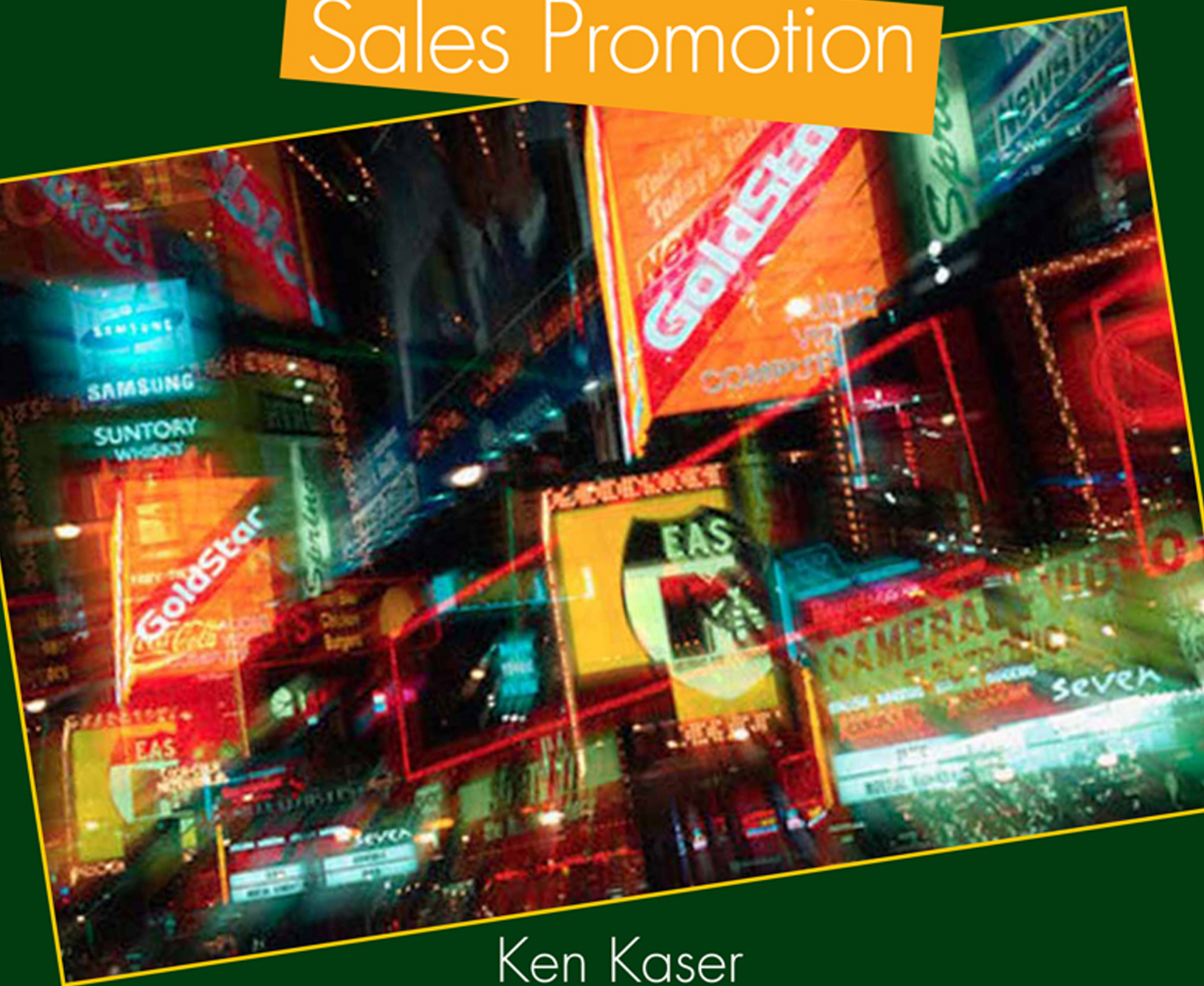
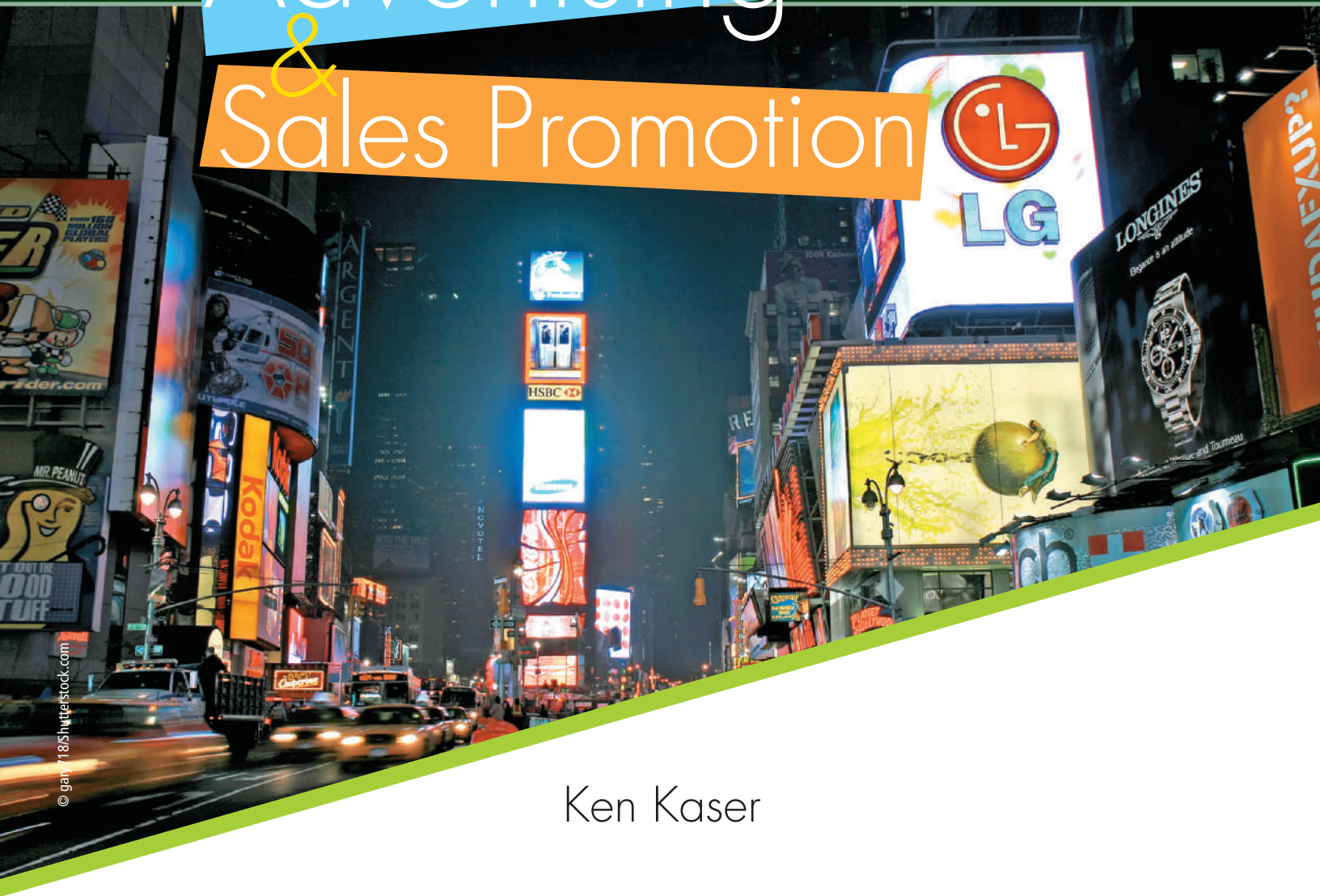


