

University of Mississippi

eGrove

Guides, Handbooks and Manuals

American Institute of Certified Public
Accountants (AICPA) Historical Collection

1977

Attitudes of Accountants Toward the Advertising of Their Services and Fees

John R. Darling

Donald W. Hackett

Follow this and additional works at: https://egrove.olemiss.edu/aicpa_guides



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

Darling, John R. and Hackett, Donald W., "Attitudes of Accountants Toward the Advertising of Their Services and Fees" (1977). *Guides, Handbooks and Manuals*. 857.

https://egrove.olemiss.edu/aicpa_guides/857

This Book is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Guides, Handbooks and Manuals by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

ATTITUDES OF ACCOUNTANTS TOWARD THE ADVERTISING OF
THEIR SERVICES AND FEES

By

John R. Darling

Dean, and Professor of Marketing
College of Business and Administration
Southern Illinois University
Carbondale, Illinois

And

Donald W. Hackett
Assistant Professor of Administration
College of Business Administration
Wichita State University
Wichita, Kansas

Copyright © 1977 by the American Institute of Certified
Public Accountants, Inc.

BIOGRAPHICAL REFERENCES

John R. Darling is Dean, and Professor of Marketing, College of Business and Administration, Southern Illinois University, Carbondale, Illinois. Dr. Darling received his Ph.D. Degree from the University of Illinois-Urbana in 1967, and has held teaching positions at the University of Alabama, the University of Missouri-Columbia, and Wichita State University. He has also held visiting professorships at the University of Montana, and the Helsinki (Finland) School of Economics. He has served as a consultant to numerous domestic and foreign business firms, as well as various professional organizations and government agencies. He is also the co-author of four books in marketing, all published by John Wiley and Sons, Inc., New York, and has authored several articles appearing in various professional journals and other business publications.

Donald W. Hackett is Assistant Professor of Administration, and Director of the MBA Graduate Program, College of Business Administration, Wichita State University, Wichita, Kansas. Dr. Hackett received his D.B.A. Degree from the University of Oklahoma in 1972. He has served as a consultant to several business firms and other types of organizations. He has also authored several articles appearing in various professional journals and other business publications.

ATTITUDES OF ACCOUNTANTS TOWARD THE ADVERTISING OF
THEIR SERVICES AND FEES

Recently, the issue of advertising among professional groups has drawn a great deal of attention. The government and its agencies, consumers and their advocates, and professional persons and their organizations have been involved in local, state, and federal courts concerning the allowable promotional efforts of the various professions.¹

For example, the early 1976 ruling by the Supreme Court of the United States regarding pharmacists cleared the way for competitive advertising of prescription drug prices. This ruling was interpreted as having an indirect impact on other professions, as well. While the court was concerned specifically with pharmacists, its decision made clear that the court considers "commercial speech" of all kinds to be protected by First Amendment guarantees of free expression.²

The various professional groups in the U.S. have long banned advertising on several grounds.³ On the one hand, the professions feel the public must be protected against fraudulent and unscrupulous promoters. In addition, it is felt that participation in advertising activities would lower the prestige of professionals in the public's eye. Those favoring bans on advertising also maintain that such solicitation is an expense which must be covered, one that would not necessarily lower fees, and one that would convey little information about the quality of services.

Consumerists and other critics of such limits on advertising want to lift the restrictions so that the consuming public will be able to shop for services on a competitive basis; thus paying less for the services which are best tailored to their needs. Additionally, reformists feel that clients/patients have the right to be informed about the professional's qualifications--including education, post-

graduate training, and certification credentials.⁴

Present Status of Professionals Concerning Advertising

The principles and standards of ethics which govern the various professions tend to be quite detailed and certainly beyond the scope of this present analysis. However, they deal precisely with the use of advertising media, professional cards, stationery letterheads, announcements, door lettering and signs, and professional listings and directories.⁵ As a general summary, the code of ethics relating to the various professions, state that members may not seek to obtain clients/patients by solicitation and particularly by advertising and other promotional activities.

However, recent events have begun to alter these codes. In addition to the Supreme Court ruling noted above, for example, in 1975 the Supreme Court, in the Goldfarb case, struck down the exemption of "learned professions" from the Sherman Anti-trust Act. Apparently influenced by this decision, the American Bar Association voted in early 1976 to liberalize the nature and scope of information attorneys could include in general lists of lawyers, directories, and yellow page telephone directory listings.⁶ Subject to state jurisdictions, attorneys may now include in legal directories information pertaining to area of specialty, date of birth, schools attended, graduate dates, scholastic distinctions, military service, memberships and even, with their consent, the names of clients represented. In addition, information pertaining to credit arrangements, office hours, and initial consultation fees are allowable. Fee-listing in telephone yellow pages is also authorized.

In early 1976 the Federal Trade Commission charged that the American Medical Association's code of ethics, by forbidding advertising, stifles competition between physicians and thus violates anti-trust laws.⁷ The Commission argues

that these codes of ethics prevent the consumer from learning about the type and cost of available services which, in turn, lessens competition and tends to fix prices illegally. The results of the FTC involvement could eventually have widespread impact on many professions.

