

# Advertising Management

## Theory and Practice



**Kyle Hill**

# Advertising Management: Theory and Practice



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Edited by  
**Kyle Hill**

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Edited by Kyle Hill  
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# Preface

The book aims to shed light on some of the unexplored aspects of advertising. It gives deep insights about this field of study. Advertising is a part of marketing communication mix. It refers to the use of audio and visual to promote or sell any product, idea or service. The channels used in advertising are T.V, radio, Internet, direct email, outdoor advertising and new media, etc. Such selected concepts that redefine advertising have been presented in this book. While understanding the long-term perspectives of the topics, the text makes an effort in highlighting their impact as a modern tool for the growth of the discipline. This textbook is a complete source of knowledge on the present status of this important field.

A detailed account of the significant topics covered in this book is provided below:

**Chapter 1-** Advertising is a form of marketing communication that is meant to sell, publicize or promote a product or service. The chapter begins by chronicling the history of advertising and informing the reader about the various breakthroughs that have taken place in the advertising world. A section also explores the topic of advertising management. This chapter is an overview of the subject matter incorporating all the major aspects of advertising.

**Chapter 2-** Advertising can be classified based on the medium used or the methods/tactics used to promote a product or service. This chapter elaborates about topics like broadcast (television, radio) advertising, online advertising, mobile advertising, classified advertising, shock advertising etc. Tactics and methods of advertising are elucidated in topics like targeted advertising, comparative advertising, performance-based advertising etc. The major components of advertising are discussed in this chapter.

**Chapter 3-** Out-of-the-home advertising or outdoor advertising is the term for any advertising that reaches a consumer outside his/her house. It is a form of mass communication and is better suited in techniques such as branding, support campaigns and interactive messages. This chapter provides a detailed account of outdoor advertising and its various forms like billboard advertising, sandwich boards, mobile billboards, transit advertising etc. The major categories of outdoor advertisement are dealt with great details in the chapter.

**Chapter 4-** This chapter focuses on topics like public service announcement, virtual advertising, interactive advertising, in-game advertising, wrap advertising, parody advertising, space advertising, advertorials, barn advertising etc. that are key concepts of advertising. The section talks about each topic in detail giving definitions and techniques used in each. It is crucial to understand these in order to get a firm grasp on advertising.

**Chapter 5-** This chapter introduces the reader to contemporary topics in advertising like international tourism advertising and advertising in video games. Advertising in video games can be classified under in-app advertising which can take the form of bribery, in-app purchases for better specs, ad boosts etc. International tourism advertising focuses on the strategies used to promote regions of the world to foreign countries. The chapter serves as a source to understand the major categories related to modern advertising.

**Chapter 6-** A series of marketing messages with a central theme or a single idea integrated together is referred to as an advertising campaign. This chapter informs the reader about the five key points of an advertising campaign- integrated marketing communications, media channels, positioning, the communications process diagram and touch points. An overview of campaign advertising, augmented reality and the role of family in advertising campaign have been dealt with in this chapter.

**Chapter 7-** Advertising is a large and dynamic field involving various people and organizations. In order to protect the interest of the consumers, to safeguard creativity and to regulate the content and influence of advertising, there are several regulations in place. A section also discusses the topic of false advertising and the various ways that it is carried out. This chapter discusses some of the major and important regulations in the advertising field namely, consumer protection and false advertising.

**Chapter 8-** To help advertise better, marketing tool of advertising research is used. There are two types of research- customized and syndicated. This chapter explains both these types of advertising research and also discusses the various steps involved in advertising research like copy testing and ad tracking. The topics discussed in the chapter are of great importance to broaden the existing knowledge on advertising.

I would like to make a special mention of my publisher who considered me worthy of this opportunity and also supported me throughout the process. I would also like to thank the editing team at the back-end who extended their help whenever required.

**Editor**

# Introduction to Advertising and Advertising Management

Advertising is a form of marketing communication that is meant to sell, publicize or promote a product or service. The chapter begins by chronicling the history of advertising and informing the reader about the various breakthroughs that have taken place in the advertising world. A section also explores the topic of advertising management. This chapter is an overview of the subject matter incorporating all the major aspects of advertising.

## Advertising

Advertising is a form of marketing communication used to promote or sell something, usually a business's product or service. Advertising by a government in favor of its own policies is often called propaganda.



A Coca-Cola advertisement from the 1890s

In Latin, *ad vertere* means “to turn toward”. The purpose of advertising may also be to reassure employees or shareholders that a company is viable or successful. Advertising messages are usually paid for by sponsors and viewed via various old media; including mass media such as newspapers, magazines, Television, Radio, outdoor advertising or direct mail; or new media such as blogs, websites or text messages.

Commercial ads seek to generate increased consumption of their products or services

through “branding,” which associates a product name or image with certain qualities in the minds of consumers. Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies. Non-profit organizations may use free modes of persuasion, such as a public service announcement.

Modern advertising was created with the techniques introduced with tobacco advertising in the 1920s, most significantly with the campaigns of Edward Bernays, considered the founder of modern, “Madison Avenue” advertising.

In 2015, the world spent an estimate of US\$592.43 billion on advertising. Internationally, the largest (“big four”) advertising conglomerates are Interpublic, Omnicom, Publicis, and WPP.

## History

Egyptians used papyrus to make sales messages and wall posters. Commercial messages and political campaign displays have been found in the ruins of Pompeii and ancient Arabia. Lost and found advertising on papyrus was common in Ancient Greece and Ancient Rome. Wall or rock painting for commercial advertising is another manifestation of an ancient advertising form, which is present to this day in many parts of Asia, Africa, and South America. The tradition of wall painting can be traced back to Indian rock art paintings that date back to 4000 BC.



Bronze plate for printing an advertisement for the Liu family needle shop at Jinan, Song dynasty China. It is considered the world’s earliest identified printed advertising medium.

In ancient China, the earliest advertising known was oral, as recorded in the *Classic of Poetry* (11th to 7th centuries BC) of bamboo flutes played to sell candy. Advertisement usually takes in the form of calligraphic signboards and inked papers. A copper printing plate dated back to the Song dynasty used to print posters in the form of a square sheet of paper with a rabbit logo with “Jinan Liu’s Fine Needle Shop” and “We buy

high-quality steel rods and make fine-quality needles, to be ready for use at home in no time” written above and below is considered the world’s earliest identified printed advertising medium.

In Europe, as the towns and cities of the Middle Ages began to grow, and the general populace was unable to read, instead of signs that read “cobbler”, “miller”, “tailor”, or “blacksmith”, images associated with their trade would be used such as a boot, a suit, a hat, a clock, a diamond, a horse shoe, a candle or even a bag of flour. Fruits and vegetables were sold in the city square from the backs of carts and wagons and their proprietors used street callers (town criers) to announce their whereabouts for the convenience of the customers. The first compilation of such advertisements was gathered in “Les Crieries de Paris”, a thirteenth-century poem by Guillaume de la Villeneuve.

In the 18th century advertisements started to appear in weekly newspapers in England. These early print advertisements were used mainly to promote books and newspapers, which became increasingly affordable with advances in the printing press; and medicines, which were increasingly sought after as disease ravaged Europe. However, false advertising and so-called “quack” advertisements became a problem, which ushered in the regulation of advertising content.

## 19th Century

Thomas J. Barratt from London has been called “the father of modern advertising”. Working for the Pears Soap company, Barratt created an effective advertising campaign for the company products, which involved the use of targeted slogans, images and phrases. One of his slogans, “Good morning. Have you used Pears’ soap?” was famous in its day and into the 20th century.



Edo period LEL flyer from 1806 for a traditional medicine called *Kinseitani*.

Barratt introduced many of the crucial ideas that lie behind successful advertising and these were widely circulated in his day. He constantly stressed the importance of a strong and exclusive brand image for Pears and of emphasizing the product's availability through saturation campaigns. He also understood the importance of constantly reevaluating the market for changing tastes and mores, stating in 1907 that "tastes change, fashions change, and the advertiser has to change with them. An idea that was effective a generation ago would fall flat, stale, and unprofitable if presented to the public today. Not that the idea of today is always better than the older idea, but it is different – it hits the present taste."

As the economy expanded across the world during the 19th century, advertising grew alongside. In the United States, the success of this advertising format eventually led to the growth of mail-order advertising.

In June 1836, French newspaper *La Presse* was the first to include paid advertising in its pages, allowing it to lower its price, extend its readership and increase its profitability and the formula was soon copied by all titles. Around 1840, Volney B. Palmer established the roots of the modern day advertising agency in Philadelphia. In 1842 Palmer bought large amounts of space in various newspapers at a discounted rate then resold the space at higher rates to advertisers. The actual ad – the copy, layout, and artwork – was still prepared by the company wishing to advertise; in effect, Palmer was a space broker. The situation changed in the late 19th century when the advertising agency of N.W. Ayer & Son was founded. Ayer and Son offered to plan, create, and execute complete advertising campaigns for its customers. By 1900 the advertising agency had become the focal point of creative planning, and advertising was firmly established as a profession.

Around the same time, in France, Charles-Louis Havas extended the services of his news agency, Havas to include advertisement brokerage, making it the first French group to organize. At first, agencies were brokers for advertisement space in newspapers. N. W. Ayer & Son was the first full-service agency to assume responsibility for advertising content. N.W. Ayer opened in 1869, and was located in Philadelphia.

## 20th Century

Advertising increased dramatically in the United States as industrialization expanded the supply of manufactured products. In order to profit from this higher rate of production, industry needed to recruit workers as consumers of factory products. It did so through the invention of mass marketing designed to influence the population's economic behavior on a larger scale. In the 1910s and 1920s, advertisers in the U.S. adopted the doctrine that human instincts could be targeted and harnessed – "sublimated" into the desire to purchase commodities. Edward Bernays, a nephew of Sigmund Freud, became associated with the method and is sometimes called the founder of modern advertising and public relations.



A 1900 advertisement for Pears soap.

WHEN IN DOUBT—"LOOK IT UP" IN  
The  
*Encyclopaedia Britannica*



The Sum of Human Knowledge  
29 volumes, 28,150 pages,  
44,000,000 words of text.  
Printed on thin, but strong  
opaque India paper, each  
volume but one inch in  
thickness.

(New 11th Edition) Issued 1910-11 by the  
CAMBRIDGE UNIVERSITY PRESS (England)

THE BOOK TO ASK QUESTIONS OF      FOR READING OR FOR STUDY

A print advertisement for the 1913 issue of the *Encyclopaedia Britannica*.

In the 1920s, under Secretary of Commerce Herbert Hoover, the American government promoted advertising. Hoover himself delivered an address to the Associated Advertising Clubs of the World in 1925 called 'Advertising Is a Vital Force in Our National Life.' In October 1929, the head of the U.S. Bureau of Foreign and Domestic Commerce, Julius Klein, stated "Advertising is the key to world prosperity." This was part of the "unparalleled" collaboration between business and government in the 1920s, according to a 1933 European economic journal.

The tobacco companies became major advertisers in order to sell packaged cigarettes. The tobacco companies pioneered the new advertising techniques when they hired Bernays to create positive associations with tobacco smoking.

Advertising was also used as a vehicle for cultural assimilation, encouraging workers to exchange their traditional habits and community structure in favor of a shared "modern" lifestyle. An important tool for influencing immigrant workers was the American Association of Foreign Language Newspapers (AAFLN). The AAFLN was primarily an advertising agency but also gained heavily centralized control over much of the immigrant press.

At the turn of the 20th century, there were few career choices for women in business;

however, advertising was one of the few. Since women were responsible for most of the purchasing done in their household, advertisers and agencies recognized the value of women's insight during the creative process. In fact, the first American advertising to use a sexual sell was created by a woman – for a soap product. Although tame by today's standards, the advertisement featured a couple with the message "A skin you love to touch".

In the 1920s psychologists Walter D. Scott and John B. Watson contributed applied psychological theory to the field of advertising. Scott said, "Man has been called the reasoning animal but he could with greater truthfulness be called the creature of suggestion. He is reasonable, but he is to a greater extent suggestible". He demonstrated this through his advertising technique of a direct command to the consumer.

### **On the Radio from the 1920s**

Advertisement for a live radio broadcast, sponsored by a milk company, Adohr milk, and published in the *Los Angeles Times* on May 6, 1930

In the early 1920s, the first radio stations were established by radio equipment manufacturers and retailers who offered programs in order to sell more radios to consumers. As time passed, many non-profit organizations followed suit in setting up their own radio stations, and included: schools, clubs and civic groups.