Advertising & Sales Promotion



Ken Kaser

Advertising & Sales Promotion



Ken Kaser

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Advertising...The Power to Reach Out and Touch People!

Welcome to the exciting world of **Advertising and Sales Promotion** — a comprehensive introduction to its principles and practices. You will learn exciting techniques used in current print, broadcast, and digital advertising.

Let's Get Started!

IMPACT ADVERTISING

You're a Winner!

Nationally recognized companies use sweepstakes to heighten the interest of consumers. A sweepstakes is an effective way to draw attention to a brand. Sweepstakes come in many forms and offer a variety of prizes, including large sums of money.

The letter arrives in the mail, proclaiming, "You're a Winner!" It states that you are among two people vying for a prize of \$11 million. All you have to do is send in the attached form, and the money is as good as yours. You may have to subscribe to a few unwanted magazines as a prerequisite to collecting the winnings and becoming a millionaire. The aforementioned letter arrives in the mailboxes of millions of households every year. Most people know folks like this are too good to be true, but there are always those who believe otherwise.

Publishers Clearing House (PCH) is a direct marketing company that offers a magazine subscription service. It has held a sweepstakes since 1967. Over the years, many people, often senior citizens, have received a notice in the mail from PCH declaring them the winner of millions of dollars. Some of these naive customers were so elated with the news that, rather than trust the post office to return the "winning" ticket, they flew it to the PCH headquarters themselves. Unfortunately upon their arrival at the offices, they were not greeted with a check. It was pointed out that they had not read the fine print of the ticket, which stated that the ticket holder was a winner only if his or her number was the one drawn from millions of other numbers.

Numerous lawsuits have been filed against PCH on behalf of consumers who felt they were duped by false advertising. As a result, PCH has paid out millions of dollars in settlements. In addition, it was ordered to reform its business practices. PCH was banned from using false statements, such as "you're a winner" or "you're guaranteed to win." It must also provide consumers with a sweepstakes fact sheet, which clearly states the odds of winning and explains that purchases do not increase the consumer's chances of winning. PCH also was banned from targeting specific consumer groups, such as senior citizens.



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1. Why do you think PCH was found guilty of using deceptive advertising?
2. Why does deceptive advertising frequently target senior citizens?
3. What advice would you give someone who plans to enter a sweepstakes?

WHAT DO YOU KNOW?

349

IMPACT ADVERTISING

an ad campaign case study that introduces the chapter concepts in a real-world context.

WHAT DO YOU KNOW?

supplies thought-provoking questions to capture interest.

Each lesson begins with a list of goals and terms to help you focus your reading.

Goals outline the main objectives of the lesson.

Terms list the new vocabulary defined in the lesson.

FOCUS ON ADVERTISING

introduces concepts by providing a thought-provoking introduction to each lesson.

2.1 The Consumer Is in Charge

FOCUS ON ADVERTISING

Goals

- Recognize the importance of understanding the customer's wants and needs.
- Identify the five-step consumer decision-making process.

Terms

- consumer behavior, p. 34
- need, p. 35
- want, p. 35
- routine decision making, p. 37
- limited decision making, p. 37
- extensive decision making, p. 38

Staying Connected with Apps

Technology companies are helping consumers solve everyday problems by creating application software, also known as an app, for use with smartphones. People often go to the mall or a sporting event and then forget where they parked their car when they leave. The Android™ To help locate the car. Many people have problems falling asleep at night. The Android Relax and Sleep app provides over 30 realistic sounds that act as soothing background noise to help lull you to sleep. Available iPhone apps turn the smartphone into a currency converter or a ruler. Although these apps help consumers solve simple life problems, smartphone companies look at them as a way to promote their product and brand. Creating highly useful and engaging apps is one way to keep smartphone users connected to the brand. Smartphone companies can also promote their apps as a way to lure new customers.

Work as a Team Have you used any smartphone apps? Did they meet a specific need or solve a problem? Do you think apps are a good promotional tool for smartphone companies? Why or why not?