Purpose of the Present Study

This study was primarily aimed at an over-all analysis of the present attitudinal profile of accountants toward the advertising of their services and fees, with a comparative analysis of the attitudes of attorneys, dentists, and physicians. With regard to the present research study, the concept of attitude refers to ideas, feelings, emotions, and connotations associated with the activity of advertising, in general, and advertising as it pertains to its application within a particular professional setting.

In more specific terms, the purpose of the study was to focus on the following general questions:

1. What are the attitudes of accountants toward advertising in general?
2. What are the attitudes of accountants regarding the effects of advertising on prices and fees?
3. What are the attitudes of accountants regarding the effect of advertising on services?
4. What are the attitudes of accountants regarding the effects of advertising on the issues of consumerism, public expectations, and government regulation?

Research Methodology

The data in the present analysis focusing on the attitudes of accountants were collected as part of a broader-scale, 12-cell, research design that surveyed the

attitudinal profiles of accountants, attorneys, dentists, and physicians in Denver, Kansas City, and Memphis. The data were collected during the Spring of 1976.

The sample of respondents was developed on a sequential random basis from the professional listings in the yellow pages of the area telephone directories in the three metropolitan cities. One hundred questionnaires were mailed to each of the four categories of professionals in each of the three cities; a total of 1200 questionnaires were mailed. The survey response rate within each of the research cells was as follows:

	<u>Accountants</u>	<u>Attorneys</u>	<u>Dentists</u>	<u>Physicians</u>	<u>Total #</u>	<u>Total %</u>
Denver	56/100	51/100	56/100	51/100	214/400	53.5
Kansas City	52/100	53/100	52/100	53/100	210/400	52.5
Memphis	52/100	62/100	54/100	44/100	212/400	53.0
Total #	160/300	166/300	162/300	148/300	636/1200	53.0
Total %	53.3	55.3	54.0	49.3	53.0	53.0

As noted, the response rates within each professional and metropolitan category were relatively consistent. There was only one contact (mailing) for each respondent, and the relatively high response rate can generally be attributed to the great interest the professional groups have in the advertising issue.

The questionnaire used for the data collection was individualized for each professional category and each metropolitan area. For example, the individualization with regard to accountants used terminology such as accountants and accounting in the blanks shown in the research statements (see Table 2). The questionnaire included 24 "Likert-type" statements, and respondents were asked to indicate their opinion of each statement along a five-point scale, ranging from "strongly disagree" to "strongly agree."⁸ Space was also provided on the questionnaire for comments by the respondents, and many of them took the oppor-

tunity to explain the bases for their opinions. The Analysis of Variance statistical test was used to determine the degree of significant difference in the mean average responses between the four professional categories in each of the metropolitan areas, and as a whole.

In addition to the basic research questions, data was also collected from the respondents with regard to number of years in practice, professional specialty, size of firm within which respondent practices, ownership of firm, and income. A profile of the research respondents (from all three cities), with regard to these latter demographical-type general questions is shown in Table 1.

There are some obvious limitations of the study that should be kept in mind. These limitations include the geographical areas chosen for the study, the changing conditions under which the issues regarding the professional advertising of services and fees must be viewed, and the nature of attitudinal studies. In an effort to broaden the response base beyond a specific geographical area, three cities were chosen for the study--Denver, Kansas City, and Memphis. The degree to which responses from these three areas fail to represent other regions of the country must be considered a limitation. The number of respondents from any given geographical area and profession may be considered inadequate for statistical purposes. However, the F-ratios presented in Table 2 of this analysis, derived from the 636 respondents, can be considered to be adequate to support the general research objective of the study.⁹ As noted above, the 53% questionnaire return rate from the 1200 questionnaires mailed out would indicate a high degree of respondent interest in the nature of the study.

Despite the statistically sound basis for the research data, the responses must also be viewed in light of the constantly changing conditions under which the issues addressed in the present study are considered, particularly in light of evolving government and professional association reaction. Finally, the study focuses on general attitudes that accountants, and members of the other three

