

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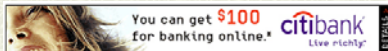
- ✦ *To aggress: a desire to get even*
- ✦ *To achieve: identifies with winning*
- ✦ *For prominence. Want high social status.*
- ✦ *For attention. Want to be recognized.*
- ✦ *For autonomy. Need to be singled out.*
- ✦ *To escape. Have adventures, avoid routine*

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 marketing, 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



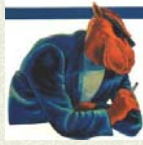
Stereotyping in advertising

- ❏ 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