Understanding the Customer

To succeed, a business must understand its customers, but that isn't always easy. The product and service preferences of customers change frequently. Marketers must study consumer behavior. Consumer behavior describes how consumers make buying decisions, choose among alternatives, and use products. Studying consumer behavior is an important factor in creating effective advertising. For example, if a company discovers through research

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PARTNERSHIP FOR
21ST CENTURY SKILLS

Communicating in the Technological Age

While technology has opened up numerous opportunities in the world of communication, it has been associated with improper business etiquette. Individuals spend more time communicating using electronic devices than they do using personal, face-to-face communication. The use of cell phones and other text messaging devices has resulted in diminished communication skills. Proper business writing has suffered as a result of text messaging. Abbreviations used for text messages are not acceptable for business communications. Business leaders still expect employees to produce documents that incorporate proper grammar, sentence structure, and flow. Leaders must be able to carry on a formal conversation at a business meeting or lunch.

Individuals who want to make an impact with the top leaders in the business world must practice communication etiquette. Communication etiquette involves respecting the feelings of other people, paying careful attention to a conversation, making eye contact, and turning off electronic devices during meetings. By text messaging or scrolling through information on electronic devices while attending a business meeting, you are sending a message that the other person is not important. Manners do make a big difference when aspiring to leadership positions. Some tips for effective communication include the following:

1. Give your cell phone a break. Turn it off during a business meeting, family gathering, or

- meal. Show respect for your guest or business associate.
2. Compose written documents using proper grammar and format. Always use the spell check feature and then proof the document to make sure that it is grammatically correct.
3. Practice being a great listener. Give your full attention to the other person through eye contact and respectful feedback. Do not let electronic devices break down the communication process.

Try It Out

For one week, set aside time each day in which you refrain from using your cell phone or other electronic devices. During this time, communicate with someone face to face or by writing a letter. Keep a record of your communications. At the end of the week, describe how your "new" ways of communicating differed from your usual ways of communicating. Did you find that your communication had improved over the past week? Why or why not?



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Sharpen Your 21st CENTURY SKILLS

apply valued skills, such as problem solving, critical thinking, and technology use, as defined by the *Partnership for 21st Century Skills*.



PARTNERSHIP FOR
21ST CENTURY SKILLS

Advertising is a very popular competitive event



activities conclude each chapter and help prepare you for BPA, DECA, and FBLA advertising competitive events.

Buying and Merchandising Team Event



This Team Decision Making Event provides an opportunity for you to analyze one or a combination of elements essential to the effective operation of a business in a specific occupational area. Employees in buying and merchandising positions get the product into the hands of the customer. This process includes forecasting, planning, buying, displaying, selling, and providing customer service.

PROBLEM Your team works for a large department store in a city with 500,000 people. Each season your buying team is challenged to select clothing styles that will sell well even without markdowns. A recession has greatly affected consumer spending. Designer brands are not selling until they are marked down 50 percent. Your team must determine a strategy to purchase the appropriate amount of merchandise during slow economic conditions. You must also determine which famous designer brands will sell during this recession. You must explain your purchasing strategy and markdown strategy to move the seasonal clothing. The plan must outline how long the merchandise will be offered at the full retail price and when the percentage discounts will be applied to clear our seasonal merchandise.

Participants must demonstrate the following skills when completing this project:

- communications skills—the ability to exchange information and ideas with others through writing, speaking, reading or listening
- analytical skills—the ability to derive facts from data, findings from facts, conclusions from findings, and recommendations from conclusions
- critical thinking/problem-solving skills
- production skills—the ability to take a concept from an idea and make it real
- teamwork—the ability to be an effective member of a productive group
- priorities/time management—the ability to determine priorities and manage time commitments

Go to the [DECA website](http://www.deca.org) for more detailed information.

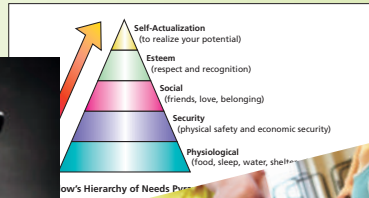
Think Critically

1. Why are promotions so important for a retail business?
2. How can a buyer for a clothing store determine what to purchase for the upcoming fall season?
3. When buying merchandise for a business, what are the main concerns for the buying department?
4. What is a merchandising trend that you have noticed in one of your favorite stores?

www.deca.org

Real-World Features

Advertisements and illustrations provide real-world examples that make the content interesting, relevant, and tangible.



SPOTLIGHT ON SUCCESS

takes you to advertising success stories of real companies.

SPOTLIGHT ON SUCCESS

© THOMAS COEX/AP/Getty Images



MARK ZUCKERBERG

Facebook

Mark Zuckerberg was a 19-year-old sophomore at Harvard when he started a Web service from his dorm in 2004. The Zuckerberg invention was called Thefacebook.com, and it was described as "an online directory that connects people through social networks at colleges." Today Facebook has over 550 million members. One out of every 12 people in the world has a Facebook account, and Facebook's membership currently is growing at a rate of about 700,000 people a day. The Facebook age has arrived.

With Facebook, Zuckerber has created a social entity almost twice as large as the United States. Social media websites like Facebook have played a significant role in product launches and reviews. The volume of comments posted

on Facebook and other social media websites is growing. These comments prove to be a valuable resource for businesses who are trying to launch or revamp their products. Today the fastest-growing market for Facebook is the 25- to 44-year-old-segment, a demographic that is often targeted by businesses. Not only has Facebook changed the way people relate to one another, it has also affected many other aspects of life. There are many Facebook pages dedicated to social and political issues around the world. A posting on Facebook can quickly travel to millions of members and influence social and political changes worldwide.

What started out as a diversion for Mark Zuckerberg has turned him into a multimillionaire. He believes that eventually all businesses will recognize the importance of the social aspects of doing business.

Think Critically
How has Facebook changed the way people communicate? Why do you think people and businesses are embracing this technology?

Making Content Relevant

Reality



gets you acquainted with real-world issues and challenges faced by businesses and consumers.

Reality



Digital Advertising Gets Personal

Digital advertising is providing marketers with the opportunity to break through advertising clutter, deliver more targeted messages, and create engaging experiences through interactive billboards, digital projections, and even 3-D images.