Table 1

SUMMARY OF GENERAL RESPONDENT DATA QUESTIONS

Question	Response	Accountants	Attorneys	Dentists	Physicians	Total
How long have you been practicing in your profession?	0-5 Years	12.5%	27.7%	17.9%	11.5%	17.6%
	6-10 Years	27.5	12.7	15.4	14.9	17.6
	11-15 Years	19.4	24.1	16.7	12.2	18.2
	16-20 Years	12.5	11.4	13.0	13.5	12.6
	21-25 Years	8.1	9.0	11.1	15.5	10.8
	Over 25 Years	18.8	15.1	25.3	31.8	22.5
	No Response	1.2	0.0	0.6	0.6	0.7
	Total	100.0%	100.0%	100.0%	100.0%	100.0%
If you have a specialty within your profession, please specify.	Indicated a Specialty	51.9%	65.1%	21.6%	91.2%	56.8%
	Did not indicate a Specialty	48.1	34.9	78.4	8.8	43.2
	Total	100.0%	100.0%	100.0%	100.0%	100.0%
What category describes your form of practice?	Private	7.5%	27.1%	68.5%	53.4%	38.8%
	Firm (2-4 Persons)	11.3	25.9	22.2	25.0	21.1
	Firm (5-7 Persons)	17.5	10.8	2.5	8.8	9.9
	Firm (8 or more)	50.6	30.1	1.9	4.7	22.2
	Other	12.5	6.1	4.3	6.8	7.4
	No Response	.6	0.0	.6	1.3	.6
	Total	100.0%	100.0%	100.0%	100.0%	100.0%
Do you share in the ownership of the practice with which you are affiliated?	Yes	62.5%	67.5%	39.5%	67.6%	59.1%
	No	36.3	29.5	50.6	27.7	36.2
	No Response	1.2	3.0	9.9	4.7	4.7
	Total	100.0%	100.0%	100.0%	100.0%	100.0%
Within which of the following ranges does your average yearly income fall?	\$20,000 and under	16.3%	27.1%	6.2%	2.0%	13.2%
	\$20,001 to \$40,000	41.3	36.1	38.9	26.4	35.8
	\$40,001 to \$60,000	13.1	16.9	28.4	27.7	21.4
	\$60,001 to \$80,000	9.4	7.8	8.0	20.9	11.3
	\$80,001 to \$100,000	3.1	3.6	5.6	8.1	5.0
	Over \$100,000	7.5	2.4	6.8	8.1	6.1
	No Response	9.3	6.1	6.1	6.8	7.2
	Total	100.0%	100.0%	100.0%	100.0%	100.0%
Do you have any additional comments regarding the issues in this survey?	Furnished Comments	19.4%	16.9%	17.9%	24.3%	19.5%
	Did not furnish Additional Comments	80.6	83.1	82.1	75.7	80.5
	Total	100.0%	100.0%	100.0%	100.0%	100.0%

comparative professional groups, have toward the advertising of their services and fees--not specific promotional activities in which they have had some specific involvement.

Results of the Study

The research statements and mean responses of accountants, and the other three professional groups, are presented in Table 2. Correspondingly, the results of the study can be viewed in terms of an analysis of the data regarding each of the four general questions noted above and in the table.

Attitudes Toward Advertising in General

The first question in Part (A) of Table 2 relates to the respondent's general perception of the role of advertising in communicating to consumers. The mean average responses by accountants showed no significant differences from those of attorneys, dentists, and physicians, with the exception of the Kansas City respondents. The means of the four professional groups all indicated a weak agreement concerning the value of advertising in general. This general finding of the research study perhaps highlights the main issue in the current controversy surrounding the potential of increased promotional activities among professional groups. American business has found that advertising works, that it sells, and that it reaches consumers in the marketplace. This fact is reflected in the total national advertising billings, currently estimated at \$26 billion per year in the U.S., or well over \$100 per person.¹⁰ With the likelihood that various association bans on commercial advertising by professionals will not survive in the future, perhaps accountants, along with members of other professional groups, should give some attention to increasing their awareness of the role and value of advertising as a means of communication in the marketplace.¹¹

Statements 2-7 in Table 2 relate to the perceptions of accountants and the other three groups of respondents toward advertising as it relates to their

Table 2

ATTITUDES TOWARD THE ADVERTISING OF SERVICES AND FEES BY ACCOUNTANTS, ATTORNEYS, DENTISTS, AND PHYSICIANS IN DENVER, KANSAS CITY, AND MEMPHIS

Research Statements	City	F Ratio	d.f.	Mean Average Response by Profession *				
				Accountants	Attorneys	Dentists	Physicians	Total
PART (A) OF TABLE: WHAT ARE THE ATTITUDES OF PROFESSIONALS TOWARD ADVERTISING IN GENERAL?								
1. Advertising, in general, is a valuable way to communicate to consumers	Denver	.79	213	3.68	3.80	3.98	3.80	3.82
	Kansas City ^b	3.13	209	3.83	4.04	3.36	3.58	3.70
	Memphis	.05	211	3.73	3.71	3.74	3.80	3.74
	Total	.50	635	3.74	3.84	3.70	3.72	3.76
2. _____ should be allowed to advertise without restrictions.	Denver	2.54	213	1.68	1.51	1.43	1.88	1.62
	Kansas City	1.67	209	1.67	1.49	1.35	1.40	1.48
	Memphis	.66	211	1.42	1.47	1.35	1.27	1.39
	Total	1.92	635	1.59	1.49	1.38	1.53	1.50
3. Advertising would make the public more aware of the qualifications of _____.	Denver ^a	4.93	213	2.27	2.29	1.54	2.08	2.04
	Kansas City ^a	6.82	209	2.33	2.15	1.40	1.91	1.95
	Memphis ^a	4.61	211	2.00	2.11	1.54	1.66	1.84
	Total ^a	15.12	635	2.20	2.18	1.49	1.89	1.94
4. Advertising would help consumers make more intelligent choices between _____.	Denver ^a	5.22	213	1.88	2.31	1.54	1.78	1.87
	Kansas City ^a	4.56	209	1.90	2.17	1.48	1.66	1.80
	Memphis ^a	5.67	211	1.75	2.03	1.44	1.50	1.70
	Total ^a	14.60	635	1.84	2.16	1.49	1.66	1.79
5. The control of advertising lessens competition among _____.	Denver	1.73	213	2.45	2.72	2.25	2.53	2.48
	Kansas City	.62	209	2.25	2.49	2.52	2.38	2.41
	Memphis	1.03	211	2.15	2.37	2.44	2.48	2.36
	Total	1.35	635	2.29	2.52	2.40	2.46	2.42

