

Announcements and today's schedule

- **Quiz today – Chapter 8, Television**
- **The next two chapters we will cover will be chapters 10 and 11, Advertising and Public Relations**
- **This week – Advertising**
- Reaction paper opportunity on Wednesday



Ancient advertising

- Greeks and Egyptians solicited inn guests with stone tablets
- Greeks and Romans announced goods for sale with signs on city walls
- Town criers paid to announce sales along with news
- **Handbills:** first printed ads



Early American advertising

- First newspaper ads were classifieds
 - Boston *News-Letter* (1704)
- Mass circulation penny press
 - *New York Sun* - 1833 (Benjamin Day): financially support media via ad sales
- Penny press would accept any ads
 - Relied on advertising for support
 - Unscrupulous advertisers produced consumer complaints
- **Display ads:** distinct borders
 - *New York Ledger* - 1850s



Rise of the advertising profession

- Media agents
 - Wholesale ads space
 - Commission system
- Advertising agency
 - George P. Rowell (1865) brokered space for newspapers
- Wanamaker's Department Stores was first to advertise fixed prices – 1880
- Public service advertising
 - “Take Our Daughters To Work Day” campaign



Broadcast advertising

- First radio advertisement: *WEAF New York*, ad for real-estate development
- Expansion of TV advertising with development of networks
 - Combination of sight and sound: e.g., Timex watch attached to outboard motor (“takes a licking and keeps on ticking”)
- Program sponsorship gave way to *participating* and *spot advertisements*
 - By 1998 TV network audience dropped to under 50%, ads less lucrative



Advertising appeals

- “*Hard sell:*” salesmanship in print: reason to buy product

- Fact-based, comparisons

- “*Soft sell:*” emotional appeal, 1980s

- “*Sell the sizzle, not the steak:*” focus on benefits, not features, of product

- Wendy’s “Where’s the Beef?”



Human motives inventory (1)

Jib Fowles says humans have NEED FOR:

- *Sex – but only 2 percent of TV ads appeal to this need.*
- *For affiliation. Largest number of ads.*
- *To nurture: appeal to maternal or paternal instincts.*
- *For guidance*

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Human motives inventory (2)

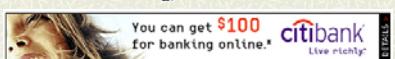
- *To aggress: a desire to get even*
- *To achieve: identifies with winning*
- *For prominence. Want high social status.*
- *For attention. Want to be recognized.*
- *For autonomy. Need to be singled out.*
- *To escape. Have adventures, avoid routine*

Human motives inventory (3)

- *To feel safe. Be free from threats, be secure.*
- *For aesthetic sensation. Beauty, art.*
- *To satisfy curiosity. Facts support idea that information is quantifiable, use numbers and diagrams*
- *For physiological needs (eat, sleep, drink)*

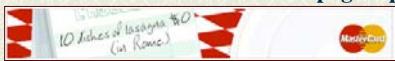
Integrated marketing communication (IMC)

- *New media available...*
 - Web page banners, direct mail, ads on movie tapes
- ...combined with *traditional* ad media...
 - TV, radio, newspapers, magazines, and billboards
- ...led to *integrated marketing communication* (IMC)
- Large agencies expanded into related fields
 - Public relations, direct marking, sales promotion, Internet advertising, market research



Online advertising

- ‡ Internet is now FIRST place consumers go for product information
- ‡ *Banner ads* on web pages have been staple of online advertising
 - Viewers who click on ads dropped to one third or one percent; most surfers ignore them
- ‡ Advertisers try to use Net's interactive nature
 - Hallmark cards: email reminder for dates to send
- ‡ Traditional media include ads on their online services—often on “front web page” space!



