

Argumentative outline

Topic: Online advertising: guiding or misguiding customers

1. Introduction

Thesis Statement: Online advertisements come with a plethora of impacts, both positive and negative. However, online advertising serves to guide customers rather than misguide them because by utilizing checks and controls, its negative impacts can be minimized.

2. How online advertising can guide or misguide customers

3. How online advertising guides customers

- Provides customers with personalized recommendations
- Can be a source of valuable information
- Enhances customer decision making
- Enhances platform user experience for online businesses
- Can be employed to challenge social stigmas

4. How online advertising misguides customers

- Risk of privacy invasion
- Can be a source of misleading information and fake reviews
- Can encourage impulse buying in customers
- Intensifies market saturation and competition
- Involves use of manipulative techniques

5. The positives of online advertising outweigh the negatives

- Use of protective software can prevent data breaches
- Platforms are implementing countermeasures to reduce fake reviews and false information
- Causes of impulse buying are not limited to online advertising
- A unique and effective advertising campaign can help a business stand out
- Not all firms use manipulative tactics

6. Conclusion

Topic: Online advertising: Guiding or misguiding customers

"The advertisement is the most truthful part of a newspaper." - Thomas Jefferson. The contents of a newspaper according to former US president Thomas Jefferson may not be aligned with the truth fully, however, advertisements, in his opinion are the most truthful parts of a newspaper. This highlights the importance of advertisements as a source of true information for the public. Just like print advertisements, online advertisements also come with a plethora of impacts, both positive and negative. However, online advertisements serve to guide customers rather than misguide them, because by utilizing checks and controls, their negative impacts can be minimized. Online advertising can guide customers in a number of ways. These include providing customers with personalized recommendations, along with valuable information which would help with customer decision making. Moreover, it also enhances platform user experience for online businesses and can also be used to tackle social stigmas. On the contrary, it is also believed that online advertising misguides customers by being a source of false information and fake reviews, along with having a risk for privacy invasion. In addition, it can induce impulsive buying in customers, incorporate manipulative tactics, and can also increase market saturation. In light of this, the positives of online advertising outweigh the negatives because the use of protective software can prevent data breaches, platforms are deploying countermeasures to eradicate fake reviews, the causes of ~~entire~~ impulse buying is not limited to online advertising only, not all firms use manipulative tactics, and a unique advertising campaign can help an online business stand out in intense competition.

According to Philip Kotler, a renowned authority on marketing and advertising, any paid form of non-personal presentation and promotion of goods, services or ideas by an identified sponsor is called advertising. Advertising has the potential to influence

viewers with the help of various 'appeals', which are approaches used to attract the attention of customers. The ultimate goal of advertising is to persuade the audience. This persuasion could either ~~be~~ revolve around informing and persuading the audience regarding a viewpoint or eliciting a buying response from the customer. Some of the major factors in influencing customers include manipulation, information, hedonism and humor, and can significantly impact consumer attitude towards a brand or message (Faizom Hafeez, Affect of advertisements on consumer attitudes, 2021).

In light of the influential power advertisements have, they have the ability to guide customers by providing personalized recommendations. These recommendations cater to the needs of the customer, and provide access to products or services that the customer would like, based on previously collected customer data. This in turn guides customers towards products they consider relevant, and also improves their experience on a particular platform. According to a study conducted by Patrick Pelsmarker, it was concluded that personalized recommendations on social media websites improve responses towards advertisements through perceived relevance, and provide customers useful information, which ultimately improved click intention (Patrick Pelsmarker, Is this for me, 2015). This highlights how online advertisements provide beneficial personalized recommendations to customers.

Similarly, another beneficial aspect of online advertisements is the provision of valuable information. This is because the use of advertisements on an online platform increases the probability of the message or information being received by the intended customer. This, in turn, enhances the 'reach' of the message, and allows the advertiser to disseminate important information, or public service messages to the public efficiently, and effectively. This category of advertisements are known as 'infomercials' and are becoming increasingly important in the growing digital

age. Considering the rapid growth in ^{the} global online population, it was concluded by Greg Taylor that consumers benefit from increased informativeness of advertisements in an online setting and creates room for further dissemination of the information through 'word of mouth' (Greg Taylor, Informativeness of online advertising, 2011). This highlights how online advertisements are a source of information for customers.

Just as relevant information guides customers, online advertisements enhance the decision making of customers. This is because they work at a psychological level, subtly convincing a consumer. Apart from this, since advertisements also show substitute products, the decision making process is streamlined further as this allows the customer to compare and choose the better alternative. For example, different banks in Pakistan have launched several advertisement campaigns online. These advertisements help potential customers in gaining knowledge about their respective services, and allows customers to compare and then gauge which bank would be the most beneficial for them. Hence, online advertisements play a pivotal role in streamlining the customer decision making process.