Table continued on following page.

Table 2 (Continued)

ATTITUDES TOWARD THE ADVERTISING OF SERVICES AND FEES BY ACCOUNTANTS, ATTORNEYS, DENTISTS, AND PHYSICIANS IN DENVER, KANSAS CITY, AND MEMPHIS

Research Statements	City	F Ratio	d.f.	Mean Average Response by Profession*					
				Accountants	Attorneys	Dentists	Physicians	Total	
6. The control of advertising denies consumers the opportunity to freely select a _____ on the basis of knowledge of costs and services.	Denver	1.06	213	2.00	2.26	2.05	2.29	2.14	
	Kansas City	.21	209	2.06	2.09	1.96	2.13	2.06	
	Memphis	.96	211	1.96	2.08	1.80	1.96	1.95	
	Total	1.46	635	2.01	2.14	1.94	2.14	2.05	
7. There is no correlation between one's ability to promote oneself and one's ability to practice good _____.	Denver ^b	3.22	213	3.77	4.08	4.38	4.22	4.11	
	Kansas City ^b	2.78	209	3.56	4.06	4.02	4.17	3.95	
	Memphis ^b	3.65	211	3.54	4.10	4.07	4.27	3.99	
	Total ^a	8.86	635	3.62	4.08	4.16	4.22	4.02	
PART (B) OF TABLE: WHAT ARE THE ATTITUDES OF PROFESSIONALS REGARDING THE EFFECTS OF ADVERTISING ON PRICES AND FEES?									
8. Advertising usually increases the price of the product or service being advertised.	Denver	2.41	213	3.48	3.63	3.89	3.92	3.73	
	Kansas City	.97	209	3.64	3.36	3.67	3.43	3.52	
	Memphis ^a	4.18	211	3.21	3.68	3.41	3.93	3.55	
	Total	2.32	635	3.44	3.56	3.66	3.75	3.60	
9. Restrictions on advertising limit competition by refusing to allow _____ to advertise and engage in competitive pricing.	Denver	1.21	213	2.07	2.33	2.04	2.31	2.18	
	Kansas City	.32	209	2.08	2.11	1.92	2.06	2.04	
	Memphis	2.00	211	2.10	2.06	1.94	1.70	1.97	
	Total	1.07	635	2.08	2.16	1.97	2.04	2.06	
10. The advertising of fees would adversely affect the public image of _____.	Denver ^a	4.65	213	3.64	3.43	4.18	3.71	3.75	
	Kansas City ^a	4.18	209	3.75	3.76	4.35	3.85	3.92	
	Memphis	.38	211	3.85	3.84	4.02	3.93	3.91	
	Total ^a	7.43	635	3.74	3.69	4.18	3.82	3.86	

Table continued on following page.

Table 2 (Continued)

ATTITUDES TOWARD THE ADVERTISING OF SERVICES AND FEES BY ACCOUNTANTS, ATTORNEYS, DENTISTS, AND PHYSICIANS IN DENVER, KANSAS CITY, AND MEMPHIS