When the practice of sponsoring programs was popularized, each individual radio program was usually sponsored by a single business in exchange for a brief mention of the business' name at the beginning and end of the sponsored shows. However, radio station owners soon realized they could earn more money by selling sponsorship rights in small time allocations to multiple businesses throughout their radio station's broadcasts, rather than selling the sponsorship rights to single businesses per show.

### **Commercial Television in the 1950s**

In the early 1950s, the DuMont Television Network began the modern practice of selling advertisement time to multiple sponsors. Previously, DuMont had trouble finding sponsors for many of their programs and compensated by selling smaller blocks of advertising time to several businesses. This eventually became the standard for the commercial television industry in the United States. However, it was still a common practice to have single sponsor shows, such as *The United States Steel Hour*. In some instances the sponsors exercised great control over the content of the show – up to and including having one's advertising agency actually writing the show. The single sponsor model is much less prevalent now, a notable exception being the *Hallmark Hall of Fame*.

### **Cable Television from the 1980s**

The late 1980s and early 1990s saw the introduction of cable television and particu-

larly MTV. Pioneering the concept of the music video, MTV ushered in a new type of advertising: the consumer tunes in *for* the advertising message, rather than it being a by-product or afterthought. As cable and satellite television became increasingly prevalent, specialty channels emerged, including channels entirely devoted to advertising, such as QVC, Home Shopping Network, and ShopTV Canada.

## **On the Internet from the 1990s**

With the advent of the ad server, online advertising grew, contributing to the “dot-com” boom of the 1990s. Entire corporations operated solely on advertising revenue, offering everything from coupons to free Internet access. At the turn of the 21st century, some websites, including the search engine Google, changed online advertising by personalizing ads based on web browsing behavior. This has led to other similar efforts and an increase in interactive advertising.

The share of advertising spending relative to GDP has changed little across large changes in media since 1925. In 1925, the main advertising media in America were newspapers, magazines, signs on streetcars, and outdoor posters. Advertising spending as a share of GDP was about 2.9 percent. By 1998, television and radio had become major advertising media. Nonetheless, advertising spending as a share of GDP was slightly lower – about 2.4 percent.

Guerrilla marketing involves unusual approaches such as staged encounters in public places, giveaways of products such as cars that are covered with brand messages, and interactive advertising where the viewer can respond to become part of the advertising message. This type of advertising is unpredictable, which causes consumers to buy the product or idea. This reflects an increasing trend of interactive and “embedded” ads, such as via product placement, having consumers vote through text messages, and various campaigns utilizing social network services such as Facebook or Twitter.

The advertising business model has also been adapted in recent years. In media for equity, advertising is not sold, but provided to start-up companies in return for equity. If the company grows and is sold, the media companies receive cash for their shares.

Domain name registrants (usually those who register and renew domains as an investment) sometimes “park” their domains and allow advertising companies to place ads on their sites in return for per-click payments. These ads are typically driven by pay per click search engines like Google or Yahoo, but ads can sometimes be placed directly on targeted domain names through a domain lease or by making contact with the registrant of a domain name that describes a product. Domain name registrants are generally easy to identify through WHOIS records that are publicly available at registrar websites.

## Advertising Theory

### Hierarchy-of-effects Models

Various competing models of hierarchies of effects attempt to provide a theoretical underpinning to advertising practice.

- The model of Clow and Baack clarifies the objectives of an advertising campaign and for each individual advertisement. The model postulates six steps a buyer moves through when making a purchase:
  1. Awareness
  2. Knowledge
  3. Liking
  4. Preference
  5. Conviction
  6. Purchase
- Means-End Theory suggests that an advertisement should contain a message or means that leads the consumer to a desired end-state.
- Leverage Points aim to move the consumer from understanding a product's benefits to linking those benefits with personal values.

### Marketing Mix

The marketing mix was proposed by professor E. Jerome McCarthy in the 1960s. It consists of four basic elements called the “four Ps”. Product is the first P representing the actual product. Price represents the process of determining the value of a product. Place represents the variables of getting the product to the consumer such as distribution channels, market coverage and movement organization. The last P stands for Promotion which is the process of reaching the target market and convincing them to buy the product.

In the 1990s, the concept of four Cs was introduced as a more customer-driven replacement of four P's. There are two theories based on four Cs: Lauterborn's four Cs (*consumer, cost, communication, convenience*) and Shimizu's four Cs (*commodity, cost, communication, channel*) in the 7Cs Compass Model (Co-marketing). Communications can include advertising, sales promotion, public relations, publicity, personal selling, corporate identity, internal communication, SNS, MIS.

### Types of Advertising

An advertisement for the Wikimedia Foundation.



An advertisement for a diner. Such signs are common on storefronts.

Virtually any medium can be used for advertising. Commercial advertising media can include wall paintings, billboards, street furniture components, printed flyers and rack cards, radio, cinema and television adverts, web banners, mobile telephone screens, shopping carts, web popups, skywriting, bus stop benches, human billboards and forehead advertising, magazines, newspapers, town criers, sides of buses, banners attached to or sides of airplanes (“logojets”), in-flight advertisements on seatback tray tables or overhead storage bins, taxicab doors, roof mounts and passenger screens, musical stage shows, subway platforms and trains, elastic bands on disposable diapers, doors of bathroom stalls, stickers on apples in supermarkets, shopping cart handles (grabvertising), the opening section of streaming audio and video, posters, and the backs of event tickets and supermarket receipts. Any place an “identified” sponsor pays to deliver their message through a medium is advertising.



Paying people to hold signs is one of the oldest forms of advertising, as with this human billboard.



Mobile Billboard in East Coast Park, Singapore.

## Television Advertising / Music in Advertising

Television advertising is one of the most expensive types of advertising; networks charge large amounts for commercial airtime during popular events. The annual Super Bowl football game in the United States is known as the most prominent advertising event on television - with an audience of over 108 million and studies showing that 50% of those only tuned in to see the advertisements. The average cost of a single thirty-second television spot during this game reached US\$4 million & a 60-second spot double that figure in 2014. Virtual advertisements may be inserted into regular programming through computer graphics. It is typically inserted into otherwise blank backdrops or used to replace local billboards that are not relevant to the remote broadcast audience. More controversially, virtual billboards may be inserted into the background where none exist in real-life. This technique is especially used in televised sporting events. Virtual product placement is also possible.

## Infomercials

An infomercial is a long-format television commercial, typically five minutes or longer. The word "infomercial" is a portmanteau of the words "information" and "commercial". The main objective in an infomercial is to create an impulse purchase, so that the target sees the presentation and then immediately buys the product through the advertised toll-free telephone number or website. Infomercials describe, display, and often demonstrate products and their features, and commonly have testimonials from customers and industry professionals.

## Radio advertising

Radio advertisements are broadcast as radio waves to the air from a transmitter to an antenna and a thus to a receiving device. Airtime is purchased from a station or network in exchange for airing the commercials. While radio has the limitation of being restricted to sound, proponents of radio advertising often cite this as an advantage. Radio is an expanding medium that can be found on air, and also online. According to Arbitron, radio has approximately 241.6 million weekly listeners, or more than 93 percent of the U.S. population.

## Online advertising

Online advertising is a form of promotion that uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers. Online ads are delivered by an ad server. Examples of online advertising include contextual ads that appear on search engine results pages, banner ads, in pay per click text ads, rich media ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing, including e-mail spam. A newer form of online advertising is Na-

tive Ads; they go in a website's news feed and are supposed to improve user experience by being less intrusive. However, some people argue this practice is deceptive.

### Domain name advertising

Domain name advertising is most commonly done through pay per click web search engines, however, advertisers often lease space directly on domain names that generically describe their products. When an Internet user visits a website by typing a domain name directly into their web browser, this is known as "direct navigation", or "type in" web traffic. Although many Internet users search for ideas and products using search engines and mobile phones, a large number of users around the world still use the address bar. They will type a keyword into the address bar such as "geraniums" and add ".com" to the end of it. Sometimes they will do the same with ".org" or a country-code Top Level Domain (TLD such as ".co.uk" for the United Kingdom or ".ca" for Canada). When Internet users type in a generic keyword and add .com or another top-level domain (TLD) ending, it produces a targeted sales lead. Domain name advertising was originally developed by Oingo (later known as Applied Semantics), one of Google's early acquisitions.

### Product placements

Covert advertising is when a product or brand is embedded in entertainment and media. For example, in a film, the main character can use an item or other of a definite brand, as in the movie *Minority Report*, where Tom Cruise's character John Anderton owns a phone with the *Nokia* logo clearly written in the top corner, or his watch engraved with the *Bulgari* logo. Another example of advertising in film is in *I, Robot*, where main character played by Will Smith mentions his *Converse* shoes several times, calling them "classics", because the film is set far in the future. *I, Robot* and *Spaceballs* also showcase futuristic cars with the *Audi* and *Mercedes-Benz* logos clearly displayed on the front of the vehicles. Cadillac chose to advertise in the movie *The Matrix Reloaded*, which as a result contained many scenes in which Cadillac cars were used. Similarly, product placement for Omega Watches, Ford, VAIO, BMW and Aston Martin cars are featured in recent James Bond films, most notably *Casino Royale*. In "Fantastic Four: Rise of the Silver Surfer", the main transport vehicle shows a large Dodge logo on the front. *Blade Runner* includes some of the most obvious product placement; the whole film stops to show a Coca-Cola billboard.

### Press advertising

Press advertising describes advertising in a printed medium such as a newspaper, magazine, or trade journal. This encompasses everything from media with a very broad readership base, such as a major national newspaper or magazine,

to more narrowly targeted media such as local newspapers and trade journals on very specialized topics. A form of press advertising is classified advertising, which allows private individuals or companies to purchase a small, narrowly targeted ad for a low fee advertising a product or service. Another form of press advertising is the display ad, which is a larger ad (which can include art) that typically run in an article section of a newspaper.

### Billboard advertising

Billboards are large structures located in public places which display advertisements to passing pedestrians and motorists. Most often, they are located on main roads with a large amount of passing motor and pedestrian traffic; however, they can be placed in any location with large amounts of viewers, such as on mass transit vehicles and in stations, in shopping malls or office buildings, and in stadiums.

### Mobile billboard advertising

Mobile billboards are generally vehicle mounted billboards or digital screens. These can be on dedicated vehicles built solely for carrying advertisements along routes preselected by clients, they can also be specially equipped cargo trucks or, in some cases, large banners strewn from planes. The billboards are often lighted; some being backlit, and others employing spotlights. Some billboard displays are static, while others change; for example, continuously or periodically rotating among a set of advertisements. Mobile displays are used for various situations in metropolitan areas throughout the world, including: target advertising, one-day and long-term campaigns, conventions, sporting events, store openings and similar promotional events, and big advertisements from smaller companies.



The *RedEye* newspaper advertised to its target market at North Avenue Beach with a sailboat billboard on Lake Michigan.

## **In-store advertising**

In-store advertising is any advertisement placed in a retail store. It includes placement of a product in visible locations in a store, such as at eye level, at the ends of aisles and near checkout counters (a.k.a. POP – point of purchase display), eye-catching displays promoting a specific product, and advertisements in such places as shopping carts and in-store video displays.

## **Coffee cup advertising**

coffee cup advertising is any advertisement placed upon a coffee cup that is distributed out of an office, café, or drive-through coffee shop. This form of advertising was first popularized in Australia, and has begun growing in popularity in the United States, India, and parts of the Middle East.

## **Street advertising**

This type of advertising first came to prominence in the UK by Street Advertising Services to create outdoor advertising on street furniture and pavements. Working with products such as Reverse Graffiti, air dancers and 3D pavement advertising, for getting brand messages out into public spaces.

## **Sheltered outdoor advertising**

this type of advertising combines outdoor with indoor advertisement by placing large mobile, structures (tents) in public places on temporary bases. The large outdoor advertising space aims to exert a strong pull on the observer, the product is promoted indoors, where the creative decor can intensify the impression.

## **Celebrity branding**

This type of advertising focuses upon using celebrity power, fame, money, popularity to gain recognition for their products and promote specific stores or products. Advertisers often advertise their products, for example, when celebrities share their favorite products or wear clothes by specific brands or designers. Celebrities are often involved in advertising campaigns such as television or print adverts to advertise specific or general products. The use of celebrities to endorse a brand can have its downsides, however; one mistake by a celebrity can be detrimental to the public relations of a brand. For example, following his performance of eight gold medals at the 2008 Olympic Games in Beijing, China, swimmer Michael Phelps' contract with Kellogg's was terminated, as Kellogg's did not want to associate with him after he was photographed smoking marijuana. Celebrities such as Britney Spears have advertised for multiple products including Pepsi, Candies from Kohl's, Twister, NASCAR, and Toyota.