Furthermore, online advertising also helps online businesses and improves their experience on an online platform. This is because while being present on an online platform, being able to place online advertisements opens many doors for online businesses, especially new entrants into the market. These so called doors pertain to the access a business has in a market, the visibility it has in front of prospective customers, and the ability to stand out in a competitive environment. For example, Google AdWords is a service provided by Google to online businesses where they can promote their content, brand, and website through certain defined keywords to achieve traffic or leads. This in turn improves the



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online standing of a business, ultimately improving their experience on a particular platform. This highlights how online advertising can improve user experience of online businesses.

Just as online advertising helps businesses in an online setting, they can also help people in a societal setting by challenging social stigmas. This is because advertisements possess the ability to highlight issues and raise awareness on them. Stigma and discrimination reduction based online advertisements are placed with the sole purpose of tackling social stigmas head on. They provide a message that is relatable at the personal level to victims of stigma and discrimination, which increases the positive impact these advertisements can have on a victim. As a result of stigma and discrimination reduction social media campaigns, individuals who were in need of help became more open to receiving treatment after being exposed to such advertisements (Scott Ashwood, marketing campaign to reduce stigma and discrimination, 2017). This highlights the positive role played by online advertisements to address stigma and discrimination in society.

Where online advertising comes with a plethora of benefits that can help guide customers, it also brings certain risks and negative impacts — one being the risk of privacy invasion. This is because many firms gather consumer data to base personalized ~~reco~~ recommendations on. However, this collection of data can lead to an invasion of privacy, and a significant risk of personal data being either accessed by such companies, or ending up in the wrong hands. This leads to the 'personalization-privacy paradox', where consumers want personalized advertisements, but also do not want their privacy to be invaded. In 2018, marketing firm 'Exactis' leaked a personal information database with over 340 million records, which further highlights the risks involved in personalized advertisements (Andy Greenberg, Exactis leaked database, 2018). This shows how online advertising can

lead to an invasion of privacy and data breaches.

Similarly, consumers are also misguided by online advertisements because they can be a source of misleading information and false reviews. This is because some firms decide to establish credibility, authenticity and reliability based on false pretense. This, in turn, helps such firms to indulge in misleading and fraudulent activities to take advantage of unaware customers. Such customers are then misguided into buying products or services from these sellers, believing their credibility. According to a study conducted by Juan Martinez, it was concluded that given the increasing importance of online reviews on consumer purchases, some traders try to publish or promote fake reviews, and false information to improve the reputation of their goods or services, or to damage the reputation of their competitors (Juan Martinez, Fake reviews on online platforms, 2021). This shows how fake reviews and false information tend to misguide customers.

Furthermore, online advertisements can also induce impulsive buying behavior in customers. This is because advertising has the capability to invoke hedonistic tendencies in a customer's buying behavior. This directly relates with the pleasure principle in the customer's behavior, and causes the customer to cater to these needs, buying products or services that would provide the most 'utility' or satisfaction. In a study, it was concluded that during the Covid-19 pandemic, online advertising, that had utilitarian and hedonistic shopping value, was found to be important in increasing cognitive dissonance and impulse buying in consumers, which further led to them elicit a buying response (Mohit Mittal, Impulse buying in online shopping, 2020). This highlights the relationship between online advertising and impulse buying, and how online advertisements can induce impulsive buying behavior in consumers.

In addition online advertisements have also increased market saturation, and have intensified competition for online businesses. This is due to the fact that online advertising, coupled with the rapid growth in access to the internet, has allowed online businesses to significantly increase their visibility in the market. This increased visibility, which is also known as 'reach' in marketing jargon, is significant in the efforts to capture a market share.

When many existing and newly launched businesses incorporate a 'push strategy' primarily based upon online advertising, their reach is amplified resulting in intensified market competition, where businesses struggle to compete with one another, and customers face difficulty in deciding which product or service to purchase among the countless options they have. This shows how online advertising intensifies market competition.