Research Statements	City	F Ratio	d.f.	Mean Average Response by Profession*					
				Accountants	Attorneys	Dentists	Physicians	Total	
11. If _____ were allowed to advertise, the prices of services would be lower.	Denver	2.16	213	2.02	2.47	2.16	2.24	2.22	
	Kansas City	1.87	209	2.21	2.23	1.83	2.08	2.09	
	Memphis ^b	3.16	211	2.19	2.18	1.98	1.73	2.04	
	Total ^b	3.20	635	2.14	2.28	1.99	2.03	2.11	
12. If advertising of fees was allowed, the public would still not choose the low-priced _____.	Denver ^a	4.02	213	3.45	3.10	3.43	3.57	3.39	
	Kansas City	2.62	209	3.42	3.28	3.62	3.72	3.51	
	Memphis ^b	2.79	211	3.52	3.52	3.33	3.82	3.53	
	Total ^a	5.88	635	3.46	3.31	3.46	3.70	3.48	
13. I am in favor of furnishing information on the prices I charge to prospective consumers without getting involved in the advertising of my services.	Denver	1.31	213	3.73	3.96	3.66	4.00	3.83	
	Kansas City	1.25	209	3.58	3.76	3.73	3.96	3.76	
	Memphis ^b	3.02	211	3.73	3.61	3.72	4.16	3.78	
	Total ^a	3.87	635	3.68	3.76	3.70	4.03	3.79	
14. Advertising my fees would be beneficial to me personally.	Denver	2.61	213	2.41	2.51	2.04	2.28	2.30	
	Kansas City ^a	4.24	209	2.17	2.34	1.75	2.34	2.15	
	Memphis	1.79	211	2.14	2.44	2.13	2.04	2.20	
	Total ^a	6.12	635	2.24	2.43	1.98	2.23	2.22	
PART (C) OF TABLE: WHAT ARE THE ATTITUDES OF PROFESSIONALS REGARDING THE EFFECT OF ADVERTISING ON SERVICES?									
15. Given the level of services generally available, _____ fees are reasonable.	Denver ^a	8.17	213	3.96	3.43	4.25	3.86	3.89	
	Kansas City	1.22	209	4.17	3.94	4.06	3.91	4.02	
	Memphis	1.41	211	4.08	3.97	4.17	3.89	4.03	
	Total ^a	6.95 ^c	635	4.07	3.80	4.16	3.88	3.98	

Table continued on following page.

Table 2 (Continued)

ATTITUDES TOWARD THE ADVERTISING OF SERVICES AND FEES BY ACCOUNTANTS, ATTORNEYS, DENTISTS, AND PHYSICIANS IN DENVER, KANSAS CITY, AND MEMPHIS

Research Statements	City	F Ratio	d.f.	Mean Average Response by Profession*		
				Accountants	Attorneys	Physicians
16. Consumers can obtain <u>services more easily today than they could ten years ago.</u>	Denver ^a	4.94	213	3.79	3.72	4.23
	Kansas City	.53	209	3.86	3.91	4.02
	Memphis	2.54	211	3.75	4.06	4.07
	Total ^a	5.48	635	3.80	3.91	4.11
17. It is very difficult to advertise competence and quality of services in my profession.	Denver	.53	213	4.32	4.51	4.43
	Kansas City	2.06	209	4.23	4.58	4.60
	Memphis	1.44	211	4.29	4.47	4.33
	Total	1.82	635	4.28	4.52	4.45
18. The advertising of services would adversely affect the public image of _____.	Denver ^a	5.79	213	3.45	3.28	4.11
	Kansas City ^b	3.46	209	3.46	3.64	4.12
	Memphis ^a	7.21	211	3.56	3.44	4.30
	Total ^a	15.37	635	3.49	3.45	4.17
19. Advertising my services would be beneficial to me personally.	Denver ^a	6.14	213	2.57	2.78	2.00
	Kansas City ^a	4.09	209	2.38	2.53	1.81
	Memphis	2.27	211	2.25	2.61	2.17
	Total ^a	10.59	635	2.41	2.64	1.99

PART (D) OF TABLE: WHAT ARE THE ATTITUDES OF PROFESSIONALS REGARDING THE EFFECTS OF ADVERTISING ON THE ISSUES OF CONSUMERISM, PUBLIC EXPECTATIONS, AND GOVERNMENT REGULATION?

20. The ethical principle regarding the restriction on advertising by _____ is necessary to protect the public against fraud and unscrupulous practices.	Denver ^a	7.76	213	3.14	3.26	3.91
	Kansas City ^a	9.78	209	2.96	3.43	3.98
	Memphis ^a	7.79	211	3.29	3.60	3.96
	Total ^a	24.57	635	3.13	3.44	3.95

Table continued on following page.

Table 2 (Continued)

ATTITUDES TOWARD THE ADVERTISING OF SERVICES AND FEES BY ACCOUNTANTS, ATTORNEYS, DENTISTS, AND PHYSICIANS IN DENVER, KANSAS CITY, AND MEMPHIS

Research Statements	City	F Ratio	d.f.	Mean Average Response by Profession *				
				Accountants	Attorneys	Dentists	Physicians	Total
21. If _____ were allowed unrestricted advertising, this would decrease the issue of consumerism directed at my profession.	Denver	1.38	213	2.62	2.43	2.30	2.41	2.44
	Kansas City	.28	209	2.44	2.36	2.33	2.28	2.35
	Memphis	1.29	211	2.50	2.37	2.33	2.20	2.36
	Total	2.25	635	2.52	2.39	2.32	2.30	2.38
22. If _____ were allowed unrestricted advertising, it would increase the general level of public expectations for _____ services.	Denver ^a	6.62	213	2.73	2.53	2.02	2.59	2.46
	Kansas City ^b	2.85	209	2.44	2.53	2.12	2.62	2.43
	Memphis ^a	4.24	211	2.33	2.71	2.15	2.48	2.42
	Total ^a	10.79	635	2.51	2.60	2.09	2.57	2.44
23. If public expectations for _____ services were increased by advertising, lawsuits directed against _____ would increase.	Denver	.26	213	3.39	3.28	3.27	3.33	3.32
	Kansas City	.71	209	3.27	3.42	3.44	3.53	3.41
	Memphis	1.29	211	3.56	3.26	3.33	3.32	3.36
	Total	.41	635	3.41	3.31	3.35	3.40	3.36
24. Unrestricted advertising by _____ would eventually lead to increased regulation by the government.	Denver	1.67	213	3.48	3.47	3.50	3.78	3.56
	Kansas City	.60	209	3.54	3.76	3.67	3.72	3.67
	Memphis	.69	211	3.62	3.63	3.57	3.82	3.65
	Total	1.99	635	3.54	3.62	3.58	3.77	3.63