## Customer-generated advertising

This involves getting customers to generate advertising through blogs, websites, wikis and forums, for some kind of payment. Customer-generated advertising can also be used without payment being made. For example, a satisfied customer of a product may boast about their experience on social media. This message may then lead someone else to buy that product. The consumer did not do this with the intention of getting money out of their shared message, but that is what can happen. Especially with a channel as large and as effective as social media, sharing ones opinion, positive or negative can be good or bad advertising for a product.

## Aerial advertising

Using aircraft, balloons or airships to create or display advertising media. Sky-writing is a notable example.



An Allegiant Air aircraft in the special Blue Man Group livery.

## Purpose of Advertising

Advertising is at the front of delivering the proper message to customers and prospective customers. The purpose of advertising is to convince customers that a company's services or products are the best, enhance the image of the company, point out and create a need for products or services, demonstrate new uses for established products, announce new products and programs, reinforce the salespeople's individual messages, draw customers to the business, and to hold existing customers.

## Sales Promotions and Brand Loyalty

Sales promotions are another way to advertise. Sales promotions are double purposed because they are used to gather information about what type of customers one draws in and where they are, and to jump start sales. Sales promotions include things like contests and games, sweepstakes, product giveaways, samples coupons, loyalty programs, and discounts. The ultimate goal of sales promotions is to stimulate potential customers to action.

One way to create brand loyalty is to reward consumers for spending time interacting with the brand. This method may come in many forms like rewards card, rewards programs and sampling.

## Media and Advertising Approaches

Increasingly, other media are overtaking many of the “traditional” media such as television, radio and newspaper because of a shift toward the usage of the Internet for news and music as well as devices like digital video recorders (DVRs) such as TiVo.

Online advertising began with unsolicited bulk e-mail advertising known as “e-mail spam”. Spam has been a problem for e-mail users since 1978. As new online communication channels became available, advertising followed. The first banner ad appeared on the World Wide Web in 1994. Prices of Web-based advertising space are dependent on the “relevance” of the surrounding web content and the traffic that the website receives.

In online display advertising, display ads generate awareness quickly. Unlike search, which requires someone to be aware of a need, display advertising can drive awareness of something new and without previous knowledge. Display works well for direct response. Display is not only used for generating awareness, it’s used for direct response campaigns that link to a landing page with a clear ‘call to action’.

As the mobile phone became a new mass medium in 1998 when the first paid downloadable content appeared on mobile phones in Finland, mobile advertising followed, also first launched in Finland in 2000. By 2007 the value of mobile advertising had reached \$2 billion and providers such as Admob delivered billions of mobile ads.

More advanced mobile ads include banner ads, coupons, Multimedia Messaging Service picture and video messages, advergames and various engagement marketing campaigns. A particular feature driving mobile ads is the 2D barcode, which replaces the need to do any typing of web addresses, and uses the camera feature of modern phones to gain immediate access to web content. 83 percent of Japanese mobile phone users already are active users of 2D barcodes.

Some companies have proposed placing messages or corporate logos on the side of booster rockets and the International Space Station.

Unpaid advertising (also called “publicity advertising”), can include personal recommendations (“bring a friend”, “sell it”), spreading buzz, or achieving the feat of equating a brand with a common noun (in the United States, “Xerox” = “photocopier”, “Kleenex” = tissue, “Vaseline” = petroleum jelly, “Hoover” = vacuum cleaner, and “Band-Aid” = adhesive bandage). However, some companies oppose the use of their brand name to label an object. Equating a brand with a common noun also risks turning that brand into a generic trademark – turning it into a generic term which means that its legal protection as a trademark is lost.

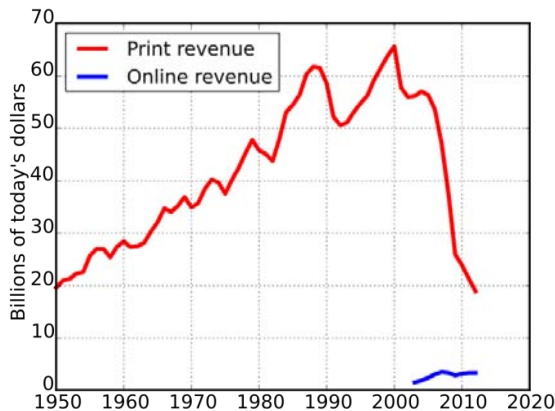
From time to time, The CW Television Network airs short programming breaks called “Content Wraps”, to advertise one company’s product during an entire commercial

break. The CW pioneered “content wraps” and some products featured were Herbal Essences, Crest, Guitar Hero II, CoverGirl, and recently Toyota.

A new promotion concept has appeared, “ARvertising”, advertising on Augmented Reality technology.

Controversy exists on the effectiveness of subliminal advertising and the pervasiveness of mass messages.

## Rise in New Media



US Newspaper Advertising Revenue  
Newspaper Association of America published data

With the Internet came many new advertising opportunities. Popup, Flash, banner, Popunder, advergaming, and email advertisements (all of which are often unwanted or spam in the case of email) are now commonplace. Particularly since the rise of “entertaining” advertising, some people may like an advertisement enough to wish to watch it later or show a friend. In general, the advertising community has not yet made this easy, although some have used the Internet to widely distribute their ads to anyone willing to see or hear them. In the last three-quarters of 2009 mobile and internet advertising grew by 18% and 9% respectively. Older media advertising saw declines: -10.1% (TV), -11.7% (radio), -14.8% (magazines) and -18.7% (newspapers).

## Niche Marketing

Another significant trend regarding future of advertising is the growing importance of the niche market using niche or targeted ads. Also brought about by the Internet and the theory of The Long Tail, advertisers will have an increasing ability to reach specific audiences. In the past, the most efficient way to deliver a message was to blanket the largest mass market audience possible. However, usage tracking, customer profiles and the growing popularity of niche content brought about by everything from blogs to social networking sites, provide advertisers with audiences that are

smaller but much better defined, leading to ads that are more relevant to viewers and more effective for companies' marketing products. Among others, Comcast Spotlight is one such advertiser employing this method in their video on demand menus. These advertisements are targeted to a specific group and can be viewed by anyone wishing to find out more about a particular business or practice, from their home. This causes the viewer to become proactive and actually choose what advertisements they want to view.

Google AdSense is an example of niche marketing. Google calculates the primary purpose of a website and adjusts ads accordingly; it uses key words on the page (or even in emails) to find the general ideas of topics discussed and places ads that will most likely be clicked on by viewers of the email account or website visitors.

## Crowdsourcing

The concept of crowdsourcing has given way to the trend of user-generated advertisements. User-generated ads are created by people, as opposed to an advertising agency or the company themselves, often resulting from brand sponsored advertising competitions. For the 2007 Super Bowl, the Frito-Lays division of PepsiCo held the *Crash the Super Bowl* contest, allowing people to create their own Doritos commercial. Chevrolet held a similar competition for their Tahoe line of SUVs. Due to the success of the Doritos user-generated ads in the 2007 Super Bowl, Frito-Lays relaunched the competition for the 2009 and 2010 Super Bowl. The resulting ads were among the most-watched and most-liked Super Bowl ads. In fact, the winning ad that aired in the 2009 Super Bowl was ranked by the USA Today Super Bowl Ad Meter as the top ad for the year while the winning ads that aired in the 2010 Super Bowl were found by Nielsen's BuzzMetrics to be the "most buzzed-about". Another example of companies using crowdsourcing successfully is the beverage company Jones Soda that encourages consumers to participate in the label design themselves.

This trend has given rise to several online platforms that host user-generated advertising competitions on behalf of a company. Founded in 2007, Zooppa has launched ad competitions for brands such as Google, Nike, Hershey's, General Mills, Microsoft, NBC Universal, Zinio, and Mini Cooper. Crowdsourced remains controversial, as the long-term impact on the advertising industry is still unclear.

## Global Advertising

Advertising has gone through five major stages of development: domestic, export, international, multi-national, and global. For global advertisers, there are four, potentially competing, business objectives that must be balanced when developing worldwide advertising: building a brand while speaking with one voice, developing economies of scale in the creative process, maximising local effectiveness of ads, and increasing the company's speed of implementation. Born from the evolutionary stages of global

marketing are the three primary and fundamentally different approaches to the development of global advertising executions: exporting executions, producing local executions, and importing ideas that travel.

Advertising research is key to determining the success of an ad in any country or region. The ability to identify which elements and/or moments of an ad contribute to its success is how economies of scale are maximized. Once one knows what works in an ad, that idea or ideas can be imported by any other market. Market research measures, such as Flow of Attention, Flow of Emotion and branding moments provide insight into what is working in an ad in any country or region because the measures are based on the visual, not verbal, elements of the ad.

### **Foreign Public Messaging**

Foreign governments, particularly those that own marketable commercial products or services, often promote their interests and positions through the advertising of those goods because the target audience is not only largely unaware of the forum as a vehicle for foreign messaging but also willing to receive the message while in a mental state of absorbing information from advertisements during television commercial breaks, while reading a periodical, or while passing by billboards in public spaces. A prime example of this messaging technique is advertising campaigns to promote international travel. While advertising foreign destinations and services may stem from the typical goal of increasing revenue by drawing more tourism, some travel campaigns carry the additional or alternative intended purpose of promoting good sentiments or improving existing ones among the target audience towards a given nation or region. It is common for advertising promoting foreign countries to be produced and distributed by the tourism ministries of those countries, so these ads often carry political statements and/or depictions of the foreign government's desired international public perception. Additionally, a wide range of foreign airlines and travel-related services which advertise separately from the destinations, themselves, are owned by their respective governments; examples include, though are not limited to, the Emirates airline (Dubai), Singapore Airlines (Singapore), Qatar Airways (Qatar), China Airlines (Taiwan/Republic of China), and Air China (People's Republic of China). By depicting their destinations, airlines, and other services in a favorable and pleasant light, countries market themselves to populations abroad in a manner that could mitigate prior public impressions.

### **Diversification**

In the realm of advertising agencies, continued industry diversification has seen observers note that "big global clients don't need big global agencies any more". This is reflected by the growth of non-traditional agencies in various global markets, such as Canadian business TAXI and SMART in Australia and has been referred to as "a revolution in the ad world".

## New Technology

The ability to record shows on digital video recorders (such as TiVo) allow watchers to record the programs for later viewing, enabling them to fast forward through commercials. Additionally, as more seasons of pre-recorded box sets are offered for sale of television programs; fewer people watch the shows on TV. However, the fact that these sets are sold, means the company will receive additional profits from these sets.

To counter this effect, a variety of strategies have been employed. Many advertisers have opted for product placement on TV shows like Survivor. Other strategies include integrating advertising with internet-connected EPGs, advertising on companion devices (like smartphones and tablets) during the show, and creating TV apps. Additionally, some like brands have opted for social television sponsorship.

## Advertising Education

Advertising education has become popular with bachelor, master and doctorate degrees becoming available in the emphasis. A surge in advertising interest is typically attributed to the strong relationship advertising plays in cultural and technological changes, such as the advance of online social networking. A unique model for teaching advertising is the student-run advertising agency, where advertising students create campaigns for real companies. Organizations such as the American Advertising Federation establish companies with students to create these campaigns.

## Criticisms

While advertising can be seen as necessary for economic growth, it is not without social costs. Unsolicited commercial e-mail and other forms of spam have become so prevalent as to have become a major nuisance to users of these services, as well as being a financial burden on internet service providers. Advertising is increasingly invading public spaces, such as schools, which some critics argue is a form of child exploitation.

One of the most controversial criticisms of advertisement in the present day is that of the predominance of advertising of foods high in sugar, fat, and salt specifically to children. Critics claim that food advertisements targeting children are exploitive and are not sufficiently balanced with proper nutritional education to help children understand the consequences of their food choices. Additionally, children may not understand that they are being sold something, and are therefore more impressionable. Michelle Obama has criticized large food companies for advertising unhealthy foods largely towards children and has requested that food companies either limit their advertising to children or advertise foods that are more in line with dietary guidelines. The other criticisms include the change that are brought by those advertisements on the society and also the deceiving ads that are aired and published by the corporations. Cosmetic

and health industry are the ones which exploited the highest and created reasons of concern.

## Regulation

There have been increasing efforts to protect the public interest by regulating the content and the influence of advertising. Some examples are: the ban on television tobacco advertising imposed in many countries, and the total ban of advertising to children under 12 imposed by the Swedish government in 1991. Though that regulation continues in effect for broadcasts originating within the country, the European Court of Justice ruled that Sweden was obliged to accept foreign programming, including those from neighboring countries or via satellite. Greece's regulations are of a similar nature, "banning advertisements for children's toys between 7 am and 10 pm and a total ban on advertisement for war toys".