Digital marketing has the ability to create a more personally relevant advertising experience. Marketers in Japan began testing facial recognition technology to enhance the digital billboard in 2010. Using billboards with embedded cameras, the passerby is scanned, his or her gender and age are determined, and then a more relevant advertisement is served. Digital technology now has the ability to make public spaces more personalized. Ad placements are being moved from billboards to entire exteriors of buildings.

Digital advertising can use disruptive engagement by catching audiences off guard with unexpected advertising placement and consumer interaction capabilities. Aquafina recently used digital marketing by installing LCD screen mirrors to fill a public bathroom with branded messaging. When a person was ready to use the mirror, the advertisements were simply moved out of the way. Kraft Foods created an iFood Assistant smartphone application. The user can type in three items, and the app will find a recipe using Kraft brands. This form of marketing gets closer to the customer at the point of purchase.

Digital advertising provides personal experiences for consumers and non-static messages. The latest digital advertising trends provide more personal interaction with a brand and builds brand association.

Think Critically

1. What makes digital advertising unique?
2. Could some aspects of the latest digital advertising be classified as invasion of consumer privacy? Explain your answer.
3. How might digital advertising be more cost-effective for a larger target market?
4. Do you think that all age groups will react favorably to interactive digital advertising?
5. What are the advantages and disadvantages associated with using the latest digital technology for advertising?

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4.3 Assessment

THINK ABOUT IT

- Briefly describe common pricing objectives used by businesses.
- What is an advantage and a disadvantage of using a price skimming strategy? What is an advantage and a disadvantage of using a penetration pricing strategy?
- How do supply and demand affect pricing?
- Why do retailers offer consumer credit? How is credit related to pricing?

MAKE ACADEMIC CONNECTIONS

- MARKETING** Choose a designer brand and a store brand of clothing. Describe the pricing strategy that was likely used to introduce both brands in the market. Explain why this strategy was used.
- MATH** You are a retailer who receives a trade discount from one of your largest suppliers. The discount is based upon the dollar amount of merchandise that you purchase each month. The discount for monthly purchases totaling \$50,000–\$100,000 is 10 percent; \$100,001–\$150,000, 15 percent; and \$150,001–\$200,000, 20 percent. What is the dollar amount of your discount for each of the following months' purchases: January, \$190,000; February, \$105,000; and March, \$75,000.
- MANAGEMENT** You are opening a furniture store that will offer product lines catering to the middle and high-end markets. Select a pricing objective for your business. You may select more than one objective for the different markets. Explain why you selected the pricing objective(s).



Teamwork

You work for a full-service hotel located in a warm climate that caters to business clients, conventions, and tourists who visit the hotel four to six times each year. Hotel management has asked you to develop pricing strategies for all

End of Lesson Assessment

An abundance of ongoing Lesson Assessments ensure you understand and can apply what you've learned.

Think About It

activities that help you apply what you have learned in the lesson.

Make Academic Connections

integrated curriculum activities that show you how advertising and promotion concepts relate to other courses of study.

Teamwork

opportunities to work with classmates on cooperative learning projects.

Chapter 2 Review

SUMMARY

2.1 The Consumer Is in Charge

- To succeed, a business must study consumer behavior to learn how consumers make buying decisions.
- All consumers have wants and needs. There are five levels of needs in Maslow's Hierarchy of Needs, including physiological, security, social, esteem, and self-actualization needs.
- Consumers typically use a five-step consumer decision-making process: (1) recognize the problem, (2) search for information, (3) evaluate alternatives, (4) make the purchase, and (5) evaluate the purchase.
- Generally, consumers use three types of decision making: (1) routine, (2) limited, and (3) extensive.

2.2 Consumer Purchase Classifications

- A new purchase involves buying a product or service for the first time. New purchases tend to be infrequent.
- A modified purchase occurs when the consumer must make new decisions about a product or service that they have previously purchased.
- A repeat purchase occurs when the same product or service is purchased over and over again.
- Factors that affect the level of consumer involvement in buying decisions include past experience, interests, perceived risk, circumstances, and self-image.
- Consumer purchases can be classified as convenience products, shopping products, specialty products, and unsought products.

2.3 Influences on Consumer Behavior

- Motivation is the driving force behind consumer purchases. Consumers make purchases based on emotional, rational, and parasocial influences.
- Individual influences on consumer buying decisions include a person's personality, gender, age, culture, and ethnicity.
- Social influences on consumer buying decisions consist of reference groups, which are organizations or groups of people that the consumer identifies with or admires.
- Marketing influences on consumer buying decisions can take the form of advertising and promotion. Both forms of marketing try to increase demand for a product or service.

Builder

Match the term with the best definition. Some terms may be used more than once.

a. advertising campaign	1. a group of consumers who want to see personal needs
b. buying motives	2. a group of consumers who want to see personal needs
c. consumer behavior	3. a group of consumers who want to see personal needs
d. convenience products	4. a group of consumers who want to see personal needs
e. culture	5. a group of consumers who want to see personal needs
f. emotional motives	6. a group of consumers who want to see personal needs
g. extensive decision making	7. a group of consumers who want to see personal needs
h. limited decision making	8. a group of consumers who want to see personal needs
i. need	9. a group of consumers who want to see personal needs
j. parasocial motives	10. a group of consumers who want to see personal needs
k. rational motives	11. a group of consumers who want to see personal needs
l. reference group	12. a group of consumers who want to see personal needs
m. routine decision making	13. a group of consumers who want to see personal needs
n. shopping products	14. a group of consumers who want to see personal needs
o. specialty products	15. a group of consumers who want to see personal needs
p. unsought products	16. a group of consumers who want to see personal needs
q. want	17. a group of consumers who want to see personal needs

Apply What You Learned

- List the five steps involved in the consumer decision-making process. Then explain how you would use each step to purchase a product or service that interests you.
- List the five levels of Maslow's Hierarchy of Needs. How do you personally satisfy each level?
- You own a beauty salon and spa. Describe an appeal to various consumer characteristics, gender, and age. Would you use different advertising strategies for each characteristic? Why or why not?
- Work with a partner to develop a marketing plan for a new product. The product should be offered at a price that is appropriate to the target market's needs.
- Select a product or service that you are interested in. Before making a purchase, describe what product or service you are interested in and how you would use it in an advertisement to make a sale.

