America and the Caribbean", *Addiction*, 112: 74–80.
- Pecáková, I. 2016. "Pitfalls of Quantitative Surveys Online", *Acta Oeconomica Pragensia*, 6: 3–15.
- Price, J.M. and Sun, W. 2017. "Doing good and doing bad: The impact of corporate social responsibility and irresponsibility on firm performance", *Journal of Business Research*, 80: 82–97.
- Rahmawati, S., Ramadania, R. and Gunawan, S. 2018. "Do Brand Credibility and Altruistic Attribution Affect Corporate Philanthropy Performance? – The Moderating Effect of Gen Y's Hedonic Behaviour", *International Journal of Business and Society*, 19(1): 27–40.
- Van Rekom, J., Go, F.M. and Calter, D.M. 2014. "Communicating a company's positive impact on society-Can plausible explanations secure authenticity?", *Journal of Business Research*, 67(9): 1831–1838.
- Rim, H., Yang, S.U. and Lee, J. 2016. "Strategic partnerships with nonprofits in corporate social responsibility (CSR): The mediating role of perceived altruism and organizational identification", *Journal of Business Research*, 69(9): 3213–3219.

- Rindfuss, R.R., Choe, M.K., Tsuya, N.O., Bumpass, L.L. and Tamaki, E. 2015. "Do low survey response rates bias results? Evidence from Japan", *Demographic Research*, 32(1): 797–828.
- Roszkowska-Menkes, M. 2016. "What does CSR really stand for? An analysis of corporate definitions of CSR in Poland", *Research Papers of the Wroclaw University of Economics*, 423: 94–106.
- Saeidi, S.P., Sofian, S., Saeidi, P., Saeidi, S.P. and Saeidi, S.A. 2015. "How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction", *Journal of Business Research*, Elsevier Inc., 68(2): 341–350.
- Saleh, A. and Bista, K. 2017. "Examining Factors Impacting Online Survey Response Rates in Educational Research: Perceptions of Graduate Students", *Journal of MultiDisciplinary Evaluation*, 13(29): 63–75.
- Scarpaci, J.L., Sovacool, B.K. and Ballantyne, R. 2016. "A Critical Review of the Costs of Advertising: a Transformative Consumer Research Perspective", *Journal of Consumer Policy*, 39(2): 119–140.
- Schauster, E. and Neill, M. 2017. "Have the ethics changed? An examination of ethics in advertising and public relations agencies", *Journal of Media Ethics: Exploring Questions of Media Morality*, 32(1): 45–60.
- Schimmel, G. (gail@asasa.org.za). (13 November 2017). Re: *My Research*. E-mail to L. Grobler (perspective@axxess.co.za).
- Schimmel, G. (gail@arb.org.za). (7 November 2018). *The ARB is open for complaints*. E-mail to L. Grobler (perspective@axxess.co.za).
- Schmitz, J. and Schrader, J. 2015. "Corporate social responsibility: A microeconomic review of the literature", *Journal of Economic Surveys*, 29(1): 27–45.
- von Schnurbein, G., Seele, P. and Lock, I. 2016. "Exclusive corporate philanthropy: rethinking the nexus of CSR and corporate philanthropy", *Social Responsibility Journal*, 12(2): 280–294.
- Schons, L.M. 2017. "When Do Companies Have a Positive Duty to Engage in Philanthropy? An Empirical Application of Mieth's Five Criteria for Positive Duties of Individuals in the Corporate Context", *Zeitschrift Für Wirtschafts- Und Unternehmensethik*, 18(3): 370–400.
- Schoonees, A., Young, T. and Volmink, J. 2013. "The advertising of nutritional supplements in South African women's magazines: A descriptive survey", *South African Journal of Clinical Nutrition*, 26(2): 62–68.
- Simpson, J. and Taylor, J.R. 2013. *Corporate Governance, Ethics and CSR*.
- Southern African Legal Information Institute. 2017. *The Advertising Standards Authority v*