In Europe and elsewhere, there is a vigorous debate on whether (or how much) advertising to children should be regulated. This debate was exacerbated by a report released by the Kaiser Family Foundation in February 2004 which suggested fast food advertising that targets children was an important factor in the epidemic of childhood obesity in the United States.

In New Zealand, South Africa, Pakistan, Afghanistan, Canada, and many European countries, the advertising industry operates a system of self-regulation. Advertisers, advertising agencies and the media agree on a code of advertising standards that they attempt to uphold. The general aim of such codes is to ensure that any advertising is 'legal, decent, honest and truthful'. Some self-regulatory organizations are funded by the industry, but remain independent, with the intent of upholding the standards or codes like the Advertising Standards Authority in the UK.

In the UK, most forms of outdoor advertising such as the display of billboards is regulated by the UK Town and County Planning system. Currently, the display of an advertisement without consent from the Planning Authority is a criminal offense liable to a fine of £2,500 per offense. All of the major outdoor billboard companies in the UK have convictions of this nature.

In the US, many communities believe that many forms of outdoor advertising blight the public realm. As long ago as the 1960s in the US there were attempts to ban billboard advertising in the open countryside. Cities such as São Paulo have introduced an outright ban with London also having specific legislation to control unlawful displays.

Many advertisers employ a wide-variety of linguistic devices to bypass regulatory laws (e.g. In France, printing English words in bold and French translations in fine print to deal with the Article 120 of the 1994 Toubon Law limiting the use of English). The advertisement of controversial products such as cigarettes and condoms are subject to government regulation in many countries. For instance, the tobacco industry is re-

quired by law in most countries to display warnings cautioning consumers about the health hazards of their products. Linguistic variation is often used by advertisers as a creative device to reduce the impact of such requirements.

## Advertising Research

Advertising research is a specialized form of research that works to improve the effectiveness and efficiency of advertising. It entails numerous forms of research which employ different methodologies. Advertising research includes pre-testing (also known as copy testing) and post-testing of ads and/or campaigns – pre-testing is done before an ad airs to gauge how well it will perform and post-testing is done after an ad airs to determine the in-market impact of the ad or campaign. Continuous ad tracking and the Communicus System are competing examples of post-testing advertising research types.

## Semiotics

Meanings between consumers and marketers depict signs and symbols that are encoded in everyday objects. Semiotics is the study of signs and how they are interpreted. Advertising has many hidden signs and meanings within brand names, logos, package designs, print advertisements, and television advertisements. Semiotics aims to study and interpret the message being conveyed in (for example) advertisements. Logos and advertisements can be interpreted at two levels - known as the surface level and the underlying level. The surface level uses signs creatively to create an image or personality for a product. These signs can be images, words, fonts, colors, or slogans. The underlying level is made up of hidden meanings. The combination of images, words, colors, and slogans must be interpreted by the audience or consumer. The “key to advertising analysis” is the signifier and the signified. The signifier is the object and the signified is the mental concept. A product has a signifier and a signified. The signifier is the color, brand name, logo design, and technology. The signified has two meanings known as denotative and connotative. The denotative meaning is the meaning of the product. A television’s denotative meaning might be that it is high definition. The connotative meaning is the product’s deep and hidden meaning. A connotative meaning of a television would be that it is top-of-the-line.

Apple’s commercials used a black silhouette of a person that was the age of Apple’s target market. They placed the silhouette in front of a blue screen so that the picture behind the silhouette could be constantly changing. However, the one thing that stays the same in these ads is that there is music in the background and the silhouette is listening to that music on a white iPod through white headphones. Through advertising, the white color on a set of earphones now signifies that the music device is an iPod. The white color signifies almost all of Apple’s products.

The semiotics of gender plays a key influence on the way in which signs are interpreted. When considering gender roles in advertising, individuals are influenced by three cate-

gories. Certain characteristics of stimuli may enhance or decrease the elaboration of the message (if the product is perceived as feminine or masculine). Second, the characteristics of individuals can affect attention and elaboration of the message (traditional or non-traditional gender role orientation). Lastly, situational factors may be important to influence the elaboration of the message.

There are two types of marketing communication claims-objective and subjective. Objective claims stem from the extent to which the claim associates the brand with a tangible product or service feature. For instance, a camera may have auto-focus features. Subjective claims convey emotional, subjective, impressions of intangible aspects of a product or service. They are non-physical features of a product or service that cannot be directly perceived, as they have no physical reality. For instance the brochure has a beautiful design. Males tend to respond better to objective marketing-communications claims while females tend to respond better to subjective marketing communications claims.

Voiceovers are commonly used in advertising. Most voiceovers are done by men, with figures of up to 94% having been reported. There have been more female voiceovers in recent years, but mainly for food, household products, and feminine-care products.

### **Gender Effects in the Processing of Advertising**

According to a 1977 study by David Statt, females process information comprehensively, while males process information through heuristic devices such as procedures, methods or strategies for solving problems, which could have an effect on how they interpret advertising. According to this study, men prefer to have available and apparent cues to interpret the message where females engage in more creative, associative, imagery-laced interpretation. Later research by a Danish team found that advertising attempts to persuade men to improve their appearance or performance, whereas its approach to women is aimed at transformation toward an impossible ideal of female presentation. Advertising's manipulation of women's aspiration to these ideal types, as they are portrayed in film, in erotic art, in advertising, on stage, music video, and other media exposures, requires at least a conditioned rejection of female reality, and thereby takes on a highly ideological cast. Not everyone agrees: one critic viewed this monologic, gender-specific interpretation of advertising as excessively skewed and politicized.

More recently, research by Martin (2003) reveals that males and females differ in how they react to advertising depending on their mood at the time of exposure to the ads, and the affective tone of the advertising. When feeling sad, males prefer happy ads to boost their mood. In contrast, females prefer happy ads when they are feeling happy. The television programs in which the ads are embedded are shown to influence a viewer's mood state.

## Advertising Management

Advertising management is a career path in the advertising industry.

Advertising and promotions managers may work for an agency, a public relations firm, a media outlet, or may be hired directly by a company to develop branding for the company's product or service. This position can include supervising employees, acting as a liaison between multiple agencies working on a project, or creating and implementing promotional campaigns. Jabari Jaami

While advertising is the promotional campaign itself, advertising management can address the whole process - the function of marketing starting from market research continuing through advertising, leading to actual sales or achievement of objective, potentially including evaluation of the entire cost-benefits to the company involved.

Ad management incorporates various specialized sub-functions like media strategy, message strategy, media planning, media buying etc.

While advertising management is an inseparable part of the marketing department, the marketing department of an organization is often concerned more with market research and evaluation of results, and some parts of the advertising management can be outsourced to specialized advertising agencies. For example the media buying may be done in bulk by these ad agencies on which they receive discount/commission, that goes into their earning.

It involves designing which strategies to be adopted in order to influence the public, i.e. media selection and deciding on the aspect to be advertised based on the image of the company and the present marketing objective.

## History of Advertising

The history of advertising can be traced to ancient civilizations. It became a major force in capitalist economies in the mid-19th century, based primarily on newspapers and magazines. In the 20th century, advertising grew rapidly with new technologies such as direct mail, radio, television, the Internet and smart phones.

### Pre-modern History

Egyptians used papyrus to make sales messages and wall posters. Commercial messages and political campaign displays have been found in the ruins of Pompeii and its lit Arabia. Lost and found advertising on papyrus was common in Ancient Greece and Ancient Rome. Wall or rock painting for commercial advertising is another manifesta-

tion of an ancient advertising form, which is present to this day in many parts of Asia, Africa, and South America. The tradition of wall painting can be traced back to Indian rock art paintings that date back to 4000 BC.



Bronze plate for printing an advertisement for the Liu family needle shop at Jinan, Song dynasty China. It is considered the world's earliest identified printed advertising medium.

In ancient China, the earliest advertising known was oral, as recorded in the *Classic of Poetry* (11th to 7th centuries BC) of bamboo flutes played to sell candy. Advertisement usually takes in the form of calligraphic signboards and inked papers. A copper printing plate dated back to the Song dynasty used to print posters in the form of a square sheet of paper with a rabbit logo with “Jinan Liu’s Fine Needle Shop” and “We buy high quality steel rods and make fine quality needles, to be ready for use at home in no time” written above and below is considered the world’s earliest identified printed advertising medium.



Edo period LEL flyer from 1806 for a traditional medicine called *Kinseitani*

In Europe, as the towns and cities of the Middle Ages began to grow, and the general populace was unable to read, instead of signs that read “cobbler”, “miller”, “tailor”, or “blacksmith” would use an image associated with their trade such as a boot, a suit, a hat,

a clock, a diamond, a horse shoe, a candle or even a bag of flour. Fruits and vegetables were sold in the city square from the backs of carts and wagons and their proprietors used street callers (town criers) to announce their whereabouts for the convenience of the customers. The first compilation of such advertisements was gathered in “Les Crieries de Paris”, a thirteenth-century poem by Guillaume de la Villeneuve.

## 19th Century

In the 18th century advertisements started to appear in weekly newspapers in England. These early print advertisements were used mainly to promote books and newspapers, which became increasingly affordable with advances in the printing press; and medicines, which were increasingly sought after as modern people rejected traditional cures. However, false advertising and “Quackery” became common. British newspapers in the 1850s and 1860s appealed to the increasingly affluent middle-class that sought out a variety of new products. The advertisements announced new health remedies as well as fresh foods and beverages. The latest London fashions were featured in the regional press. The availability of repeated advertising permitted manufacturers to develop nationally known brand names that had a much stronger appeal than generic products.

A leadership position in British advertising was held by Cope Bros & Co tobacco company, founded in Liverpool in 1848 by Thomas and George Cope. Smoking, of course, had been common for centuries, but the innovations consisted in brand names, heavy advertising, and market segmentation according to class. An innovative appeal was to health consciousness; the ads directed at the middle-class men promised that “smoke not only checks disease but preserves the lungs.” A rugged heavy taste was pitched to working men, soldiers and sailors, while “delicately fragrant” was part of the appeal to the upper-class. The packaging was attractive, posters were omnipresent to show that smoking was a normal part of English life; lobbying was used to undercut the anti-tobacco lobby.

In June 1836, the French newspaper *La Presse* was the first to include paid advertising in its pages, allowing it to lower its price, extend its readership and increase its profitability and the formula was soon copied by all titles.

## Advertising Agencies

### Great Britain

In London Thomas J. Barratt was hailed as “the father of modern advertising”. Working for the Pears Soap company, Barratt created an effective advertising campaign for the company products, which involved the use of targeted slogans, images and phrases. One of his slogans, “Good morning. Have you used Pears’ soap?” was famous in its day and into the 20th century.



In Britain, outdoor advertising was based on hoardings (billboards):  
England 1835, by John Orlando Parry

An advertising tactic that he used was to associate the Pears brand with high culture and quality. Most famously, he used the painting *Bubbles* by John Everett Millais as an advertisement by adding a bar of Pears soap into the foreground. Barratt continued this theme with a series of adverts of well groomed middle-class children, associating Pears with domestic comfort and aspirations of high society.

Barratt introduced many of the crucial ideas that lie behind successful advertising and these were widely circulated in his day. He constantly stressed the importance of a strong and exclusive brand image for Pears and of emphasizing the product's availability through saturation campaigns. He also understood the importance of constantly reevaluating the market for changing tastes and mores, stating in 1907 that “tastes change, fashions change, and the advertiser has to change with them. An idea that was effective a generation ago would fall flat, stale, and unprofitable if presented to the public today. Not that the idea of today is always better than the older idea, but it is different – it hits the present taste.”



A 1900 British ad for Pears soap

## United States

In the United States around 1840, Volney B. Palmer set up the first advertising agency in Philadelphia. In 1842 Palmer bought large amounts of space in various newspapers at a discounted rate then resold the space at higher rates to advertisers. The actual ad – the copy, layout, and artwork – was still prepared by the company wishing to advertise; in effect, Palmer was a space broker. The situation changed in the late 19th century when the advertising agency of N.W. Ayer & Son was founded in New York. It planned, created, and executed complete advertising campaigns for its customers. It created a number of memorable slogans for firms such as De Beers, AT&T and the U.S. Army.