*Respondents were asked to indicate opinion of each statement (with particular professional wording used in blanks indicated) along a five-point scale on the following basis: 1 = Strongly Disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree, and 5 = Strongly Agree. The Analysis of Variance statistical test was used to determine the degree of significant difference in the mean average responses between the four professional categories.
^aStatistically significant differences in responses by different professions at the .01 level.
^bStatistically significant differences in responses by different professions at the .05 level.

particular professions. As a general statement, all four professional groups are strongly against advertising without restrictions and do not feel advertising would make the public any more aware of the professional's qualifications or assist the consumer in making more intelligent choices of professional services. In addition, the professionals do not feel that bans on advertising lessen competition, or deny consumers the opportunity to select a professional based on costs and services. Finally, the respondents agree that there is no correlation between one's ability to promote oneself and his professional expertise. A statistically significant difference was found among the mean average responses of the professional groups on statements 3, 4, and 7--in all three metropolitan areas and in the total response means. The accountant/attorney groups showed the least resistance to promotional activities, and the dentist/physician groups the greatest opposition. The data regarding statements 1-7 in Part (A) of Table 1 serve to further reflect the apparent attitudes of professional persons in their continuing debates with the courts and government agencies regarding the need and importance of advertising of professional services. What seems to be needed here is a greater awareness among the professions of the problems facing consumers in the marketplace as they attempt to search out and select a supplier of a professional service, and the role that non-competitive, more information-oriented advertising can play in this decision-making process.¹²

Attitudes Regarding the Effects of Advertising on Prices and Fees

Statements 8-14 in Part (B) of Table 2 relate to the effect of advertising on prices and fees of professional persons. All four professional groups believe that advertising merely serves to increase the prices of products and services being advertised. The respondents do not feel that the restrictions on advertising decreases competition in their professions, but do agree that the advertising of

fees would adversely affect the public image of practitioners in their field. In addition, their mean average responses indicate that they do not believe that advertising would lower the prices of services, nor would the public choose the low-priced practitioner if the advertising of fees was allowed. With regard to their personal involvement with the furnishing of price information to prospective consumers, accountants, as well as the other three groups of professionals, would be somewhat willing to do this without getting involved in the advertising of their services. Finally, they do not believe that the advertising of their fees would be beneficial to them personally.

Significant differences between the groups of professionals were found with regard to six statements in this part of the study--statements 8, and 10-14. For statements 10-14, statistically significant differences were found between the mean average response profiles of the four professional groups within the various metropolitan areas as well as in the total averages. Despite the general agreement or disagreement with each of these statements by all four groups of respondents, as noted above, the Analysis of Variance statistical test does indicate an interesting difference in the response profiles between the accountant/attorney groups and the dentist/physician groups. In general, the accountant/attorney groups indicated less resistance to the advertising of their fees, and a greater appreciation for the role that advertising might be able to play in affecting professional fees charged to clients and patients. In four of these five research statements--10-12, and 14--the total response means show that of the four professional groups, attorneys reflect the more positive attitudes regarding the effects of advertising on prices and fees. However, despite these significant differences between professional groups, the data indicate that the respondents believe that the advertising of their fees would generally be neither beneficial to the consumer nor to themselves. This data highlights the difference in perspective that exists between the various professional groups and the federal

courts and regulatory agencies with regard to such issues as fee schedules, anti-trust law, competition among professionals, and the need of consumers for more information in the marketplace.¹³

Attitudes Regarding the Effect of Advertising on Services

Part (C) of Table 2, encompassing statements 15-19, focuses on the attitudes of professionals toward the advertising of services. The respondents generally agree that with the present level of services available, their professional fees are reasonable. In addition, all four groups agree that services are more easily available today than they were ten years ago. They also agree relatively strongly that it is very difficult to advertise competence and quality of services in their professions, and believe, but to a lesser extent, that the advertising of their services would adversely affect the public image of their professions. The advertising of their services would not be beneficial to them personally.