Make Academic Connections

- MARKETING** A new restaurant has already had more than 100 strong customer bases. The restaurant has asked you to...

What Would You Do?

A local department store advertised an incredible price for designer jeans. The excitement peaked inspired you to visit the store so you could see the jeans in person. You arrived at the store and saw the jeans on display. Upon entering the store, you were surprised to learn that it did not have the advertised price. When you asked the store manager about the advertised price, she explained that the jeans would not be getting the advertised price. She mentioned that the store would be getting an additional amount of the designer jeans. She then asked you some other questions about the jeans. Why or why not? How do you think the store's advertising was effective? Why or why not? How can you help prevent the store from using the same tactic again?

- Buying a \$50 bouquet of roses for Valentine's Day is an example of a(n) _____ purchase.
 - parasocial
 - convenience
 - rational
 - emotional
- The final step in the consumer decision-making process is to _____ the purchase.
 - make the purchase
 - evaluate the purchase
 - search for information
 - search for information
- The level of consumer involvement in the buying process for purchases involving _____ is low.
 - favorite brands
 - self-image
 - special occasions
 - television
- Which of the following is an example of a staple product?
 - automobile
 - clothing
 - television
 - milk
- When searching for information about a product, consumers could include which of the following?
 - advice from a friend
 - magazines
 - past experiences
 - none of the above
- An individual's state of mind or point of view is called a(n) _____.
 - personality
 - self-concept
 - attitude
 - identity

complete with the other restaurants. Prepare a PowerPoint presentation of your promotional plan.

27. ECONOMICS Life insurance is commonly an unsought product for many consumers. Conduct research to determine common reasons for purchasing life insurance. Based on your research, how could you persuade an individual to buy a life insurance policy from your company?

28. MATH You work at a music store that sells CDs for the following music categories: Pop, Rock, Country & Western, and R&B. Last year your store reported the sales shown below. Compute the total sales and the percent of the total sales for each music category. How can you use this information to meet consumer demands?

Pop	\$32,000
Country & Western	25,000
R&B	19,000
	25,000

29. RESEARCH You are considering the purchase of a new sweater. Conduct online research to evaluate three different brands of sweaters. List a table listing the features, benefits, and price of each brand. Based on your research, determine which brand you would buy. Justify your choice.

30. SOCIOLOGY Interview someone of a different ethnicity to learn about his or her culture, customs, and traditions. Write a one-page report describing the other culture and explain how it differs from your culture.

31. HISTORY Conduct online research to learn how advertising campaigns have changed over the years. Describe how the changing mix of men and women have made a necessary for companies to develop new advertising strategies.

32. ETHICS When companies use advertising to increase public awareness about social issues, they often make emotional appeals to persuade consumers to take some kind of action, such as to make a donation. Do you think these kinds of advertisements are ethical? Present your point of view to the class.

A local department store advertised an incredible price for designer jeans. The excitement peaked inspired you to visit the store so you could see the jeans in person. You arrived at the store and saw the jeans on display. Upon entering the store, you were surprised to learn that it did not have the advertised price. When you asked the store manager about the advertised price, she explained that the jeans would not be getting the advertised price. She mentioned that the store would be getting an additional amount of the designer jeans. She then asked you some other questions about the jeans. Why or why not? How do you think the store's advertising was effective? Why or why not? How can you help prevent the store from using the same tactic again?

Chapter Review and Assessment

End of Chapter Assessment provides a summary of the main points. Questions and activities test your knowledge.

CHECKPOINT

How are psychographics useful to marketers?

enables you to test your understanding of key points before moving on.

What Would YOU DO ?

activities help students learn the importance of understanding ethics in relation to advertising and sales promotion.

You are the owner of a clothing store that is the sponsor of a new television series that has been highly promoted to teenagers. Since 60 percent of your customer base ranges in age from 12 to 24, you recognize the possible impact on sales from your association with a show that is watched by 2 million teenagers. However, the questionable content of the first show of the new television series has raised a lot of concern from parents. Parents and children's advocacy watch groups have expressed deep concerns about the television show that your company is sponsoring.

As a sponsor, do you have any social or ethical responsibilities? If so, what are they? What actions should your business take in this situation?

What Would YOU DO ?

Product Family

A Variety of Support

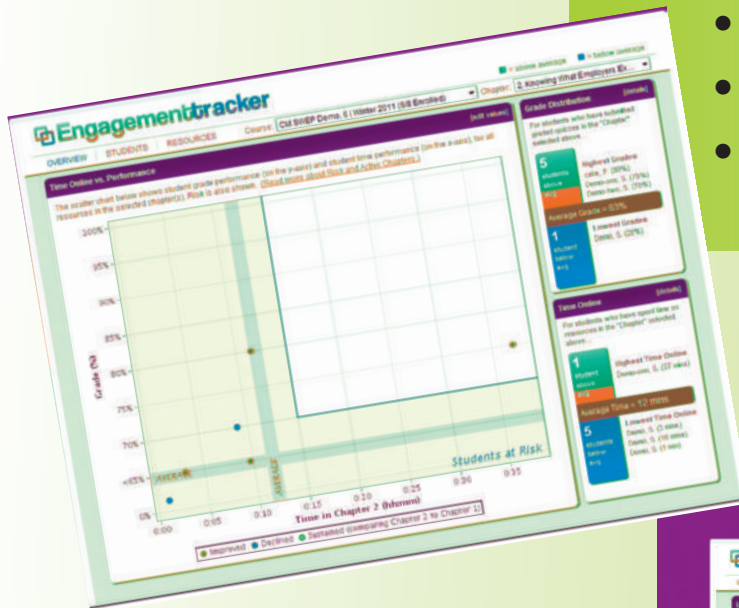
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ENGAGEMENT TRACKER allows teachers to assess their students' preparation and engagement. This intuitive, online reporting tool makes it easy to evaluate use of study resources, monitor time-on-task, and track progress for the entire class or for individual students. Teachers can instantly see what concepts are the most difficult for their class and identify which students are at risk throughout the semester.