By 1900 the advertising agency had become the focal point of creative planning, and advertising was firmly established as a profession. At first, agencies were brokers for advertisement space in newspapers. N. W. Ayer & Son was the first full-service agency to assume responsibility for advertising content. N.W. Ayer opened in 1869, and was located in Philadelphia.

The amount of space available in newspapers grew rapidly. The *Boston Transcript* published in 19,000 “agate lines” Of advertising in 1860, 87,000 in 1900, and 237,000 in 1918.

In 1893, 104 companies spent over \$50,000 each on national advertising; most sold patent medicines, which faded away after the federal food and drug legislation of the early 20th century. Seven innovators had emerged in the big time: Quaker Oats, Armour meat, Cudahy meat, American Tobacco Company, P. Lorillard tobacco, Remington Typewriters, and Procter & Gamble soap. By 1914, two thirds of the top advertisers came from just five industries: 14 food producers, 13 in automobiles and tires, nine in soap and cosmetics, and four in tobacco.

Agencies were forever breaking up and reforming, especially when one executive would split taking with him a major client and his team of copywriters.

## France

In the late 19th century in France, Charles-Louis Havas extended the services of his news agency, Havas to include advertisement brokerage, making it the first French group to organize.

## Since 1900: Global

Advertising the developing world was dominated by agencies in the imperial powers, especially from London and Paris. J. Walter Thompson became the first American agency to expand internationally with the opening of J. Walter Thompson London in 1899. It expanded across the globe, becoming one of the first American agencies in Egypt, South Africa and Asia. Much of the pressure to expand came from General Motors, which wanted to export its automobiles worldwide. Ford turned to N.W. Ayer,

which began its expansion in Europe and Latin America in the 1930s. The typical policy was to put an American manager in charge, and hire a staff drawn from locals who had a better understanding of the language and the culture. In 1941-42, however, Ayer closed its foreign offices and decided to concentrate on the American market.

In 2011, spending on advertising reached \$143 billion in the United States and \$467 billion worldwide

Today, internationally, the largest (“big four”) advertising conglomerates are Interpublic, Omnicom, Publicis, and WPP.

### Since 1900: United States and Canada

Advertising increased dramatically in the United States after 1870 as industrialization expanded the supply of manufactured products to a very large market. In order to profit from this higher rate of production, industry needed to recruit workers as consumers of factory products. It did so through the invention of mass marketing designed to influence the population’s economic behavior on a larger scale. Total advertising volume in the United States grew from about \$200 million in 1880 to nearly \$3 billion in 1920.



An American magazine ad for the 1913 issue of the *Encyclopædia Britannica*. Although this encyclopedia was edited and printed in the United States, it featured the British name and spelling to gain prestige

In the 1910s and 1920s, many ad men believed that human instincts could be targeted and harnessed – “sublimated” into the desire to purchase commodities. Edward Bernays, a nephew of Sigmund Freud, promoted the approach making him a pioneer of modern cigarette advertising. Glantz argues, “it was really the tobacco industry, from the beginning, that was at the forefront of the development of modern, innovative, advertising techniques.”

In the 1920s, under Secretary of Commerce Herbert Hoover, the American government promoted advertising. Hoover himself delivered an address to the Associated Advertising Clubs of the World in 1925 called ‘Advertising Is a Vital Force in Our National Life.’ In October 1929, the head of the U.S. Bureau of Foreign and Domestic Commerce, Julius Klein, stated “Advertising is the key to world prosperity.” This was part of the “unparalleled” collaboration between business and government in the 1920s, according to a 1933 European economic journal.

Advertising was a vehicle for cultural assimilation, encouraging immigrants to exchange their traditional habits and tastes in favor of a modern American lifestyle. An important tool for influencing immigrant workers was the American Association of Foreign Language Newspapers (AAFLN). The AAFLN was primarily an advertising agency but also gained heavily centralized control over much of the immigrant press.

## Canadian Media Market

In 1900, most Canadian newspapers were local affairs, designed primarily to inform local partisans about the provincial and national political scene. The publishers depended on loyal partisan subscribers, as well as contracts for public printing controlled by the political parties. With the rise of national advertising agencies after 1900, a major transformation was underway. The advertisers wanted the to reach the maximum possible circulation, regardless of partisanship. The result was a series of consolidations yielding much larger, largely nonpartisan newspapers, which depended more heavily on advertising revenue than on subscriptions from loyal party members. By 1900, three-fourths of the revenue of Toronto newspapers came from advertising. About two thirds of the newspapers' editorial pages loyally supported either the Conservative or the Liberal party, while the remainder were more independent. Across the board, the news pages increasingly featured more objectivity and bipartisanship, and the publishers were mostly focused on advertising revenues that were proportionate to overall circulation. A newspaper that appealed only to one party cut its potential audience in half. Simultaneously, the rapid growth of industry in Ontario and Quebec, coupled with the rapid settlement of the prairies, produced a large more affluent newspaper-reading population. The result was a golden age for Canadian newspapers peaking about 1911. Many papers failed during the war era. Advertising agencies in 1915 gained a major advantage with the arrival of the Audit Bureau of Circulations, which for the first-time provided reliable data on circulation, as opposed to the partisan boasting and exaggeration that had been the norm. the agencies now had a stronger hand in bargaining for lower advertising rates. The 1920s became a time of consolidation, budget-cutting and dropping of traditional party affiliation. By 1930 only 24% of Canada's dailies were partisan, 17% were "independent" partisan, and the majority, 50%, had become fully independent.

## Sex and Psychology

At the turn of the 20th century, there were few career choices for women in business; however, advertising was one of the few. Since women were responsible for most of the purchasing done in their household, advertisers and agencies recognized the value of women's insight during the creative process. Helen Lansdowne Resor at J. Walter Thompson Agency, was one of the pioneers.

In 1911, the Woodbury Soap Company became the first to use images of sexual contact to sell a product. Their ad slogan, created by Helen Lansdowne, claimed that women

who used the soap would have “Skin You Love To Touch”. Her copy promised the soap would increase the beauty of one’s skin; it offered a color print and a week’s supply of the soap for 10 cents. The slogan became so popular that Woodbury used it until the 1940s. Albert Lasker said the ad’s use of sex appeal made it one of three great landmarks in advertising history. It was ranked 31st on *Advertising Age’s* list of the top 100 campaigns of the 20th century.

## Nudity

In 1936, Woodbury was one of the first companies to use nudity in its advertisements. The ad, known as “The Sun Bath”, was photographed by Edward Steichen and showed a nude woman lying on stairs on her side with her back to the camera. The text advertised that Woodbury Soap was now enriched with “filter sunshine”. Many celebrities appeared in advertisements for Woodbury Soap.

In international perspective, a 2008 comparison of nudity in advertising in Brazil, Canada, China, Germany, South Korea, Thailand, and the United States reveals that China and the United States have the most demure ads, while Germany and Thailand exposed more of the female body. There is little variation in male undress.

## Psychology

In the early 20th century, psychologists Walter D. Scott and John B. Watson contributed applied psychological theory to the field of advertising. Scott said, “Man has been called the reasoning animal but he could with greater truthfulness be called the creature of suggestion. He is reasonable, but he is to a greater extent suggestible”. He demonstrated this through his advertising technique of a direct command to the consumer. The former chair at Johns Hopkins University, John B. Watson was a highly recognized psychologist in the 1920s. After leaving the field of academia he turned his attention towards advertising where he implemented the concepts of behaviorism into advertising. This focused on appealing to the basic emotions of the consumer: love, hate, and fear. This type of advertising proved to be extremely effective as it suited the changing social context which led to heavy influence of future advertising strategy and cemented the place of psychology in advertising.

## Albert Lasker: Salesmanship in Print

Chicago, along with New York, was the center of the nation’s advertising industry. Albert Lasker, known as the “father of modern advertising,” made Chicago his base 1898–1942. As head of the Lord and Thomas agency, Lasker devised a copywriting technique that appealed directly to the psychology of the consumer. Women seldom smoked cigarettes; he told them if they smoked Lucky Strikes they could stay slender. Lasker’s use of radio, particularly with his campaigns for Palmolive soap, Pepsodent

toothpaste, Kotex products, and Lucky Strike cigarettes, not only revolutionized the advertising industry but also significantly changed popular culture.

Lasker had an inquiring mind about what advertising was and how it worked. Lasker believed that advertising consisted of news and information was news, He changed his mind when a colleague Johnny Kennedy told him, “News is a technique of presentation, but advertising is a very simple thing. I can give it to you in three words, it is ‘salesmanship in print’”. Lasker and Kennedy used this concept with the 1900 Washer Co. (later Whirlpool). Their campaign was so successful that, within four months of running the first ad, they attracted additional clients and their “advertising spend” went from \$15,000 a year to \$30,000 a month. Within six months, their firm was one of the three or four largest advertisers in the nation.

In 1908 Lasker recruited Claude C. Hopkins to the firm, specifically to work on the Van Camp Packaging Company (Van Camp’s) account. The relationship lasted for 17 years. Lasker helped create America’s infatuation with orange juice. Lord & Thomas acquired the Sunkist Growers, Incorporated account in 1908, when the citrus industry was in a slump. Lasker created campaigns that not only encouraged consumers to eat oranges, but also to drink orange juice.

Among Lasker’s pioneering contributions was the introduction into public schools of classes that explained to young girls about puberty and menstruation (done to promote Kotex tampons). He is also credited as the creator of the soap opera genre, and using radio and television as media driven by advertising. Lasker took time off from business to help the presidential campaign of Republican Warren Harding in 1920, using high-powered advertising techniques that helped produce a massive landslide.

## **On the Radio from the 1920s**

In the early 1920s, the first radio stations were established by radio equipment manufacturers and retailers who offered programs in order to sell more radios to consumers. Madison Avenue early on recognized the importance of radio as a new advertising medium. Advertising provided the major funding for most stations. United States, never had a licensing fee for set users. Great Britain Use the mandatory fee on set owners to fund the British Broadcasting Corporation, Which to this day operates without commercials or advertising. However, the government permitted commercial television in 1954 and commercial radio in 1972.

Public service advertising, non-commercial advertising, public interest advertising, cause marketing, and social marketing are different terms for (or aspects of) the use of sophisticated advertising and marketing communications techniques (generally associated with commercial enterprise) on behalf of non-commercial, public interest issues and initiatives.

In the United States, the granting of television and radio licenses by the FCC is contingent upon the station broadcasting a certain amount of public service advertising.

To meet these requirements, many broadcast stations in America air the bulk of their required public service announcements during the late night or early morning when the smallest percentage of viewers are watching, leaving more day and prime time commercial slots available for high-paying advertisers.

Public service advertising in the United States reached its height during the world wars. During WWII President Roosevelt commissioned the creation of The War Advertising Council (now known as the Ad Council) which is the United States' largest developer of PSA campaigns on behalf of government agencies and non-profit organizations, including the longest-running public service campaign, Smokey Bear.

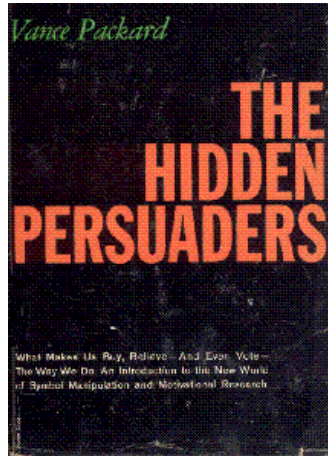
## **1930s and World War II**

Advertising came under heavy pressure in the 1930s. The Great Depression forced businesses to drastically cut back on their advertising spending. Layoffs and reductions were common at all agencies. The New Deal furthermore aggressively promoted consumerism, and minimized the value or need of advertising. historian Jackson Lears argues that "By the late 1930s, though, corporate advertisers had begun a successful counterattack against their critics." They rehabilitated the concept of consumer sovereignty by inventing scientific public opinion polls, and making it the centerpiece of their own market research, as well as the key to understanding politics. George Gallup, the vice president of Young and Rubicam, and numerous other advertising experts, led the way. Moving into the 1940s, the industry played a leading role in the ideological mobilization of the American people for fighting the Nazis and Japanese in World War II. As part of that effort, they redefined the "American Way of Life" in terms of a commitment to free enterprise. "Advertisers," Lears concludes, "played a crucial hegemonic role in creating the consumer culture that dominated post-World War II American society."

## **Postwar Era**

In the prosperous postwar era, millions of Americans moved into new housing, especially in the rapidly growing suburbs. They spent heavily on housing, appliances, furniture, clothing and automobiles. The coming of television in the 1950s dramatically enlarged the arena for advertising. With most families having automobiles, and more leisure time, travel holidays became much more common, and the motel and tourism industries eagerly supported large-scale advertising.