With regard to the total response means, there were statistically significant disagreements between the groups on statements 15, 16, 18, and 19. In three of these statements, the greatest degree of disagreement was found to be that between attorneys and dentists, with attorneys reflecting the more positive attitude with regard to the effect of advertising on professional services. Based upon the data in this part of Table 2, it would appear that the general attitudes of professionals toward the role that advertising can play with regard to service information for the potential client/patient is quite similar to those attitudes relating to the advertising of professional fees. While most of the current literature seems to focus on the issue of providing information on professional fees, a similar focus should perhaps be given to the issues associated with providing information to the client/patient regarding services. A fundamental problem in this entire picture regarding the advertising of professional services and fees is that of determining a satisfactory way to provide information to existing and potential

clients and patients. People who know they want a private lawyer, accountant, dentist, or doctor should be provided adequate information that will enable them to find a satisfactory one.¹⁴ Advertising, interpreted very broadly as the dissemination of information to existing or potential customers by an identifiable sponsor, should be carefully developed and wisely used to perform this role in the marketplace for professional services.¹⁵

Attitudes Regarding the Effects of Advertising on the Issues of Consumerism, Public Expectations, and Government Regulation

The data relating to the statements in Part (D) would appear to reflect deep concerns by the four groups of professionals regarding the potential negative impact of advertising. This data would also seem to further indicate the rather negative connotations held by accountants, attorneys, dentists, and physicians with regard to the role and importance of advertising as an informational tool for professionals.

Statements 20-24 in Table 2 focus on such issues as consumerism, public expectations for professional services, and the potential of increased government regulation in the future. All four groups of professional respondents feel that restrictions on advertising are needed to protect the public against fraud and unscrupulous practices; and correspondingly, they believe that the issue of consumerism would increase with regard to their professions if unrestricted advertising activities were allowed to occur. On the other hand, the respondents generally disagree with the proposition that unrestricted advertising would increase the level of public expectations for their services, but believe that if public expectations were increased by means of advertising activities, lawsuits directed against people in their professions would increase. Finally, it is interesting to note that all four professional groups mildly agree that unrestricted advertising by practitioners in their fields would eventually lead to increased

regulation by the government. This at least seems to imply that there may be a dimension of pendulum swing regarding this general issue--first away from restrictions on advertising practices, leading to the possibility that some practitioners in the various professional fields would violate the standards of acceptable advertising by means of excessive claims and price/fee competition, thereby leading again toward increased regulation of professional commercial practices by the government.

Only statements 20 and 22 had a statistically significant difference in the response means between the four professional groups. Accountants and attorneys felt less strongly than dentists and physicians with regard to the fact that it is necessary to restrict advertising in their professions in order to protect the public against fraud and unscrupulous practices. On the other hand, the data would indicate that dentists disagreed much more strongly than the accountants, physicians, and attorneys regarding the fact that if unrestricted advertising was allowed, it would increase the general level of public expectations for their services.

General Summary and Conclusions

It can be generally concluded from the data in this research study that there is a significant difference in the attitudes of accountants, attorneys, dentists, and physicians with regard to the various issues surrounding the advertising of professional services and fees. As a whole, the data in this study seem to reflect a generally negative perception on the part of all four groups of respondents with regard to the issue of advertising. On the other hand, accountants and attorneys seem to have the more positive attitudinal response to the potential role that advertising can play in their professions. Based upon this study and analysis, it would appear that a great deal of attention should be given to the potentially advantageous and creatively meaningful role that advertising can have as an

information-giving tool to the clients/patients of each of these professional groups.

From a general perspective, accountants, as well as attorneys, dentists, and physicians, are all part of the broad system of professional services available to the public, which focus on the desire to service the needs of people, not the desire to make money.¹⁶ In the ordinary business sense, advertising usually means competitive advertising--"buy my product or service rather than my competitor's." A driving force behind this kind of advertising is the desire to create sales revenues--a desire that has been a primary dimension in the growth and development of business and industry in the U.S. Therefore, perhaps a different concept of advertising needs to be incorporated for use by these professional groups.

While accountants, attorneys, dentists, and physicians in private practice are not in public service, per se, their professional activities would appear to have enough of the elements of public service that competitive advertising, in the traditional sense, might seem to be inappropriate. That is not to say that there cannot be another kind of advertising more appropriate for professional persons. The primary purpose of this latter type of advertising would be to inform--providing information to existing and potential clients/patients regarding professional availability, service specialties, range of fees charged, etc.--as opposed to advertising that tries to persuade. This sort of advertising can be as much in the public interest as in the interest of professional people.

The author hopes that the present study and analysis helps to provide a vehicle whereby a greater understanding can be achieved regarding the attitudes of accountants and other professional groups toward the advertising of their services and fees; and an appreciation can begin to be perceived by these groups with regard to the potential creative and informative role that advertising can play in conjunction with their professional activities. Comments and suggestions

from other scholars, writers, and practitioners are welcome regarding the study and its implications.

