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Common Error No. 19 [1]

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19. "Big business does not really produce what people want. It uses coercive advertising to make people buy what it wants to produce."

The Ford Edsell was produced by Ford of America and backed by a massive advertising campaign. It flopped utterly. The adverts for Strand cigarettes in Britain won many awards and were very popular. Alas, nobody bought the product, which is why Strand cigarettes have disappeared.

The notion of coercive advertising is pure theory. In fact most advertising is used to break into markets, or to open up new ones. Advertising informs the public of new products and processes, and can thus attack established products. Furthermore, it is very competitive. Skilled creative power pits product against product, company against company. It is self-regulated, too, refusing to allow ads which try to sell products by making people feel inadequate or exposed to ridicule without them.

Far from deciding what is convenient to produce and then trying to make the public want it, companies spend millions on market research trying to anticipate the tastes and needs of the public, and into designing and producing products to satisfy them. Despite this, they often get it wrong. Fortunately the market system directs resources to those who are good at this type of activity. Investors are more likely to back them, and stores are more likely to stock their goods.

Any business which did produce for its own convenience and then tried to make the public accept its goods would soon find its market taken from it by competitors who produced what the public really wanted. In practice, the only firms who can hope to get away with this sort of activity are state-controlled ones protected by monopoly. In these cases the public has no alternative but to accept what is produced, because no competitor is allowed to offer them the things they really want.

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