In the public service arena, the Ad Council aggressively promoted Americanism as a Cold War strategy, with campaigns such as the Freedom Train, the Crusade for Freedom, Religion in American Life, Adams for Piece, and Peoples Capitalism. The new Brand Names Foundation sponsored conferences, local campaigns, and educational programs to promote brand loyalty, as well as free enterprise.



Vance Packard's book *The Hidden Persuaders*, about media manipulation sold more than a million copies in the 1950s.

In *The Hidden Persuaders* (1957) popular writer Vance Packard exposes the use of consumer motivational research and other psychological techniques, including depth psychology and subliminal tactics. They had been used to manipulate expectations and induce desire for products since the 1920s, but the popular audience was caught by surprise. He identified eight “compelling needs” that advertisers promise products will fulfill. According to Packard these needs are so strong that people are compelled to buy products to satisfy them. The book questions the morality of using these techniques.

## Racial Themes

Before the Civil Rights Movement of the 1950s and 1960s, black people were largely missing from mainstream white advertising. Those who did appear typically followed the long-standing “hierarchy of skin color” whereby those with lighter skin tones were seen as being more socially and culturally acceptable than dark-skinned black people.



1940s Pepsi ad targeting African Americans. A young Ron Brown is the boy reaching for a bottle

Most national corporations before the 1960s ignored the black market, and paid little attention to working with black merchants or hiring blacks for responsible positions. Pepsi-Cola was a major exception, as the number two brand fought for parity with Coca-Cola. The upstart soda brand hired black promoters who penetrated into black markets across the South and the urban North. Journalist Stephanie Capparell interviewed six men who were on the team in the late 1940s:

The team members had a grueling schedule, working seven days a week, morning and night, for weeks on end. They visited bottlers, churches, “ladies groups,” schools, college campuses, YMCAs, community centers, insurance conventions, teacher and doctor conferences, and various civic organizations. They got famous jazzmen such as Duke Ellington and Lionel Hampton to give shout-outs for Pepsi from the stage. No group was too small or too large to target for a promotion.

Pepsi advertisements avoided the stereotypical images common in the major media that depicted one-dimensional Aunt Jemimas and Uncle Bens whose role was to draw a smile from white customers. Instead it portrayed black customers as self-confident middle-class citizens who showed very good taste in their soft drinks. They were economical too, as Pepsi bottles were twice the size.

By the late 1960s, more than a few token blacks were hired at advertising agencies, and the sensitivity to the problem increased. The leading black magazines *Essence* and *Jet* routinely deplored racism in mainstream media, especially in the negative depictions of black men and women. However *Essence* and *Jet* in the 21st century themselves ran about a dozen ads a year, especially for skin lighteners, that were pervaded with “racism and White supremacy.”

## **Tobacco**

By the 1950s, fears of cancer from tobacco smoking caused consternation in the tobacco industry, which turned to advertisers for help in avoiding falling consumer demand and increased regulation. British and American agencies separately arrived at similar solutions. The Tobacco Industry Research Committee in the United States and the Tobacco Manufacturers’ Standing Committee in Britain each assuaged public anxieties and encouraged the misperception that the cigarette makers were resolving the issues through filters and low tar formulations. The public relations approach was successful in the short run, but the accumulation of medical evidence led to a fall in smoking, heavier taxation, and increased regulation. The agencies responded with sophisticated advertising strategies designed to encourage adolescent smokers as well as to recruit new smokers in less-developed foreign markets.

## **Cable Television from the 1980s**

The late 1980s and early 1990s saw the introduction of cable television and particu-

larly MTV. Pioneering the concept of the music video, MTV ushered in a new type of advertising: the consumer tunes in *for* the advertising message, rather than it being a by-product or afterthought. As cable and satellite television became increasingly prevalent, specialty channels emerged, including channels entirely devoted to advertising, such as QVC, Home Shopping Network, and ShopTV Canada.

## On the Internet from the 1990s

With the advent of the ad server, marketing through the Internet opened new frontiers for advertisers and contributed to the “dot-com” boom of the 1990s. Entire corporations operated solely on advertising revenue, offering everything from coupons to free Internet access. At the turn of the 21st century, a number of websites, including the search engine Google, started a change in online advertising by emphasizing contextually relevant ads based on an individual’s browsing interests. This has led to a plethora of similar efforts and an increasing trend of interactive advertising.

The share of advertising spending relative to GDP has changed little across large changes in media. For example, in the US in 1925, the main advertising media were newspapers, magazines, signs on streetcars, and outdoor posters. Advertising spending as a share of GDP was about 2.9 percent. By 1998, television and radio had become major advertising media. Nonetheless, advertising spending as a share of GDP was slightly lower – about 2.4 percent.

The advertising business model has also been adapted since the 1990s. In media for equity, advertising is not sold, but provided to start-up companies in return for equity. If the company grows and is sold, the media companies receive cash for their shares.

Chinese advertising is moving heavily to the smartphone, leaving television behind. Companies in China are increasingly more focused on mobile advertisements than on television advertisements. Central roles are played by Chinese-based social networking sites Weixin (also known as WeChat), and Sina Weibo, and the efforts of Western companies, including Coca-Cola, Burberry, and North Face, to market to Chinese consumers through their smartphones.

## Restrictions on Advertising

Since the 1950s, the industry itself, or the government, has imposed some restrictions on advertising certain types of products, especially liquor and cigarettes. Tobacco bans exist in many major countries across the world and cover 2.3 billion people. In the 1990s Quebec banned some advertising directed at children. The restrictions have hindered competition in the breakfast cereal market when compared with the rest of Canada.

## Since 1900: Europe

J. Walter Thompson became the first American agency to expand internationally with the opening of J. Walter Thompson London in 1899.



A poster by "O'Galop" of Bibendum, the Michelin Man, 1898

## France

Marcel Bleustein-Blanchet (1906-1996) was the most prominent leader of French advertising in the 20th century. He founded Publicis. After 1945 his little-known Paris-based advertising agency grew rapidly, becoming the world's fourth largest agency. It was a leader in promoting France's post-war economic boom, especially the expansion of the advertising industry. It was successful because of its close ties with top officials of the French government, its clever use of symbols to promote itself, and its ability to attract clients from widely diverse growing industries.

The question of whether advertising reflects society or shapes society, can be seen in European models that diverged from the American style. In France, Michelin dominated the tire industry and was one of the leading advertisers; to this day its famous guidebooks are very widely used by upscale travelers. From 1894 to the present its symbol was Bibendum (the "Michelin Man" made of tires). He was a lord of industry, a master of all he surveyed, and a patriotic expounder of the French spirit. In the 1920s, Bibendum urged Frenchmen to adopt America's superior factory system, but to patriotically avoid using the "inferior" products of those factories. As automobiles diffused to the middle classes, Michelin advertising likewise shifted downscale, and its restaurant and hotel guides covered a broader range of price categories.

J Walter Thompson expanded successfully in many countries, but France was not one of them. French businessmen did not like the American tone, and were fearful of Americanization. The French market was heavily regulated and protected to repel foreign interests, and the American admen in Paris were not good at hiding their condescension and insensitivity.

## Britain

As millions of American soldiers passed through Britain during the Second World War, there were fears of an “Americanization” of British commerce and culture. The Marshall Plan explicitly required an upgrading of the marketing and organizational skills of British industry. There were fears among the leaders of the London advertising world of what the brash, rich Americans would do to them. Radio and television was off limits to advertising, because BBC relied on fees paid by owners of radio receivers. The question was whether the heavily funded American methods would prove irresistible. JWT London was an American owned advertising agency controlled by J. Walter Thompson in New York City. JWT London avoided being the bold apostle of the American style. Instead it relied on soft persuasion, shedding its Americanness to adapt to the British understated style.

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## Germany

In the 1920s, most advertising was handled by manufacturing companies in-house. Numerous small advertising agencies handled purchase of space in the media, but did not design campaigns or the ads themselves. An important role was played by travelling salesmen in promoting products to wholesalers and retailers and providing feedback from the market to the producer.

During the Nazi era (1933–45), the advertising industry expelled its Jews, and came under the supervision of the “Ad Council for the German Economy,” a department of the propaganda ministry of Joseph Goebbels. The relationship was friendly. For the industry learned a great deal from the Nazi propaganda techniques. The industry promoted Hitler’s favorite products, such as the promised Volkswagen automobile for the people, and the construction of autobahns. It emphasized the availability of trusted brands despite growing shortages after the war began in 1939. It helped support the regime, articulating a vision of consumption that was well aligned with the Nazi spirit. The major brands were off the market by 1944, because of severe shortages. When they returned after the war, they were welcomed as an index of normality and were not associated with Nazism.

By the 1950s, German advertising agencies were starting to mimic American methods. Coca-Cola was advising “Mach mal Pause” (“Take a Rest!”), and conservative Chancellor Konrad Adenauer was running for reelection with the slogan “Keine Experimente!” (“No Experiments!”). The German agencies have always remained small and limited in scope, even after the unification of East Germany and West Germany in 1991. After

unification, Germany became the third largest ad market in the world, with \$18 billion in total ad spending in 1994.

## Italy

The American influence became strong in Italy after 1945. The high risk of communist success led the American government to invest heavily in propaganda activities. Several American firms opened offices, including Young & Rubicon and Ogilvy & Mather. Italian graphic designers, most prominently Armando Testa, were inspired by modernist aesthetics and thinking brought in by the American advertising agencies and techniques in Italy. The advertising industry helped transform Italy into a consumer-oriented society.

A dramatic example of how advertising nudged the Italian middle-class into modern consumer society appears in the heavily advertised automatic washing machine. It appeared on the Italian market in 1958 and by 1965, 23% of families had purchased one, reaching 42% by 1970. Advertisers hailed the mechanization of domestic tedium as the advent of a new women's "liberation." Commentary appeared everywhere, from advertisements to the specialized press, to women's reviews. Architects and designers made room for the new marvel, as the promotional language celebrating the device became a chorus of praise for domestic appliances as the secret of "progress" and "freedom" and "liberation." On the other hand, husbands still insisted on driving the family automobile; it was off-limits to the liberated female.

Armando Testa Set up a full-service advertising agency in 1956, specializing in the new medium of television advertising. He was inspired by Eastern European animation techniques, and often use simple graphics like the blue hippo. His son Marco Testa, trained at Benton & Bowles in in New York, and maintained the fast-paced, witty style. Emmanuelle Pirella, who trained at the Italian offices of Young & Rubicon and Ogilvy & Mather, emerged as a leading copywriter.

Benetton gained worldwide attention for its saucy advertising, inspired by its art director Oliviero Toscani. He started with multicultural themes, tied together under the campaign "United Colors of Benetton" then became increasingly provocative with interracial groupings, and unusual sexual images, such as a nun kissing a priest.

## Since 1900: Asia and Africa

### Japan

Dentsu is the dominant firm in Japan. thanks to its origins as a media representative. It produced Japan's first newspaper advertisements as well as the first television commercials. It was established in 1901 as Japan Advertising Ltd. and Telegraphic Service Co. by Hoshiro Mitsunaga. In 1936, it sold off its news division to Doumei News Agency, to focus on advertising. In 1946, it purchased 16 small companies and set up

operational bases in Tokyo, Osaka, Nagoya, and Kyūshū. Dentsu company now offers a range of services, from traditional and creative marketing to specialty disciplines such as sports marketing, investing in feature film production and acquiring broadcasting rights, PR, digital contents, and a growing range of communications services.

## China

In the first 20 years of communist control of China (1947 to 1966) Mao Zedong tried to reverse the long-standing advertising practices of Chinese newspapers, considering it a capitalist infringement on the goals of socialism. Consumerism, which had been highly developed in Shanghai, was anathema, to Mao's peasant-based communist perspective. The regime emphasized maximum production rather than optimal consumption. The approach worsened the massive famines that happened when national resources were devoted to a highly inefficient factory production at the cost of basic food output. On the other hand, propaganda was highly developed art in the Communist Party, and so a sort of compromise was reached. Socialist-oriented advertising emphasized the collective good, rather than the benefits of products for the individual consumer. Since 1980, the strength of the private economy, and advertising, has grown dramatically. By the 1980s much emphasis was placed on the role of advertising in promoting the Four Modernizations emphasized by Deng Xiaoping. Lip service is still paid to old Maoist ideals by recycling images of historic places and episodes, but it does not inhibit the growth of consumerism.