Moreover, online advertising also tends to misguide customers by employing manipulative techniques. This is because some advertisers prefer resorting to unethical means to get their message across and to influence potential customers. This results in unaware customers being taken advantage of which further leads to more customers being tricked as a result of 'word of mouth', further exacerbating the problem. Since the advent of social media, many young individuals have access to social media platforms, where they are exposed and subjected to various forms of advertising ~~and~~ techniques - one of them being manipulation. In 2020, leaked Facebook documents sparked controversy regarding the ethical compass of Facebook. These leaked documents discussed how advertisers could target teens when they feel particularly insecure or vulnerable. This was done with the help of the psychographic profiling of users which in turn helped advertisers to exploit individual vulnerabilities online (Shaun Spencer, The problem of online manipulation, 2020). This shows how online advertising can subject customers to manipulative techniques.

Despite having both positive and negative impacts regarding consumer guidance, it is safe to say that the positives outweigh the negatives in this case. Despite coming with a risk of privacy invasion, platforms are employing the use of protective software to prevent data breaches. This category of software includes 'intrusion detection systems', which can identify and protect against malware, ransomware, and phishing attempts. In addition to this, a 'fire wall' is also used to monitor and filter incoming and outgoing network traffic based on the platform's security policies. When used in tandem, these protective mechanisms safeguard a company's sensitive data record - consumer data. Cybercriminals such as hackers, identity thieves, or fraudsters are then prevented from accessing consumer data, which significantly decreases the risk of data breaches. This shows how the incorporation of protective software in a company's cybersecurity infrastructure can prevent privacy invasion and data breaches.

Similarly, another countermeasure being employed by companies pertains to the abundance of fake reviews and ~~testor~~ testimonials present in the cyberspace. These reviews and testimonials, when advertised, pose a risk of misleading customers, which is why companies are deploying countermeasures to prevent fake reviews from being posted. Many companies have introduced a verification based review system, where only verified purchasers can write a review, which entails that whoever purchases a product will have the ability to review it on that platform. In addition, companies are also incorporating artificial intelligence in their security systems which monitor and filter out 'bots' in the incoming network traffic. Since automated mass-reviewing is done with the help of bots, these security systems can filter out these bots and prevent them from posting fake and misleading reviews. This highlights how countermeasures are used to tackle the menace of fake reviews.

Furthermore, the causes of impulse buying are not limited to online advertising. This is because of the presence of other channels through which companies advertise themselves. Television advertising is one of the most important forms of advertising due to the wide ranging access and consumption of media through televisions. And since the television is older than the internet, it would not be correct to label online advertising as the sole cause of impulse buying. In a study conducted by Giao Nam, it was concluded that one of the primary factors affecting impulse buying urge includes the time available for watching television (Giao Nam, Consumer impulse television buying, 2021). This shows how impulse buying is not only limited to online advertising.

In addition, in the presence of intense market competition, a unique and effective advertising campaign can help a business stand out. This is because in a saturated market, it is difficult for businesses to stand out and customers to see them if they are not unique in some way. A 'unique selling point' (USP), is a unique element in the product or service of a seller, and helps set the business apart from competitors. Through online advertising, businesses can effectively show and communicate their respective USPs, which would help them stand out in the plethora of businesses in the market, which would increase their chances of potential customer conversion. For example, among the countless graphic design tools currently available for the public, Canva ~~is~~ has one of the most unique USPs. Where other tools may be difficult to use and might cost a fee, Canva on the contrary, focuses on streamlining the graphic design process to let anyone design without being limited by skill or high prices, as well as difficult design software programs like Adobe Photoshop. This shows how uniqueness, when advertised online, can help a business stand out in a saturated marketplace.

Furthermore, it would be incorrect to state that online advertisements misguide customers due to the use of manipulative tactics, because not all companies use such techniques. This is because many companies are customer-centric in their approach, and prefer staying within legal, ethical, and moral boundaries. Such companies incorporate other tactics, such as the use of humour, information, rationale, and uniqueness among others to woo customers. Such companies are also transparent in their policies of data collection and usage to avoid shaking the trust of their customers. Hence, labelling all online advertisers as manipulative would be a sweeping statement, and a logical fallacy. This highlights how all firms using online advertising do not use manipulative tactics.

In summation, online advertisements come with both positive and negative impacts, and can both guide or misguide customers. However, it is safe to say that online advertisements serve to guide their customers. Although many companies use online advertising negatively and their effects are exploited by individuals with malicious intent, with the incorporation of checks and balances, the aforementioned negative aspects of online advertising can be mitigated. In the modern era, with the rapid advancement of technology, platforms are now strengthening their security infrastructures by using intrusion detection systems and artificial intelligence. Furthermore, online advertising is a source of benefit for the public as it can improve platform experience, provide valuable information as well as make society more accepting by challenging social stigmas. Although there is still much to cover in terms of progress made in this regard, but with the help of corrective action, social awareness, and transparency, the negative impacts of online advertising can be effectively dealt with.