

Study explores whether advertising contributes to or leads to declines in happiness

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Advertising has long been known to depict a virtual reality of life, leading some people to expect more out of life than is practical. This is driven by idyllic imagery and storytelling, among other techniques such as an emphasis on materialism.



As a result, critics of advertising say it creates <u>unrealistic expectations</u> among consumers, which contributes to disappointment when it comes to general <u>life satisfaction</u>. Meanwhile, others say that advertising actually enhances life satisfaction by providing consumers with valuable information that they can use to make their lives better.

These issues informed some of the questions behind groundbreaking research that is a rare comprehensive examination of the relationship between consumer life satisfaction and advertising.

The <u>research article</u>, "A Longitudinal Examination of the Relationship Between National-Level Per Capita Advertising Expenditure and National-Level Life Satisfaction Across 76 Countries," is <u>published</u> in the journal *Marketing Science*. The authors of the study are Michael Wiles of Arizona State University, Saeed Janani of the University of Denver, Darima Fotheringham of Texas Tech University and Chadwick Miller of Washington State University.

"Given advertising's ubiquity and ability to sway consumption decisions, there is good reason to believe that advertising may also be related to life satisfaction," says Wiles. "Advertising can be an effective information dissemination mechanism that individuals rely upon to gain knowledge about consumption options, ultimately improving life satisfaction."

Wiles adds, "Another view of advertising is grounded in the perspective that it exists to distort individuals' preferences for consumption options that they may not actually need or want. As a result, advertising sets unrealistic or unhealthy consumption norms. This can lead to reduced life satisfaction."

The researchers explored these issues by studying certain patterns in 76 countries from 2006-2019. They looked at how per capita advertising expenditure in <u>individual countries</u> was associated with national-level



life satisfaction. To do this, they created empirical research models that broke down perception data. They used secondary data and conducted a series of experiments.

"We found that per capita advertising expenditure is positively related to national average life satisfaction," says Wiles. "But we also found that to a certain degree, too much advertising can be a negative, particularly when you consider cultural, income and other inequality factors. Advertising can, in some situations, contribute to reduced life satisfaction."

"The lessons from our research are that when <u>advertising</u> is used to reduce marketplace uncertainty it can be a powerful force for good," adds Wiles. "But we always have to be cognizant that this force can overemphasize materialism, and as a life satisfaction tool, it can be mitigated in certain places."

More information: Michael A. Wiles et al, A Longitudinal Examination of the Relationship Between National-Level Per Capita Advertising Expenditure and National-Level Life Satisfaction Across 76 Countries, *Marketing Science* (2023). DOI: 10.1287/mksc.2021.0136

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