Computer uses in advertising

- ‡ *Database marketing*: develop database from supermarket discount cards and other sources of personal information
- ‡ *Data mining*: compile information on consumers, form databases and find connections
 - Beer and diapers example
- ‡ *Cookies*: small files stored on computer
 - Identify purchasing and surfing behavior
- ‡ *Spam*: unsolicited commercial email



E-commerce

- ‡ Significant decline since 2001
 - Numerous e-retailers have gone out of business: E-toys, e-garden—stock values dropped
- ‡ Impulse buying by web surfers: Consumers have not found significant value in e-commerce
 - May be of greater value as *DINT* (dual income, no time) families increase
- ‡ Advertising and info value of website higher
 - Customer completes transaction at brick-and-mortar store



Advertising jobs

Large consumer goods

- **Marketing manager:** in charge of a family of brands
- **Brand manager:** responsibility for advertising for a brand; day-to-day responsibility for advertising
- **Advertising manager:** liaison with ad agency

Local retailer

- Owner or retail outlet deals with local media directly
- Local advertising often supported by national companies



Advertising research

Marketing research: collect and analyze data on sales and consumer opinions

- Account planning

Media reach: information about patterns of exposure to media

- Ratings, circulation, consumer product user, media usage, copy testing

Copy testing: assess effectiveness while under development

Internet has created new opportunities for research

- Monitor decisions on UseNet



Consumer needs and narrowcasting

Ad must appeal to buying motive

- **Consumer needs:** achievement, dominance, understanding, nurturance, sexuality, security, independence, recognition, novelty, affiliation, consistency, leisure (*LESS focus on product facts!*)

Audience narrowcasting

- **Usage segment:** divide consumers by product usage
- **Demographic segmentation:** divide consumers by personal and household characteristics
- **Lifestyle segmentation:** divide consumers based on attitudes and interests
- **Geodemographic clustering:** demographic clustering of postal zip codes

Criticism of advertising

- # Ads cause us to buy products we don't need
 - Promote materialistic way of life, capitalism
 - May stimulate purchase of new product but consumer won't continue to buy bad product
- # Ads prompt *instant solutions* for problems
- # *Adbusters' "Buy Nothing Day"*: day after Thanksgiving
 - Make consumers more aware of consumption
 - TV networks won't carry paid ads promoting event



Harmful to children?

- # Children are vulnerable
 - Preschoolers may not understand intent of ads
 - Children request products they see in ads
- # *Children's Television Advertising Act (1990)*
 - Children must be informed when commercials begin with "bumper" between programs and commercials
- # Ads show up in areas traditionally free of ads
 - "Channel One" placing ads in educational television
- # Call for *media literacy* programs
 - Educate children about advertising



Stereotyping in advertising

- # Prior to 1980 few African-Americans appeared in ads
 - African-Americans in commercials limited to *celebrities*—stereotypes successful African-Americans as solely sports and music stars
- # Women
 - *Housewife*: life rotates around clean floors and clothing
 - *Sex object*: taller and thinner than average, perfect image
 - *Super woman*: pressure to be everything to everybody



Cigarette ads

⌘ Cigarette advertising aimed at children = bad

- More children could recognize Joe Camel than Mickey Mouse!
- Cigarette companies had to replace customers who die from smoking



⌘ Tobacco advertisers have become more responsible

- Pulled cigarette advertising from magazines with young readers



⌘ Banned cigarette advertising

- Television advertising
- Outdoor billboards
- Sports events and stadiums

Privacy and intrusiveness

⌘ Privacy issues: misuse of personal information

- Disclosure of info required by websites and online businesses before downloads
- Collection of info from children without parental consent is *illegal* under federal law



⌘ Encroachment of ads into areas not usually open to advertising

- Schools (bottom of bookstore bags)
- Ads sent to fax machine
- Ads in theaters before movies

⌘ Annoying, intrusive ads

- Telemarketers!

Deceptive advertising

⌘ At start of industrial revolution—*Caveat emptor*: buyer beware! Courts rarely involved

⌘ *Federal Trade Commission Act (1914)*: government began prohibiting deceptive ads

⌘ Deceptive practices include...

- Advertising out-of-stock items
- False claim
- Claim that is not unique
 - Wonder bread: "Wonder Bread builds strong bodies twelve ways".... all bread made with enriched flour has this effect
- NOT "*puffery*," which is legal: claims that cannot be proven true or false or that are pure opinion
 - "New and improved," "best in the world"



Government involvement: Federal Trade Commission

>If FTC determines ad to be deceptive:

- *Cease and desist order*: stops an ad
- *Consent agreement*: advertiser does not admit to doing anything wrong but agrees not to do it again
- *Corrective ad*: Ocean Spray Cranberry Juice: Ad stated that it had more “food energy” than orange juice (euphemism for calories)
 - Air ads correcting impression that it had more vitamins

Self-regulation: *National Advertising Review Board*—companies can file complaints about ads

- Response often faster/more effective than FTC response