About the Author

Ken Kaser is Director of the University of Houston Conrad Hilton College at Sugar Land, Texas. He taught marketing education and was a DECA advisor in the Fort Bend ISD in Texas for 15 years. Ken taught business education at Northeast High School in Lincoln, Nebraska for 18 years. He has authored eight books; written local, state, and national curriculum; and served in many professional leadership roles. Ken is the recipient of numerous teaching awards at the state, regional, and national levels.

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1

What Is Advertising?

- 
- 1.1 History of Advertising
 - 1.2 Influences on Advertising
 - 1.3 The Advertising Industry and Careers

Historic Advertising Campaigns

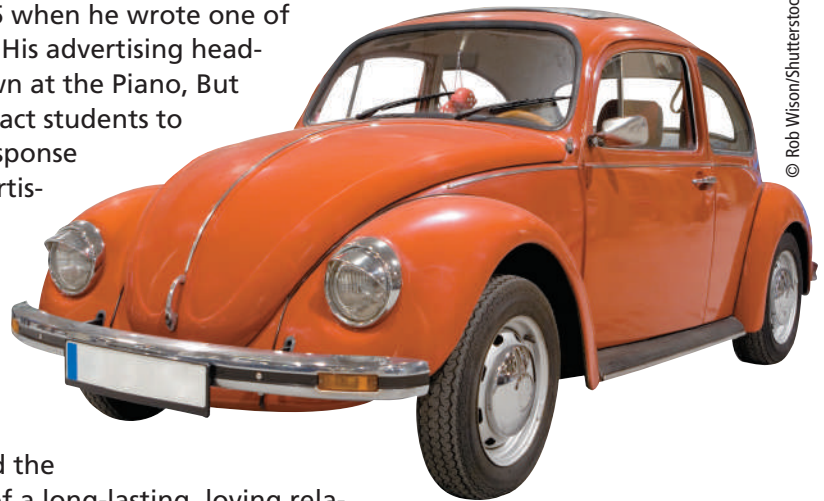
Throughout history, advertising has influenced our shopping habits and culture. Advertising has introduced new products into our lives and created new social norms. Brilliant advertisement ideas have advanced the industry and civilization. Over the years, advertising has used clever headlines, mascots, humor, music, lyrics, and other tactics to make sales pitches.

John Caples was just 25 years old in 1925 when he wrote one of the most successful advertisements in history. His advertising headline that read “They Laughed When I Sat Down at the Piano, But When I Started to Play!” was intended to attract students to the U.S. School of Music. The ad put direct-response advertising on the map. Direct-response advertising urges consumers to respond immediately and directly to the advertiser.

DeBeers is one of the oldest diamond companies in the world. Its advertising campaign, “A Diamond Is Forever,” created one of the most recognized slogans of the 20th century. The first ads were launched in 1948 and still run today. The ad successfully created the concept that diamonds are an essential part of a long-lasting, loving relationship. It suggested that diamonds are the only suitable gem for engagement and wedding rings. This advertising campaign revived the diamond market, increasing sales by 55 percent.

Volkswagen used a 1959 advertising campaign that ignored everything that made U.S. car ads successful. This advertising strategy made the German brand a household name. Instead of boasting about power, speed, and luxury, the Volkswagen advertisement focused on great gas mileage and easy parallel parking. The advertisement showed a tiny VW Beetle against a field of white with the headline “Think Small.” The advertisement was remarkable for its time, and it holds the number one spot on the *Ad Age Top 100 Advertising Campaigns* list.

Advertising is ingrained in our society. It plays an important role in businesses and the economy by helping spur sales. But successful advertising does more than sell products, services, or ideas. It can touch us, evoke emotions, spark discussions, and educate us. Creative advertising will continue to capture our attention into the next centuries.



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1. How does advertising influence shopping habits?
2. Why do you think the DeBeers advertising campaign is still successful today?
3. Why do you think creativity is an important factor in advertising?

**WHAT DO YOU
KNOW?**

1.1

History of Advertising

Goals

- Explain how advertising has changed to meet the needs of changing times.
- Describe inventions that have impacted advertising.

Terms

- advertising, p. 4
- infomercial, p. 9

FOCUS ON ADVERTISING

Sears Roebuck Catalog

Richard Sears first used a printed mailer to advertise watches and jewelry for the R. W. Sears Watch Company in 1888. Since the postal service classified mail-order publications as aids in the dissemination of knowledge, the postage rate was only one cent per pound. In 1896, then operating as Sears, Roebuck and Company, an enlarged spring and fall catalog was added. For the first time, the company charged 25 cents for the catalog while promising to apply the fee to any orders over \$10.

Sears added a color section to the catalog in 1897 and created more specialty catalogs in 1898. The hands-on feel catalog in 1905 featured full-color and texture wallpaper samples, paint samples, and a swatch of material used in men's suits.

Testimonials from satisfied customers were eventually added to the Sears catalog to help promote Sears' low prices and exceptional value. Sears stopped publishing its general catalog in 1993 but still produces specialty catalogs.

Work as a Team Obtain a copy of a Sears specialty catalog. Outline the detail in the catalog. Why have Sears' catalogs been successful for more than 100 years?



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The Changing Times in Advertising

Advertising is not an easy term to define. Most people think of advertising as an attempt to persuade them to purchase a good or service. In many cases, advertising is used to promote the sale of products and services. However, a corporation may also use advertising to enhance its image or to educate consumers. **Advertising** is a paid form of communication intended to inform, persuade, and remind an audience to take some kind of action. The roots of advertising can be traced back many years.

