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

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**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

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**Chapter Ten**

[Image of Ancient Advertising]
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**
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