

THE MEDIA OF MASS COMMUNICATION

11th Edition

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Chapter 11: Advertising

Thematic Chapter

Overview

- Media Technology
- Media Economics
- Media & Democracy
- Audience Fragmentation
- Media Future
- Elitism & Populism



Importance of Advertising

- Consumer Economies
- Advertising and Prosperity
- Advertising and Democracy

Money Spent on Advertising

Leading Advertisers	\$ Spent in U.S. Mass Media
Procter & Gamble	\$5.2 billion
AT&T	\$3.2 billion
Verizon	\$3.0 billion
General Motors	\$3.0 billion
Time Warner	\$3.0 billion
Ford	\$2.5 billion
GlaxcoSmithKline	\$2.5 billion
Johnson & Johnson	\$2.4 billion
Disney	\$2.3 billion
Unilever	\$2.2 billion

APPLYING YOUR MEDIA LITERACY

- How is advertising an essential element in modern consumer economies?
- This is a chick-or-egg question: Which predates the other – advertising or prosperity?
- How does advertising empower people living in a democratic society?

Origins of Advertising

- Stepchild of Technology
 - William Caxton
 - John Campbell
- Industrial Revolution
 - Benjamin Day's *New York Sun*

APPLYING YOUR MEDIA LITERACY

- How is advertising efficient for selling products and services?
- Compare the roles of Johannes Gutenberg, William Caxton and Benjamin Day in the emergence of advertising.
- How were railroads instrumental in the phenomenon of national advertising?

Advertising Agencies

- Pioneer Agencies
 - Wayland Ayer's N.W. Ayer & Son
- Agency Compensation
 - Commissions
 - Performance
 - Equity

APPLYING YOUR MEDIA LITERACY

- What effects did moving the creation of advertising from the merchant to Wayland Ayer's advertising agency have on the merchant? The consumer?
- If you were an advertising agency's client, what compensation form would you prefer? Why?

Placing Advertisements

- Media Plans
 - CPM (cost per thousand)
 - Audit Bureau of Circulation
 - Survey Organizations
 - Nielsen
 - Arbitron
 - Standard Rate and Data Service

Placing Advertisements (continued)

Conventional Placement Choices

- Newspapers
- Magazines
 - Shelf Life
 - Pass-along Circulation
- Radio
- Television
 - Ad Clutter
- Online

Conventional Placement Choice	U.S. Advertising Dollars (2005)
Television	\$62.1 billion
Newspapers	\$31.6 billion
Radio	\$16.5 billion
Magazines	\$12.1 billion
Online	\$11.9 billion

Placing Advertisements (continued)

- Search Engine Placement
 - Sponsored Link
 - Click-through Fee
- Gaming
 - Advergame
 - A sponsored online game, usually for an established brand at its own site

APPLYING YOUR MEDIA LITERACY

- What measures do advertisers look to in deciding where to place ads? Where does the information come from?
- How quickly do you foresee online advertising platforms overtaking television platforms as the #1 advertising media? What market conditions impacted your answer?
- What impact do you see digital status generators having on the nature of online advertising?

MEDIAcounterpoints

- POINT

- The reasoning power of children and even teenagers are in a developmental stage.
- Children must be protected from advertising and promotional campaigns that exploit their own vulnerabilities.

- COUNTERPOINT

- Limits to protect children are not practical because limits work against access of adults and mature teenagers to information and ideas.
- Anyway, who can oppose something as patriotic and noble as military service?

Brand Strategies

- Brand Names
- Brand Images
 - David Ogilvy
- Whither Brand Names
 - Store Brands
 - Branding

APPLYING YOUR MEDIA LITERACY

- To what extent have brand names become hollow cachets since the time of Josiah Wedgwood?
- How would you characterize the legacy of David Ogilvy?
- How does the advent of Wal-Mart style store-branding affect the future of advertising as an industry? And of advertising-supported mass media?

Advertising Tactics

- Lowest Common Denominator
 - Unique Selling Proposition – USP
 - Rosser Reeves
 - Positioning
 - Jack Trout

Advertising Tactics (continued)

- Redundancy Techniques
 - Barrages
 - Flights or Waves
 - Bunching
 - Trailing
 - Multimedia Trailing
- Testimonials

APPLYING YOUR MEDIA LITERACY

- Which recent lowest common denominator advertising campaign irritates you the most? Why do you think these ads are effective? Would you choose a product because of these ads? Or decide against the product?
- How does the concept of positioning add dimension in advertising commodities, like toothpaste or underarm deodorant?
- Do you see a need for greater regulation of testimonials in advertising?

Contemporary Techniques

- Advertising Clutter
- Word-of-Mouth Advertising
 - Buzz Advertising
- Viral Advertising
- Under-the-Radar Advertising
 - Stealth Ads
- Product Placement
- Infomercials
 - ‘Zines

# OF MESSAGES PER COMMERCIAL BREAK	
ABC	7.1
CBS	6.3
NBC	6.2
FOX	6.0

APPLYING YOUR MEDIA LITERACY

- Why is clutter more of a problem in broadcast than in print media?
- Do you see media demassification easing the ad clutter problem?
- From an advertiser's perspective, what are the pros and cons of going viral? Of going under the radar?