First Signs of Advertising

Advertising has been used to promote trade (the sale of goods and services) for centuries. By looking at the evolution of advertising, you can see how its role has changed over the years. Advertising provides a mirror to our social history that reflects values and aspirations of the culture. As historians one day look back at the advertisements of our modern time, they will be able to develop a realistic depiction of the societal values during that era.

Advertising in the Early Centuries Advertising has been around practically since the beginning of time. Advertisements appeared as inscriptions on Egyptian tombs around 3000 B.C. The Greeks engraved theater advertisements in stone around 500 B.C. The ancient ruins of cities like Pompeii and Rome showed evidence of message boards on the lime-whitened walls of buildings displaying political and commercial messages for the public to read. In many parts of South America, Asia, and Africa, stone carvings or paintings displaying commercial advertisements on old walls have been discovered.

Colonial Americans used public message boards in town squares where merchants could advertise the sale of their services and goods. Throughout the 18th century, Ben Franklin greatly influenced advertising. As the owner of the *Pennsylvania Gazette*, he introduced the use of headlines, illustrations, and advertisements placed next to editorial items. He added pictures to advertisements in 1732.

With the onset of the Industrial Revolution in the 19th century, there was a period of economic prosperity and rapidly growing populations and urbanization. The population was referred to as the consumer society because it was shifting away from self-sufficiency and becoming more dependent on the marketplace to meet its needs. As a result of the new consumer society, advertising expanded. In 1848 it was possible to print 10,000 sheets per hour on a printing press, so newspaper advertising grew in popularity. The 1870s techniques in color lithography fueled the poster boom of the 1880s.

Also during the 19th century, circus mogul P. T. Barnum helped spur the growth of outdoor advertising. He created unique advertising in the form of banners for his museum and traveling circus. His banners used attention-grabbing headlines, such as “Caravans of Giant Coursing Elephants and Camels,” to draw crowds to the events.

Advertising in the 20th and 21st Centuries Advertising throughout the 20th century was influenced by the changing times. During this period, Americans lived through the Roaring Twenties, the Great Depression, and World War II. Social revolutions occurred in the 1960s and 1970s. The nation struggled with the civil rights movement in the 1960s and the feminist movement in the 1970s.

The advertising agency took on a more prominent role during this time period. By the start of the 20th century, large agencies in London were commissioning artists to produce specific brief, targeted ad campaigns. Advertisements reflected cultural and social changes. In the 1920s, advertising was glamorous and promoted consumption during

prosperous times. During the Great Depression in the 1930s, advertising took a no-nonsense approach, and laws were passed to prohibit deceptive advertising practices. In the 1950s, the TV added a whole new dimension to advertising. Typical advertisements focused on families and new technological advances, such as the automatic washer and dryer. Because a social revolution was occurring in the 1960s and 1970s, advertisements became more creative and innovative, reflecting values that were more nontraditional. The economy was robust in the 1980s, and thus advertisements promoted consumption.

In the latter half of the 20th century and the early 21st century, advertising became more visual- and youth-oriented. Advertising also entered the electronic age. Various forms of advertisements began popping up on the Internet. However, it wasn't an easy transition. Technology problems, such as compatibility and bandwidth (data transfer rate) issues, had to be addressed. Also, advertisers found it difficult to measure the effectiveness of online ads. Because of the increasing presence of the Internet, however, advertisers have embraced this media and continue to find creative ways to use it.

Advertising Trends in American History

Advertising has responded to changing business, media, and cultural trends over time. As it evolved, it encouraged Americans to take an

active role in a consumer society. With the introduction of advertising agencies, businesses were able to develop more creative and effective advertisements.

Early Advertising Trends Advertisements remained fairly consistent during the early and mid-19th century. Newspapers were commonly used for advertising. Typical newspaper ads were no wider than a single column, and illustrations and special typefaces were generally not used. Magazine advertisers usually reserved the back pages for their ads. Rural America, where the majority of the U.S. population lived until 1920, was also affected by advertising. Sears, Roebuck and Company and Montgomery Ward mail-order catalogs offered rural Americans everything from buttons to kits containing designs and materials for building homes.

Mass Production In the latter half of the 19th century, at the end of the Industrial Revolution, advertisements changed dramatically. New mass production techniques in the 1880s used assembly lines to create standardized products in large quantities. Manufacturers began developing brand names to help consumers clearly identify their products. Mass production industries



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How did mass production affect advertising?

sought new ways to persuade consumers to purchase branded goods. National advertising of branded goods emerged in response to the dynamic changes in the business environment. Large department stores that cropped up in growing cities in the late 19th and early 20th centuries joined manufacturers to advertise branded goods. Wanamaker's, Marshall Field's, and Macy's implemented new advertising approaches. Advertisements during this period were bolder, more colorful, and more dramatic in an attempt to compete for consumers' attention. The increase in mass-mailed magazines and the growth of radio broadcasting and motion pictures provided new advertising media outlets to reach consumers. Total advertising dollars in the United States grew from about \$200 million in 1880 to nearly \$3 billion in 1920.

Although mass production increased the availability of products, many consumers were unable to afford them. Consequently, companies began extending credit to their customers. The increased availability of consumer credit during the prosperous 1920s resulted in greater consumer demand for automobiles, appliances, radios, and leisure activities.

Changes in the Advertising Industry Advertising agencies were founded in the late 19th century and became a key component in the advertising process. They grew out of the need to sell branded products that were being mass produced. Advertising helped consumers identify the differences between the branded products. President Calvin Coolidge emphasized the importance of advertising in a 1926 speech by stating, "Advertising ministers to the spiritual side of trade. It is a great power that has been entrusted to your keeping which charges you with the high responsibility of inspiring and ennobling the commercial world."