Since Chinese entry into the World Trade Organization (WTO) in 2002, its advertising industry has fundamentally changed. It has become the world's fastest-growing advertising market and the country with the largest pool of netizens. Major changes have come in terms of shifting cultural values, the growing role of brand names, the attractiveness of English-language titles to the younger generation, the redefinition of acceptable/offensive advertising, the very rapid growth of new media (especially the Internet and smart phones), the emergence of on-line shopping in a country with an underdeveloped system of department stores in shopping centers, and much more advanced techniques of managing advertising agencies.

## India

Many elements of Indian culture and industry have British roots, so that British advertising models usually work well. In 1991, the government dramatically liberalized Indian economy, opening it to international business. The emergence of a moderately affluent middle-class numbering in the hundreds of millions attracts multinational corporations and international advertisers. Advertising in India operates at two levels. Ads for high-value products appear in English-language papers such as *The Hindu* and *The Madras Mail*, which targeted Europeans and high-status Indians. By contrast, ads for low-value products are typically placed in vernacular papers and are aimed at a lower middle class with highly restricted spending power. The working class and peasant populations, with very low disposable incomes, are seldom targeted by the advertising

agencies. Local merchants might use signs and posters to reach them. Cricket is one sport where the Indians have had an international success, so that cricket stars are prominent endorsers in national advertising.

Subtle cultural norms can be easily transgressed. In 2002, widespread protests forced Hindustan Lever Ltd. (the Indian subsidiary of London-based Unilever) to cancel a television ad campaign for its fairness cream because of its portrayal of women. The campaign was built around the theme of a father lamenting “If only I had a son” while showing his problem: a dark-skinned, unattractive daughter. Fast-forward. She uses the Fair & Lovely cream and has become a gorgeous light-skinned beauty. Clad in a stylish miniskirt, she is a successful airline flight attendant and takes her proud father to dine at a five-star hotel. The All India Women’s Democratic Association (AIDWA), a far left political organization, lodged a complaint with the National Human Rights Commission in New Delhi. It argued endorsing the traditional preference for sons strengthens gender discrimination, which is a major problem in India. Furthermore, said AIDWA, the ad perpetuated a culture of discrimination in a society where “fair skin” is synonymous with “beautiful.” The government’s Ministry of Information and Broadcast sided with AIDWA and directed stations not to air the ads because they violated the Cable and Television Networks Act of 1995 which states that no advertisement shall be permitted which “derides any race, caste, color, creed and nationality” and furthermore states that, “Women must not be portrayed in a manner that emphasizes passive, submissive qualities and encourages them to play a subordinate secondary role in the family and society.” The minister told Parliament that if broadcasters do not regulate ad content the government will be forced to do so. The Mumbai-based Advertising Standards Council of India (ASCI), a body of advertisers and media agencies, insisted that it should do the regulating not the government. ASCI had already told Hindustan Lever that its ad campaign was offensive and it was ended.

## **Developing World**

During the decolonization era from the late 1940s to the 1970s, British and French firms operating in Africa and Asia at first largely ignored local, nationalistic aspirations. However they learned to adjust to exploit the new spirit of independence that was shaping consumer attitudes. The new emergence of a middle class was the target audience. Their advertising abandoned the traditional paternalistic attitude toward the natives. Instead there was a portrayal of locals as up-and-coming middle class men in control of developing their nations. These more positive images assisted business operations during spells of military dictatorship, economic nationalism, and expropriation of foreign assets. Tobacco advertising was especially important. For example, in Egyptian popular culture the cigar was associated with elites, the water pipe with a lower-class and traditional lifestyle, and the cigarette with the new middle class which was striving to make the transition to modernity. It was the third group that the cigarette industry targeted.

Brazil is the largest country in Latin America, and number five in the world in terms of population. Its economy grew rapidly in the 21st century, until it began to stall in 2010. At that time it was the world's sixth-biggest advertising market, at \$US 14.2 billion. Brazil in 2010 ranks #1 in deodorants, #2 in children's products, #3 in cosmetics, and #4 in automobile sales

## Mexico

The start in 1994 of the North American Free Trade Agreement had a dramatic impact on the advertising industry in Mexico, with its 130 full service agencies and 270 smaller operations under the auspices of the Mexican Association of Advertising Agencies. The flood of American brand-name products greatly expanded the scope of the advertising industry, and the Mexican agencies faced new competition from branch offices of international firms.

A key to the new market was that upscale consumers in Mexico typically display “malinchismo”, which is a preference for imported American brands rather than local Mexican brands. As result, American products are sold mostly to the middle class market, and their advertising agencies generally avoid working class and rural areas. They concentrate their efforts instead on Mexico City, Monterrey, and Guadalajara, which purchase 70 percent of the American imports. Advertising battles in Mexico, include not only issues of quality, but issues of national authenticity. For example, in Mexico in the 1990s, two American exporters Procter & Gamble and Frito-Lay fought an advertising battle concerning whose potato chips are tastier, more natural, and more Mexican. Procter & Gamble challenged Frito-Lay's Sabritas which controls 80 percent of the \$1 billion chip market.

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## Types of Advertising

Advertising can be classified based on the medium used or the methods/tactics used to promote a product or service. This chapter elaborates about topics like broadcast (television, radio) advertising, online advertising, mobile advertising, classified advertising, shock advertising etc. Tactics and methods of advertising are elucidated in topics like targeted advertising, comparative advertising, performance-based advertising etc. The major components of advertising are discussed in this chapter.

### Television Advertisement

A television advertisement (variously called a television commercial, commercial or ad in American English, and known in British English as an advert) is a span of television programming produced and paid for by an organization, which conveys a message, typically to market a product or service. Advertising revenue provides a significant portion of the funding for most privately owned television networks. The vast majority of television advertisements today consist of brief advertising spots, ranging in length from a few seconds to several minutes (as well as program-length infomercials). Advertisements of this sort have been used to promote a wide variety of goods, services and ideas since the beginning of television.



Television was still in its experimental phase in 1928, but the medium's potential to sell goods was already predicted.

The effects of television advertising upon the viewing public (and the effects of mass

media in general) have been the subject of philosophical discourse by such luminaries as Marshall McLuhan. The viewership of television programming, as measured by companies such as Nielsen Media Research, is often used as a metric for television advertisement placement, and consequently, for the rates charged to advertisers to air within a given network, television program, or time of day (called a “daypart”).

In many countries, including the United States, television campaign advertisements are considered indispensable for a political campaign. In other countries, such as France, political advertising on television is heavily restricted, while some countries, such as Norway, completely ban political advertisements.

The first official, paid television advertisement was broadcast in the United States on July 1, 1941 over New York station WNBT (now WNBC) before a baseball game between the Brooklyn Dodgers and Philadelphia Phillies. The announcement for Bulova watches, for which the company paid anywhere from \$4.00 to \$9.00 (reports vary), displayed a WNBT test pattern modified to look like a clock with the hands showing the time. The Bulova logo, with the phrase “Bulova Watch Time”, was shown in the lower right-hand quadrant of the test pattern while the second hand swept around the dial for one minute. The first TV ad broadcast in the UK was on ITV on 22 September 1955, advertising Gibbs SR toothpaste. The first TV ad broadcast in Asia was on Nippon Television in Tokyo on August 28, 1953, advertising Seikosha (now Seiko), which also displayed a clock with the current time.

## General Background

Television advertising involves two main tasks: creating a television advertisement that meets broadcast standards and then, placing the advertisement on television via a targeted air time media buy that reaches the desired customer.

To accomplish the first step means different things in different parts of the world depending on the regulation in place. In the UK for example, clearance must be given by the body Clearcast. Another example is Venezuela where clearance is governed by a body called CNAC. The clearance provides guarantee to the broadcasters that the content of the advertisement meets legal guidelines. Because of this, special extended clearance sometimes applies to food and medical products as well as gambling advertisements.

The second is the process of TV Advertising Delivery and usually incorporates the involvement of a Post-Production House, a Media agency, Advertising Distribution Specialists and the end-goal, the broadcasters.

## Characteristics

It is important to choose a television production company and advertising agency with pertinent expertise in these two areas, and it is preferable to choose an agency that both produces advertisements and places air time, because expertise in broadcast quality

production and broadcast standards is vital to gaining the advertisement's acceptance by the networks. After the advent of cheap video software and consumer cameras, numerous individuals have offered video production services on the internet. Video production companies that do not regularly place TV advertisements on the air often have their productions rejected by networks for technical or content issues, due to their inexperience with creating broadcast-ready content.

Many television advertisements feature songs or melodies ("jingles") or slogans designed to be striking and memorable, which may remain in the minds of television viewers long after the span of the advertising campaign. Some of these ad jingles or catch-phrases may take on lives of their own, spawning gags that appear in films, television shows, magazines, comics, or literature. These long-lasting advertising elements may be said to have taken a place in the pop culture history of the demographic to whom they appeared. An example is the enduring phrase, "Winston tastes good like a cigarette should", from the eighteen-year advertising campaign for Winston cigarettes from the 1950s to the 1970s. Variations of this dialogue and direct references to it appeared as long as two decades after the advertising campaign expired. Another example is "Where's the Beef?", which grew so popular it was used in the 1984 presidential election by Walter Mondale. Another popular catch-phrase is "I've fallen and I can't get up", which still appears occasionally, over two decades after its first use. Some advertising agency executives have originated more than one enduring slogan, such as Mary Wells Lawrence, who is responsible for such famous slogans as "Raise your hand if you're Sure", "I♥New York" and "Trust the Midas touch."

Advertising agencies often use humor as a tool in their creative marketing campaigns. Many psychological studies have attempted to demonstrate the effects of humor and their relationship to empowering advertising persuasion.

Animation is often used in advertisements. The pictures can vary from hand-drawn traditional animation to computer animation. By using animated characters, an advertisement may have a certain appeal that is difficult to achieve with actors or mere product displays. Animation also protects the advertisement from changes in fashion that would date it. For this reason, an animated advertisement (or a series of such advertisements) can be very long-running, several decades in many instances. Notable examples are the series of advertisements for Kellogg's cereals, starring Snap, Crackle and Pop and also Tony the Tiger. The animation is often combined with real actors. Animated advertisements can achieve lasting popularity. In any popular vote for the most memorable television advertisements in the UK (such as on ITV or Channel 4) the top positions in the list invariably include animations, such as the classic *Smash* and Creature Comforts advertisements.

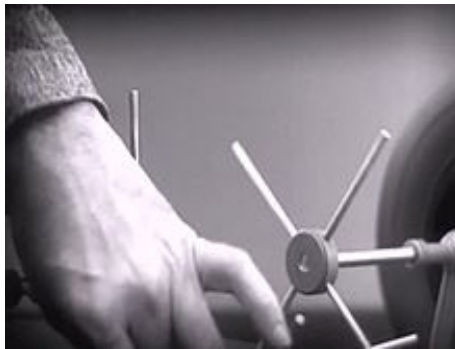
Other long-running advertising campaigns catch people by surprise, even tricking the viewer, such as the Energizer Bunny advertisement series. It started in the late 1980s as a simple comparison advertisement, where a room full of battery-operated bunnies was

seen pounding their drums, all slowing down except one, with the Energizer battery. Years later, a revised version of this seminal advertisement had the Energizer bunny escaping the stage and moving on (according to the announcer, he “keeps going and going and going...”). This was followed by what appeared to be another advertisement: viewers were oblivious to the fact that the following “advertisement” was actually a parody of other well-known advertisements until the Energizer bunny suddenly intrudes on the situation, with the announcer saying “Still going...” (the Energizer Battery Company’s way of emphasizing that their battery lasts longer than other leading batteries). This ad campaign lasted for nearly fifteen years. The Energizer Bunny series has itself been imitated by others, via a Coors Light Beer advertisement, in motion pictures, and by current advertisements by GEICO Insurance.

## TV Advertisements by Country

### United States of America

In the United States, the Nielsen ratings system measures audience viewership of television programs, and provides a way for television broadcasters to determine how popular their television shows are, so that they can decide what rates to charge advertisers for air time.



Around the Corner (1937)

For each hour in a broadcast day, advertisements take up a fairly consistent proportion of the time. Commercial breaks have become longer. In the 1960s a typical hour-long American show would run for 51 minutes excluding advertisements. Today, a similar program would only be 42 minutes long; a typical 30-minute block of time now includes 22 minutes of programming and eight minutes of advertisements - six minutes for national advertising and two minutes for local.

A television broadcast of the 101-minute film *The Wizard of Oz* (1939) for instance, could, in the early to mid-1960s, take two hours even with advertisements. Today, a telecast of the same film would last between 2½ to three hours, including advertisements. Because of this, it is common practice to edit films to fit within the time allotted.