- Herbex (Pty) Ltd (902/16) [2017] ZASCA 132 (29 September 2017)* [online]. Southern African Legal Information Institute. Available from: <<http://www.saflii.org/za/cases/ZASCA/2017/132.html>> [Accessed: 3 October 2017].
- Strachan, D. 2016. "an Evaluation of the Self-Regulation of Promotional Competitions in South Africa", *Potchefstroom Electronic Law Journal/Potchefstroomse Elektroniese Regsblad*, 19(19): 1.
- Štumberger, N. and Golob, U. 2016. "On the Discursive Construction of Corporate Social Responsibility in Advertising Agencies", *Journal of Business Ethics*, 137(3): 521–536.
- Supreme Court of Appeal of South Africa. 2017. *Judgement in the matter between The Advertising Standards Authority and Herbex (Pty) Ltd* [online]. Available from: <[http://www.justice.gov.za/sca/judgments/sca\\_2017/sca2017-132.pdf](http://www.justice.gov.za/sca/judgments/sca_2017/sca2017-132.pdf)> [Accessed: 14 November 2017].
- SurveyMonkey<sup>1</sup>, 2017. *Create and send surveys with ease* [online]. Available from:<<https://www.surveymonkey.com/mp/take-a-tour/>> [Accessed 17 June 2017].
- SurveyMonkey<sup>2</sup>, 2017. *Compare our full set of features* [online]. Available from:<<https://www.surveymonkey.com/pricing/details/>> [Accessed 17 November 2017].
- Szőcs, I., Schlegelmilch, B.B., Rusch, T. and Shamma, H.M. 2016. "Linking cause assessment, corporate philanthropy, and corporate reputation", *Journal of the Academy of Marketing Science*, 44(3): 376–396.
- Verk, N. and Golob, U. 2014. "An evaluation of the state of CSR communication research from marketing communication perspective", *Akademija MM*, 13(23): 49–60.
- Vicente, P. 2015. "The best times to call in a mobile phone survey", *International Journal of Market Research*. 57(4): 555–570.
- Van den Haar, O. 2018. #BizTrends2018: *The changing media environment for ad agencies* [online]. Available from <<http://www.bizcommunity.com/Article/196/424/171968.html>> [Accessed 18 March 2018].
- van Zijl, W., Wostmann, C. and Maroun, W. 2017 "Strategy disclosures by listed financial services companies: Signallingtheory, legitimacy theory and South African integrated reportingpractices", *South African Journal of Business Management*, 48(3): 73–85.
- Von Schnurbein, G., Seele, P. & Lock, I. 2016. "Exclusive corporate philanthropy: rethinking the nexus of CSR and corporate philanthropy", *Social Responsibility Journal*, 12(2): 280 - 294.
- Waller, D.S. and Lanis, R. 2009. "Corporate Social Responsibility (CSR) Disclosure of Advertising Agencies: An Exploratory Analysis of Six Holding Companies' Annual Reports", *Journal of Advertising*, 38(1): 109–122.
- Warmbrod, J.R. 2014. "Reporting and Interpreting Scores Derived from Likert-type Scales", *Journal of Agricultural Education*, 55(5): 30–47.

Wixley, T. and Everingham, G. 2015. *Corporate Governance*, 4th ed, Siber Ink, Cape Town.

Woker, T. 1999. *Advertising law in South Africa*. Kenwyn: Juta & Co Ltd.

## Annexure 1: Research questionnaire

Question 1: Are you a member of (please select one):

- Options: ACA.  
MASA.  
Neither.
- 

Question 2: Are you aware of the existence and purpose of the existence and purpose of the Advertising Standards Authority of South Africa (hereafter "ASASA")?

- Options: Yes.  
No.
- 

Question 3: Are you aware that the ASASA requires sustainable funding?

- Options: Yes.  
No.
- 

Question 4: Are you aware that ASASA's funding is sourced from the Advertising Industry?

- Options: Yes.  
No.
- 

Question 5: Have you / your company contributed to the ASASA's funding in the past 12 months?

- Options: Yes.  
No.
- 

Question 6: If you have contributed, was your contribution:

- Options: Sporadic/once-off in nature.  
Continuous/regular in nature.  
Not applicable: I/We have not contributed.
- 

Question 7: If you have contributed to the funding of the ASASA, which of the following BEST describes your motivation to contribute?

- Options: It is an altruistic ethical obligation (akin to Corporate Social Responsibility / Corporate Philanthropy).  
It is preferable to more government intervention.  
It is institutionalised, my company has been doing it for years.  
My company acquires BEE points in terms of the MAC Charter.  
Not applicable; I/We have not contributed.
-

Question 8: *If you have NOT contributed, was this due to:*

- Options:
- Financial Constraints impacting on me / my company.
  - Lack of awareness of the need.
  - A conscious decision not to fund.
  - Not applicable; I/We have contributed.
- 

Question 9: *Please indicate which annual turnover bracket best applies to you / your company.*

- Options:
- Annual Turnover between R0 and R5Million.
  - Annual Turnover between R5Million and R25Million.
  - Annual Turnover exceeds R25Million.
- 

Question 10: *Has any of your advertising ever been ruled against by the ASASA?*

- Options:
- Yes.
  - No.
- 

Question 11: *The core purpose of the ASASA is to safeguard consumers and industry by ensuring ethical advertising.*

- Options:
- Strongly disagree
  - Disagree
  - Somewhat disagree
  - Neither agree nor disagree
  - Somewhat agree
  - Agree
  - Strongly agree.
- 

Question 12: *My company believes that sustainable self-regulation of advertising promotes ethical advertising.*

- Options:
- Strongly disagree
  - Disagree
  - Somewhat disagree
  - Neither agree nor disagree
  - Somewhat agree
  - Agree
  - Strongly agree.
-

Question 13: *Funding provided to the ASASA can be seen as Corporate Social Responsibility-investment or as a type of Corporate Philanthropy.*

Options: Strongly disagree  
Disagree  
Somewhat disagree  
Neither agree nor disagree  
Somewhat agree  
Agree  
Strongly agree.

---

Question 14: *Providing sustainable funding to the ASASA should be the Advertising Industry's concern.*

Options: Strongly disagree  
Disagree  
Somewhat disagree  
Neither agree nor disagree  
Somewhat agree  
Agree  
Strongly agree.

---

Question 15: *Providing sustainable funding to the ASASA should be the Government's concern.*

Options: Strongly disagree  
Disagree  
Somewhat disagree  
Neither agree nor disagree  
Somewhat agree  
Agree  
Strongly agree.

---

Question 16: *By ensuring the sustainability of the ASASA the Marketing and Advertising Industry can stave off additional government intervention.*

Options: Strongly disagree  
Disagree  
Somewhat disagree  
Neither agree nor disagree  
Somewhat agree  
Agree  
Strongly agree.

*Question 17: What would encourage your continued support of the ASASA?*

*Options:* - Open-ended, voluntary question.

---