Footnote References

- ¹"Clamor Grows Across U.S. to Let Professionals Advertise," U.S. News and World Report (January 26, 1976), pp. 61-62; and "Professional People Slowly Lose Insulation from Anti-Trust Laws," Wall Street Journal (August 7, 1975), pp. 1 and 21.
- ²"Justice Dept. Moving to Eliminate Ad Bans by Pharmaceutical Groups," Advertising Age (December 1, 1975), p. 4; and "Justices Clear Competitive Ads for Drug Prices," Wall Street Journal (May 25, 1976), p. 3.
- ³For example, see: Stanley R. Truman, The Doctor---His Career, His Business, His Human Relations, (Williams & Wilkins Co., 1951), pp. 82-83, 117, and 136-146; Henry S. Drinker, Legal Ethics, (Columbia University Press, 1953), pp. 210-212; William M. Trumbull, Materials on the Lawyer's Professional Responsibility, (Little, Brown, and Co., 1957), pp. 313-314; F. J. Blasingame, Digest of Official Actions of the American Medical Association, (American Medical Association, 1959), pp. 669-675; Byron S. Hollinshedd, "Principles of Ethics of the American Dental Association," Survey of Dentistry (American Dental Association, 1958); Judicial Council Opinions and Reports, (American Medical Association, 1971), Section 5; Interpretations of Rules of Conduct, (American Institute of Certified Public Accountants, 1975), pp. 35-40; "Three by the FTC," Time (January 5, 1976), p. 73; and W. R. Barclay, "Trade or Profession?," The Journal of the American Medical Association (February 16, 1976), pp. 756-757.
- ⁴"Closing in on the Professions," Business Week (October 27, 1975), pp. 106 and 108; John Revett, "FTC Moves Against Bars on Ads in Medical, Eyeglass Areas," Advertising Age (December 29, 1975), p. 1; and "Doctors' Dilemma," Newsweek (January 5, 1976), pp. 63-64.
- ⁵Principles of Ethics, (American Dental Association, 1971); Interpretations of Rules of Conduct, *loc. cit.*; "FTC Claims Ban on Doctor's Advertising Violates Anti-Trust Laws, Stabilizes Fees," Wall Street Journal (December 23, 1975), p. 2; and "When Two Lawyers Ran Afoul of Advertising Rules," U.S. News and World Report (January 26, 1976), p. 62.
- ⁶"Legal Profession Is Considering Code Amendments to Permit Restricted Advertising by Lawyers," American Bar Association Journal (January, 1976), pp. 53-54; "Code Amendments Broaden Information Lawyers May Provide in Law Lists, Directories, and Yellow Pages," American Bar Association Journal (March, 1976), pp. 309-310; and "House Broadens Code's 'Publicity in General' Rules at Midyear Meeting in Philadelphia," American Bar Association Journal (April, 1976), pp. 470-472.

- ⁷See: Barbara J. Katz, "Specialists' Group Accused of Fee Fixing," National Observer (October 4, 1975), p. 16; "FTC Claims Ban on Doctors' Advertising Violates Anti-Trust Laws, Stabilizes Fees," loc. cit.; "Clamor Grows Across U.S. to Let Professionals Advertise," op. cit., p. 61; and "Physician Control of Blue Shield Plans Is Subject of FTC Antitrust Investigation," Wall Street Journal (February 27, 1976), p. 3.
- ⁸For a more thorough discussion of the Likert method of summated ratings, see: Bertram Schoner, and Kenneth P. Uhl, Marketing Research: Information Systems and Decision Making, Second Edition, (John Wiley and Sons, Inc., 1975), pp. 270-271.
- ⁹For a further discussion of research sample size in this regard, see: William L. Hays, Statistics for the Social Sciences, Second Edition, (Holt, Rinehart, and Winston, Inc., 1973), pp. 422-424.
- ¹⁰Jerome Wilson, "Madison Avenue, Meet the Bar," American Bar Association Journal (May, 1975), p. 586.
- ¹¹Ibid., pp. 586-588. For an opposing opinion to this proposition, by a local professional association, see: Unpublished Resolution by the Memphis and Shelby County Bar Association. Also see: "FTC Challenges Ban on Advertising," Texas Medicine (February, 1976), p. 8.
- ¹²For a very perceptive discussion of this point, see: Charles A. Hobbs, "Lawyer Advertising: A Good Beginning But Not Enough," American Bar Association Journal (June, 1976), pp. 735-739.
- ¹³See: "Easing of Advertising Ban on Lawyers and Law Firms Is Proposed by ABA Unit," Wall Street Journal (February 2, 1976), p. 3; and "ABA Eases Rules That Barred Lawyers From Disseminating Information on Fees," Wall Street Journal (February 18, 1976), p. 6.
- ¹⁴Charles A. Hobbs, op. cit., pp. 736-737.
- ¹⁵For a more complete discussion of advertising and marketing communications, see: Harry A. Lipson, and John R. Darling, Marketing Fundamentals: Text and Cases, (John Wiley and Sons, Inc., 1974), pp. 443-480.
- ¹⁶Charles A. Hobbs, op. cit., p. 737.