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Advertising Makes Us

Business And Society

Unhappy by Nicole Torres

From the Magazine (January–February 2020)



European countries from 1980 to 2011 with data on annual advertising spending in those nations over the same period. The researchers found an inverse connection between the two. The higher a country's ad spend was in one year, the less satisfied its citizens were a year or two later. Their conclusion: Advertising makes us unhappy. Professor Oswald, defend your research. **Oswald:** We did find a significant negative relationship. When you look at changes in national happiness each year and changes in ad spending

that year or a few years earlier—and you hold other factors like GDP and

Colleagues and I have been studying human happiness for 30 years now,

and recently my focus turned to national happiness. What are the

unemployment constant—there is a link. This suggests that when

advertisers pour money into a country, the result is diminished well-

HBR: What prompted you to investigate this?

being for the people living there.

characteristics of a happy country? What are the forces that mold one? What explains the ups and downs? I'd never looked at advertising before, but I met a researcher who was collecting data on it for a different reason, and it seemed to me that we should combine forces. Like a lot of people in Western society, I can't help noticing the increasing amount of ads we're bombarded with. For me, it was natural to wonder whether it might create dissatisfaction in our culture: How is your happiness and mine shaped by what we see, hear, and read? I think it's rather intuitive that lots of ads would make us less happy. In a sense they're trying to generate dissatisfaction—stirring up your desires so that you spend more on goods and services to ease that feeling. I appreciate, of course, that the world's corporate advertisers and marketing firms won't like hearing me say that.

exposing people to a lot of advertising raises their aspirations—and makes them feel that their own lives, achievements, belongings, and

So ads make us want what we don't or can't have?

the positive one.

That this isn't correlational?

experiences are inadequate. This study supports the negative view, not

The idea here is a very old one: Before I can decide how happy I am, I

have to look over my shoulder, consciously or subconsciously, and see

Yeah, I don't think they'd agree that that is the goal of advertising.

Their line is that advertising is trying to expose the public to new and

exciting things to buy, and their task is to simply provide information,

and in that way they raise human well-being. But the alternative

argument, which goes back to Thorstein Veblen and others, is that

how other people are doing. Many of my feelings about my income, my car, and my house are molded by my next-door neighbor's income, car, and house. That's just part of being human: worrying about relative status. But we know from lots of research that making social comparisons can be harmful to us emotionally, and advertising prompts us to measure ourselves against others. If I see an ad for a fancy new car, it makes me think about my ordinary one, which might make me feel bad. If I see this \$10,000 watch and then look at my watch, which I probably paid about \$150 for, I might think, "Maybe there's something wrong with me." And of course nations are just agglomerations of individuals. Now, in this paper we don't prove that the dissatisfaction is coming from relative comparisons, but we suspect that's what happening. How do you know advertising is actually causing us to be unhappy?

ensuing years. Third, we did lots of statistical checks to make sure the empirical linkages were strong. Fourth, people sometimes forget that causality always requires there to be a correlation somewhere. But your

question is constantly in my mind as a researcher.

First, we controlled for lots of other influences on happiness. Second, we

looked at increases or drops in advertising in a given year and showed

that they successfully predicted a rise or fall in national happiness in

But doesn't this apply just to materialistic people? A lot of people understand that you can't buy happiness. Yes, some might see that watch ad and say, "Why are men buying \$10,000 watches when they carry a mobile phone with the time on it?" Or respond to a car ad by congratulating themselves for not buying a gas-guzzler that's expensive to service and destroys the environment. Our research shows that the really big influences on human happiness are things like health, intimate relationships, being employed, social safety nets, not being in midlife (there really is a crisis for many), and so

around. This reminds me of how social media makes us miserable because

Yes. There is research bubbling up through the journals about this. For

example, one longitudinal study from 2017 found that using Facebook

next few decades this will become a really serious policy issue.

was associated with compromised well-being. My hunch is that over the

we compare ourselves with influencers.

advertising hurts group happiness; there's only so much status to go

on. Buying that watch or car can help make us feel slightly happier, but

deep down it has a keeping-up-with-the-Joneses status effect. And when

everybody buys the same thing the effect is nullified. That's partly why

Has any other research linked advertising with reduced well-being? The short answer is no. Although there's some interesting literature on how children are affected by advertising in terms of their eating and health, there is surprisingly little on this topic. We don't know of a paper

close to ours. Perhaps there is one, but nobody's written to us about it.

How did you measure national advertising and national happiness?

The advertising metric is straightforward accounting. We have data on the amount spent in different countries on different forms of ads: newspaper, radio, TV, and so on. Measuring happiness or life

satisfaction is more complicated, but we now know how to do so reliably.

In this study we have a large sample, close to a million people, and we

decided to choose one of the most long-standing simple measures of

human well-being, which is the survey question "How satisfied are you

with your life?" People used a scale to answer it, and then we aggregated those answers for each country. And you're sure the lower life satisfaction isn't due to the other things that you just mentioned affect it, like age and marital status? Those are among the things we controlled for in addition to the unemployment rate and GDP. We also controlled for the underlying starting levels of happiness and advertising in countries, because we wanted to do a fair comparison with the same baseline. And year by year we controlled for what you might call shocks—think of oil-price shocks

Our analysis shows that if you doubled advertising spending, it would result in a 3% drop in life satisfaction. That's about half the drop in life satisfaction you'd see in a person who had gotten divorced or about one-

third the drop you'd see in someone who'd become unemployed. We

How big is the negative effect of ads?

—that have a common set of consequences across the whole of Europe.

have a lot of experience working out how people are affected by bad life events, and advertising has sizable consequences even when compared with them. Is there anything we can do about this? It's worth wondering whether Western society has done the right thing by allowing large levels of advertising, almost unregulated, as though it

were inevitable. Given these patterns, it seems like something we might

want to think about. But we haven't got any political punch line in this

What if everyone just downloaded ad blockers for the web and fastforwarded through commercials on TV? Would that help? I try to be an evenhanded statistical researcher, but I can see how you

paper. We don't recommend any policy.

A version of this article appeared in the January-February 2020 issue of Harvard Business Review. **Nicole Torres** is the deputy editor of Bloomberg Opinion Europe and a former senior editor at Harvard Business Review, where she

was a host of the Women at Work podcast.

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might look at our study and think, "Maybe it's sensible for me to opt out

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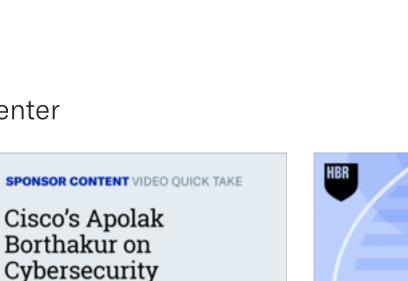
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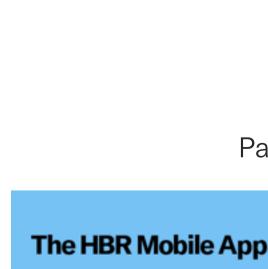
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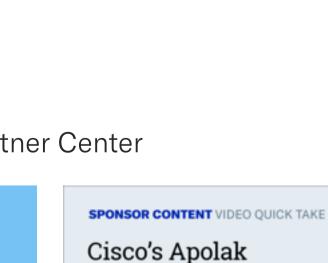
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