

Advertising

Whenever people give information to the public about an event, a product, or a service, they are using advertising. A piece of advertising is called an advertisement, or ad.

The goal of most advertising is to make the public want to buy whatever is being advertised. People also use advertising to make the public form opinions about things. For example, an ad could try to make the public believe that a company treats its workers well. Another ad could try to make voters choose a certain candidate for president.

Ads appear almost everywhere. They are found in newspapers and magazines. They appear on television, radio, and the Internet. Ads are also posted as signs in all kinds of public places.

The Media and Advertising



When advertisers want many people to see or hear their ads, they pay the media to have the ads published or broadcast. Newspapers and magazines publish, or print, ads between their articles. Television and radio networks broadcast, or play, ads during their programs. (Television and radio ads are also called commercials.) Web sites, buses, movie theaters, and many other places also display ads in exchange for money.

Control of Advertising

Advertisers are regulated, or controlled, in several ways. Governments usually pass laws to make sure that ads are truthful and do not offend consumers. Also, the media usually set their own rules that advertisers must follow.



History of Advertising

Signs were the first form of advertising. Even thousands of years ago people created hand-lettered signs to advertise their goods and services. The invention of the printing press in the 1400s expanded this type of advertising. Merchants could print dozens of the same posters and fliers to advertise what they were selling. In the 1600s and 1700s newspapers appeared in Europe, the Americas, and Japan. Advertising then became even more widespread.

Today advertising is a huge part of business around the world. A major corporation may spend hundreds of millions of dollars a year just on advertising.

Advertising

Advertising is a form of selling. For thousands of years there have been individuals who have tried to persuade others to buy the food they have produced or the goods they have made or the services they can perform.

But the mass production of goods resulting from the Industrial Revolution in the 19th century made person-to-person selling less efficient than it previously was for most products. The mass distribution of goods that followed the development of rail and highway systems made person-to-person selling too slow and expensive for almost all companies. At the same time, however, a growth in mass communication occurred—first newspapers and magazines, then radio and television—that made mass selling possible. Advertising, then, is merely selling—or salesmanship—functioning in the paid space or time of various mass communication media.

The objective of any advertisement is to convince people that it is in their best interests to take an action the advertiser is recommending. The action may be to purchase a product, go to a showroom to try the product, use a service, vote for a political candidate, make a contribution, or even to join the Army. Like any personal salesperson, the advertisement tries to persuade. The decision is the prospect's.

Advertising as a business developed first and most rapidly in the United States, the country that uses it to the greatest extent. In 2006 advertising expenditures in the United States exceeded 149 billion dollars, more than 1 percent of the gross national product. Almost every company in the United States that manufactures a product, that provides a service, or that sells products or services through retail outlets uses advertising. Those that use it most are companies that must create a demand for several products or services among many people residing in a large area. In 2006 consumer products giant Procter & Gamble, the largest advertiser in the United States, spent more than 3 billion dollars on advertising. General Motors Corp. was the second largest advertiser, spending nearly 2.3 billion dollars, followed closely by AT&T Inc., with an advertising budget of 2.2 billion dollars.

While advertising brings the economies of mass selling to the manufacturer, it produces benefits for the consumer as well. Some of those economies are passed along to the purchaser so that the cost of a product sold primarily through advertising is usually far less than one sold through personal salespeople. Advertising brings people immediate news about products that have just come on the market. Finally, advertising pays for the programs on commercial television and radio and for about two thirds of the cost of publishing magazines and newspapers.

The Communication Media

At the same time advertising is being developed, other specialists are at work determining where that advertising should be placed in order to accomplish the advertiser's objectives

most effectively and most economically. The result is the media plan. This states which communication media should be used to reach as many prospects as possible. It also specifies how much of the available money should go into each medium, thereby determining how many times a prospect will be reached. These two factors are known as reach and frequency. The various media choices are evaluated in terms of how many dollars it will take to reach 1,000 prospects—the cost per thousand. They are also evaluated in terms of the nature of each as carriers of advertising.

Newspapers



Because they attract so much local advertising, newspapers are the most popular medium in the United States and in most other parts of the world. Newspapers offer an advertiser coverage of a specific geographical area. This can be important to national advertisers as well as local ones. For

example, newspapers added to a national television or magazine campaign can tell prospects the names and addresses of stores where the product can be bought locally. Newspapers also offer advertisers speed. A newspaper ad can be prepared and appear within a day after it is delivered to the newspaper office. Speed is important in announcing special sales or relating advertising messages to events in the news.

