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Business Could Be Misreading Public

BUSINESS executives might do well to consider what happened in the political arena recently. Something like it could happen to them as conservatives turn attention to advertising and business practices.

Buyer resistance has flared sporadically against advertisers sponsoring television shows featuring violence and sex. These movements seem to gain strength as larger organizations join the battle against pornography, profanity and "smutcom."

Both related and unrelated sex emphasis in advertisements also are receiving fire. Suggestive illustrations in blue jeans and underwear ads are being criticized. Some customers might like such ads, but others are demanding advertisers clean up their ads as well as TV shows they sponsor.

Celebrity testimonials and product endorsements by sports stars that don't ring true may be producing adverse results, too. Not all of them sound like they meet "truth in advertising" standards.

Corporate morality takes another beating when local dealers try to shunt responsibility for fulfilling warranties onto manufacturers, who are out of town and may reply slowly, if at all. This could lead to demand for further regulations in spite of the drive for fewer.

The public knows big business allows union labor to run over it with exorbitant wage and fringe benefits demands. This has been a major factor in making American-made products uncompetitive with foreign merchandise, leading to loss of jobs as factories cut back production or close down entirely.

An additional cause for the trouble the American automobile industry has fallen into was failure to respond to public demand for higher gasoline mileage until foreign makers moved in to claim the rapidly growing small car market.

"Like any established industry, it's easier to keep doing what you are doing than to stand back and ask what the public really wants," said a former General Motors top official quoted in Business Week (Nov.

17, 1980). "Now they've been dragged kicking and screaming into the small car era, more by the government's fuel economy standards than by anything else, and thank God for that. Or they'd be doing half the business they're doing now."

The article cites other instances of failure of huge companies to react to changing conditions. The smug attitude that they know what the public ought to want bears a striking resemblance to predictions by political analysts that the presidential election would be close.

A Gallup Poll this month showed the proportion of respondents expressing "a great deal" or "quite a lot" of confidence in business has declined from 34 per cent in 1975 to 29 per cent in 1980. The same poll showed church-organized religion at the top of the "Confidence List" for both the general public and young adults.

Business could be misreading the public's mood and missing what people want, just as political pollsters did during the campaign.