In later years, advertising agencies that were first used only to sell advertising space in local newspapers and a limited number of magazines were now being called upon to design copy and artwork for advertisements. Society's attitudes toward the advertising industry have fluctuated. Depending on the era, the advertising profession has been characterized by glamour, greed, deception, and creativity. Workers in the evolving advertising industry sought public approval and legitimacy that separated them from the early miracle medicine peddlers.



What is a consumer society and how does it affect advertising?

Inventions Impacting Advertising

Advertising innovators are constantly searching for new ways to communicate their message to customers. Several inventions over the years have made advertising more effective. Four inventions that have influenced advertising include the printing press, radio, television, and the Internet.

Printing Press

The invention of the printing press made information of all kinds available to the general population. Printing could spread information quickly and provided a platform for advertising. The printing press was used to produce posters and handouts containing information about goods and services for sale during the 16th century. The first newspaper advertisement in the American colonies appeared in the 18th century when a person owning property in New York advertised it in the *Boston News-Letter*. Ben Franklin began placing advertisements in the *Pennsylvania Gazette* in 1729, and the first magazine advertisements for the colonies appeared in Franklin's *General Magazine* in 1742. As the number of publications grew, advertising agencies were born to create selling material for the publications.

Radio

Advertising could be heard for the first time through the use of radio in the 1920s. The first commercial was broadcast in 1922. Radio programming included soap operas, music, and serial adventures that often were sponsored by advertisers. Radio stations and radio advertising grew in the 1930s and 1940s. Radios appeared in virtually every home in America, and the sales of products advertised on the air exploded. Advertisers wrote memorable jingles, an art form that still plays an important role in today's radio advertising. Many radio personalities became well-known for their voices and were sought after to deliver advertisements. Paul Harvey, a pioneer in radio advertising, launched *Paul Harvey News and Comment* in 1951. At one time, his radio show had an audience of 24 million listeners a week, airing on 1,600 radio stations. Harvey refined the art of the radio commercial. Sponsors loved the most listened-to voice in the history of radio. Radio advertising lost some of its appeal when television came onto the scene, but it is still a popular advertising medium today.

Television and Cable Television

The invention of television in the 1920s changed everything. Television became a mass advertising medium in the 1950s when the prices of television sets became more affordable. Print and radio took a back seat to television because, for the first time, commercials were broadcast with sight, sound, and motion. Television had a remarkable impact on the advertising industry and the way products were sold. Advertising agencies were challenged to produce mini movies in units of 30 and 60 seconds. They had to learn how to effectively segment the audience and deliver the appropriate commercial message for the intended audience.

Cable television, developed in the 1970s, was the next great innovation to impact the advertising industry. It offered more channels with specific program offerings. Advertisers could now narrow the demographics of their intended audiences. Before the advent of cable television,



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How did the invention of cable television influence advertising?

the networks attempted to reach targeted audiences by airing at different times throughout the broadcast period. For example, to reach women consumers, advertisers would broadcast commercials during the daily soap operas. They would air commercials during the evening news to reach an older audience. Cable television broadcast new channels like MTV that catered to a younger audience and ESPN for (typically) male sports fans. The Food Network catered to people who loved cooking. These new cable television channels enabled advertisers to reach out to target audiences who had specific interests. Cable networks have expanded advertising options but have decreased advertising revenue for the original TV networks.

Television and cable television were also the perfect platforms for infomercials. An **infomercial** is a lengthy paid advertisement that showcases the benefits of a product. Infomercials can range from 5 to 30 minutes, or longer, and often include a product demonstration highlighting the product's features and benefits, testimonials from satisfied customers, and before/after photos for beauty and fitness products. While some products can be successfully pitched to the public using 30-second commercials during primetime programming, other products and services may require a little more explanation or promotion in order to appeal to a selected audience. Instead of producing a standard print ad or 30-second television spot, some companies use the infomercial format. The infomercial includes a call-to-action, which encourages the consumer to place an order.

Internet

In the 1990s, a Web revolution in advertising began. Internet advertising is now a \$42 billion industry that has overtaken the conventional methods of advertising. Chat rooms, blogs, e-mails, pop-up advertisements, instant messaging, and web page notices are just a few of the ways advertisers can let people who are surfing the Web know about products and services. Social networking sites, such as Facebook and Myspace, are becoming more popular advertising venues.



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Why was it important for advertisers to embrace the Web revolution?

Advertisements placed on popular search engines allow products and services to be widely promoted. Consumers can use the Internet to access information about a product or service that they want to purchase. Some websites contain product links to web pages where customers can make a purchase. The Internet also allows customers to compare various brands of products and services, sometimes on a single website, such as the Epinions website.

Online advertising has presented a challenge to advertisers. They had to determine the most effective way to deliver their messages on the Web. Online advertising has become more sophisticated over the years, moving from simple, pop-up ads to elaborate Web videos. Because the Internet provides wide exposure for products and services, advertisers will continue to develop innovative online advertising strategies.



How has the Internet changed advertising?



1.1

Assessment

THINK ABOUT IT

1. What forms of advertising were used by the earliest civilizations?
2. What inventions had the greatest impact on advertising?
3. How is Ben Franklin associated with advertising?

MAKE ACADEMIC CONNECTIONS

4. **SOCIAL STUDIES** Visit the headquarters of your local newspaper (or visit its website) to learn when the newspaper was established and to locate advertisements that were placed in the early editions of the newspaper. Compare those advertisements with the current advertisements in the newspaper and explain how advertising has changed.
5. **RESEARCH** Visit three websites that advertise products and services. Describe each of the websites and rank them for user friendliness and effectiveness. Explain how each website could improve its advertisements.
6. **COMMUNICATION** Watch an infomercial on a television or cable television network. Prepare a report describing the infomercial, including how much time was allotted for the infomercial, what product or service was being promoted, how the product was demonstrated, whether any testimonials were used, and how the call-to-action was handled. Then rate the effectiveness of the infomercial.



Teamwork

Working in a team, design a timeline for the history of advertising. Include pictures of major inventions and people who had an influence on advertising over the years. Be sure to include captions for the images.