Magazines



For the advertiser interested in reaching prospects with specific interests or life-styles, magazines provide the ideal medium. For instance, a DVD rental service might advertise in a magazine catering to video buffs in order to capitalize on the readership's interest in entertainment products. Furthermore, an advertiser may run an ad in only those copies going to a particular region of the country.

Most magazines offer full color to advertisers. This kind of color is called four-color printing because it is achieved by using four separate engraved plates (see Color, "Techniques for Reproducing Color"). Full color is especially desirable for food and fashion advertising because the color of these products is

part of their appeal. To grab the attention of readers, companies may also place musical ads controlled by programmed integrated circuits, stiff, odd-sized, or three-dimensional inserts, or fragrant ads featuring microencapsulated perfume strips.

Television



This medium carries more national advertising than any other in the United States. In some countries, however, television and radio are state-run and accept no advertising, while in others the amount of commercial time is limited and the type of ads that are allowed to air are strictly regulated. Advertising spots are broadcast between or during regular programs, at moments sometimes specified by the advertiser and sometimes left up to the broadcaster. For advertisers the most important facts about a given television program are the size and composition of its audience. The size of the audience

determines the amount of money the broadcaster can charge an advertiser, and the composition of the audience determines the advertiser's choice as to when a certain message, directed at a certain segment of the public, should be run.

The chief reason for the popularity of television among United States advertisers is that it reaches a vast number of people at the same time. While it can cost well over 2 million dollars, a 30-second commercial broadcast on network television during the Super Bowl can be seen and heard by as many as 90 million viewers. Airing an ad during such high-viewership specials as the Super Bowl or the Academy awards not only ensures a large audience but also garners a certain prestige that translates into product sales. For manufacturers who must make prospects aware of their products and convince them of its benefits immediately, there is nothing as efficient as television advertising.

Because it employs motion as well as words, graphics, sound, and music, television is a valuable medium for products that lend themselves to demonstration. No other medium is as effective in showing how quickly an automobile can accelerate or how well a brand of wristwatch will stand up under abuse and continue to run. Similarly, it is an ideal medium for conveying a mood or an emotional benefit for products such as long-distance telephone calls.

Radio



In those countries in which it can be used for advertising, radio offers the advertiser a geographically defined audience and, at the same time, a choice among certain kinds of audiences. The latter is important if these kinds of audiences can be related to the definition of the prospect. For example, in the United States one or more radio stations in each market broadcasts music designed to attract a young audience; another appeals to the musical tastes of an older generation; still another attracts listeners interested in

classical music and notices of cultural events in the community. Like newspapers, radio affords the advertiser speed in getting a message to prospects.

Media Comparison

The differences in the nature of these media effect how the public feels about advertising in them. Newspaper ads are generally welcomed by readers. In polls many say that the advertisements are a reason for buying newspapers. Advertisements are usually well received in magazines, too. In any case the reader of either a newspaper or magazine can ignore any ad that does not hold interest after a quick glance.

Broadcast advertisements, however, intrude themselves on the listener or viewer with little or no warning. On television—where the audience is less defined in terms of where the people live, how they live, or what they are interested in—messages intended for one kind of viewer are likely to intrude on another. This kind of intrusion has resulted in annoyance being expressed in public polls by television viewers.

Internet



In the early 21st century, Internet advertising was the most rapidly growing advertising medium around the world. Global spending on Internet ads had, in fact, begun to rival spending on ads in some traditional media such as radio and out-of-home. In the United States alone, advertisers spent well over 9 billion dollars in 2006 to carry their messages over the Internet—an increase of more than 17 percent from 2005. By contrast, U.S. spending on newspaper advertising in 2006 actually declined by 2.4 percent

from a year earlier. Advertisers clearly were attracted by the ability of the Internet to help them reach narrowly defined audience groups. Popular Internet search engines like Yahoo! and Google generated revenue by matching ads to an individual's particular search query. Among the challenges facing the Internet's continued development was the task of reconciling advertising and commercial needs with the preference of Internet users not to be bombarded by "pop-up" Web pages and spam (unsolicited e-mail).