Over the course of 10 hours, American viewers will be shown approximately three hours of advertisements, twice what they would have seen in the 1960s. If a 1960s show

is rerun today, the content may be edited by nine minutes to make room for the extra advertisements.

In the 1950s and 1960s, the average advertisement's length was one minute. As the years passed, the average length shrank to 30 seconds (and sometimes 10 seconds), but more advertisements are now shown during the break.

TV advertisements were coded for identification by broadcasters via an ISCI code. As of March 31, 2014, Ad-ID has been mandated as the standard method of identification for TV advertisements.

A special case of TV advertisements are rare or one time events known as Mega Event Advertising.

## Popularity

In the United States, the TV advertisement is generally considered the most effective mass-market advertising format, and this is reflected by the high prices TV networks charge for commercial broadcasting airtime during popular TV events. The annual Super Bowl American football game is known as much for its commercial advertisements as for the game itself, and the average cost of a single 30-second TV spot during this game has reached US\$4.5 million (as of February 2013).

It has been suggested that, in general, television executives believe that advertisers covet the 18-49 age demographic and that older viewers are of almost no interest to most advertisers due to their unwillingness to change their buying habits. Products intended for older consumers, such as certain health products and insurance, are advertised regularly on television, generally during programming that appeals to older adults.

The number of viewers within the target demographic is more important to ad revenues than total viewers. According to Advertising Age, during the 2007-08 season, *Grey's Anatomy* was able to charge \$419,000 per advertisement, compared to only \$248,000 for an advertisement during *CSI*, despite *CSI* having almost five million more viewers on average. Due to its demographic strength, *Friends* was able to charge almost three times as much for an advertisement as *Murder, She Wrote*, even though the two series had similar total viewer numbers during the seasons they were on the air together. Broadcast networks are concerned by the increasing use of DVRs by young viewers, resulting in aging of the live viewing audience and consequently, lower advertising rates. TV advertisers may also target certain audiences of the population such as certain races, and people of a certain income level or gender. In recent years, shows that tend to target young women tend to be more profitable for advertisements than shows targeted to younger men. This is due to the fact that younger men are watching TV less than their female counterparts.

In the United Kingdom, television advertising is considerably cheaper than in the United States of America. The current record for an advertising slot on British terrestrial television is quoted at being £250,000 for a 30-second slot during the 2010 series of *Britain's Got Talent*. However while British TV advertising is cheaper, this is only to be expected as the United Kingdom has a much lower population (63 million) compared to the US (310 million). So if the £250,000 figure is adjusted into American terms, the population being 5 times bigger and the exchange rate, this figure would become \$2 million, much closer to the US Super Bowl figure.

Because a single television advertisement can be broadcast repeatedly over the course of weeks, months, and even years (the Tootsie Roll company has been broadcasting a famous advertisement that asks “How many licks does it take to get to the tootsie center of a Tootsie Pop?” for over three decades), television advertisement production studios often spend very large sums of money in the production of a single thirty-second television spot. This significant expenditure has resulted in a number of high-quality advertisements with high production values, the latest in special effects technology, the most popular personalities, and the best music. A number of television advertisements are so elaborately produced that they can be considered miniature thirty-second movies; indeed, many film directors have directed television advertisements both as a way to gain exposure and to earn a paycheck. One of film director Ridley Scott's most famous cinematic moments was a television advertisement he directed for the Apple Macintosh computer, that was broadcast in 1984. Although this advertisement was broadcast only once (aside from occasional appearances in television advertisement compilation specials and one 1 a.m. airing in Idaho a month before the Super Bowl so that the advertisement could be submitted for the 1983 Clio Awards), it has become famous and well-known, to the point where it is considered a classic television moment.

Despite the popularity of some advertisements, many consider them to be an annoyance for a number of reasons. The main reason may be that the sound volume of advertisements tends to be higher (and in some cases much higher) than that of regular programming. The United States Congress passed a bill on September 30, 2010, called the CALM Act, to reduce the sound volume of advertisements, and loudness rules set by the FCC are effective as of December 13, 2012. In the UK, the Broadcast Committee of Advertising Practice has a similar regulation. The increasing number of advertisements, as well as overplaying of the same advertisement, are secondary annoyance factors. A third might be that television is currently the main medium to advertise, prompting advertising campaigns by everyone from cell-phone companies, political campaigns, fast food restaurants, to local businesses, and small businesses, prompting longer commercial breaks. Another reason is that advertisements often cut into certain parts in the regular programming that are either climaxes of the plot or a major turning point in the show, which many people find exciting or entertaining to watch.

From a cognitive standpoint, the core reason people find advertisements annoying is that the advertisement's offer is not of interest at that moment, or the presentation is

unclear. A typical viewer has seen enough advertisements to anticipate that most advertisements will be bothersome, prompting the viewer to be selective in their viewing. Conversely, if an advertisement concerns a topic important to the viewer (such as an advertisement for debt relief shown to a viewer who has received a late notice in the mail), or has entertainment value beyond the basic message (such as the classic humorous spots for Wendy's "Where's the beef?" campaign), then viewers tend to stay with the advertisement, perhaps even looking forward to viewing it again.

## Restrictions

Beginning on January 2, 1971, advertisements featuring cigarettes were banned from American TV. Advertisements for alcohol products are allowed, but the consumption of any alcohol product is not allowed in a television advertisement (for example, an actor in a beer commercial cannot be shown actually drinking the beer). The Federal Trade Commission and the Federal Communications Commission have laid out regulations for television advertising, outlining restrictions on certain products, content, and claims, in addition to mandating minimum technical standards. Additional content standards are set by individual television broadcast entities to accommodate local laws, community standards, and their particular audience demographic; these broadcast outlets examine each incoming advertisement through a process known as "clearance."



Television commercial in 1948

## Advertisements as Programming

Since the 1960s, media critics have claimed that the boundaries between "programming" and "advertisements" have been eroded to the point where the line is blurred nearly as much as it was during the beginnings of the medium, when almost all individual television shows were sponsored entirely by a single corporation (the model which was carried over from old-time network radio). For much of the 1970s, 1980s, and 1990s, the FCC imposed a rule requiring networks that broadcast programming on Saturday morning and Sunday nights at 7 PM/6 PM Central to air bumpers ("We'll return after these messages...", "...now back to our programming" and variations thereof) to help younger audiences distinguish programs from advertisements. The only programs

that were exempt from this rule were news shows and information shows relating to news (such as *60 Minutes*). Conditions on children's programming have relaxed to an extent since the period of the 1970s and 1980s.

## Europe

In many European countries television advertisements appear in longer, but less frequent advertising breaks. For example, instead of 3 minutes every 8 minutes, there might be around 6 minutes every half-hour. European Union legislation limits the time taken by commercial breaks to 12 minutes per hour (20%), with a minimum segment length of 20 or 30 minutes, depending on the program content. Live imported telecasts with shorter segments, such as U.S. sporting events, replace the original ads with promotional material. Advertising broadcast time can vary within the EU and other countries and between networks depending on local policy. Unlike in the United States, in Europe the advertising agency name may appear at the beginning or at the end of the advert.

## United Kingdom

In the UK, the BBC is funded by a licence fee and does not screen adverts. On the commercial channels, the amount of airtime allowed by the UK broadcasting regulator Ofcom for advertising is an overall average of 7 minutes per hour, with limits of 12 minutes for any particular clock hour (8 minutes per hour between 6pm and 11pm). With 42-minute American exports to Britain, such as *Lost*, being given a one-hour slot, nearly one third of the slot is taken up by adverts or trailers for other programs. Live imported television programs such as *WWE Raw* show promotional material in place of U.S. advert breaks. Infomercials (known as "admags") were originally a feature of the regional commercial ITV stations from launch in 1955 but were banned in 1963.

The first advert to be shown in the UK was an advert for S.R. Toothpaste on September 22, 1955 on the ITV network (its first day).

On 1 July 2000, TV broadcasters began requiring commercials to be delivered to them in widescreen, an event referred to as C-Day in industry promotion of the change.

In 2008, Ofcom announced a review of television advertising and teleshopping regulations, with a view to possibly changing their code, *Rules on the Amount and Distribution of Advertising* (RADA), which regulates the duration, frequency and restriction of adverts on television.

Television advertising specialist, Nick Illston, of advertising-buying agency Pace Media, states that ITV's £250,000 asking price for a 30-second slot during the 2010 series of *Britain's Got Talent* is currently the most expensive advertising slot on television.

## Germany

As in Britain, in Germany, public television stations own a major share of the market. Their programming is funded by a licence fee as well as advertisements on specific hours of the day (20 minutes per day; not after 8 p.m.), except on Sundays and holidays. Private stations are allowed to show up to 12 minutes of advertisements per hour with a minimum of 20 minutes of programming in between interruptions.

## Greece

In Greece, where most television stations and channels do not remove their logo before a commercial break, it is mandatory for public and commercial TV stations to separate the advertisements from the rest of the program with each station's ident. Subliminal advertising, tobacco and medication advertisements are not allowed. Most programs (series, documentaries, etc.) can have one commercial break every 20 minutes. Advertisements must not exceed the 15% of the broadcasting day or 20% if there are direct advertisements for buying or renting products (like informercials). A commercial break must not exceed the length of 4 minutes with the exceptions of movies/television films with the length exceeding the 45 minutes, which can have one commercial break for 9 minutes and of the movies/television films that exceed the length of 110 minutes which can have more than one commercial break every 45 minutes for 9 minutes.

## France

The Conseil supérieur de l'audiovisuel allows up to 9 minutes of advertising per hour on average in a day. Private channels can only broadcast one commercial break if the show is less than an hour and two commercial breaks if the show is more than an hour. For public channels, advertising is forbidden after 8 p.m.

## Ireland

In Ireland, the Broadcasting Authority of Ireland determines the number of adverts on commercial and community TV stations, while the Minister for Communications, Energy and Natural Resources is responsible for the advertising limits of Public Service Broadcasters on TV and Radio, and commercial radio advertising is governed through statute.



Filming a movie ad

Up to 2010 commercial broadcasters were permitted a maximum of 15% advertising time vs. overall broadcast time. In 2010 TV3 asked for an increase in advertising minutes due to the high level of competition from advertising opt-outs coming into Ireland via satellite and cable pay providers, and also the number of live ITV programmes carried by TV3 (such as The X Factor). The BAI agreed to increasing the number of ads on commercial TV broadcasts to bring Irish commercial TV channels into line with UK commercial TV channels. The Independent Broadcasters of Ireland also lobbied for a similar increase, but the regulator was unable to increase their advertising minutes as these are written into Statute, meaning that any change is the responsibility of the members of the national parliament (The House of the Oireachtas).

Commercial Broadcasters may not exceed 18% of their broadcast day on advertising and they may only have a maximum of 12 minutes of adverts per hour, except for children's programming where advertising may not exceed 10 minutes per hour (commercial TV broadcasters include TV3 and Setanta). Irish community TV channels rarely show advertising; however they are permitted to show 6 minutes of advertising per hour.

RTÉ TV and Radio carry a maximum of 9 minutes per hour of advertising, but only an average of 6 minutes of advertising per hour, and the same rules apply to TG4: this amounts to 10% of total broadcast time. On television, RTÉ cannot carry advertising on RTÉ News Now and RTÉjr; they do not carry advertising on programming for the under 6s, RnaG or their Digital Radio services.

## Finland

In Finland, there are two mainstream non-commercial channels run by the state owned broadcasting company Yle, that run advertisements only on very infrequent occasions, such as important sport events. The three main commercial channels MTV3, Sub (a subsidiary of MTV3), and Nelonen, all run their advertisements during breaks approximately every 15 minutes. Since digital TV has been introduced, the number of TV channels has grown, with Yle and the main broadcasters all adding new channels (including some subscription channels). Analogue broadcasts ceased in August 2007 and the nation's TV services are now exclusively digital. A typical break lasts about 4 minutes. The length of *individual* advertisements can vary from a few seconds (7, 10 and 15 are common), and they are currently rarely over one minute in length. Many advertisements of supranational companies are commonly dubbed from English language advertisements. Although Swedish is the other official language of Finland, the advertisements do not feature Swedish subtitles nor are any Swedish language advertisements shown with the infrequent exception of some political advertisements at the time of elections.

## Russia

The Russian advertising break consists of 2 parts: federal adverts and regional adverts. The duration for each is 4 minutes and 15 minutes per hour respectively. Like Greece,

Russia is one of the few countries where the television channel's logo is retained during the commercial break. In Russia, tobacco advertising is prohibited, and in 2013, this was followed suit by alcohol and medication advertising.

## **Denmark**

The Danish DR-channels are funded by a television licence, so they do not show any advertisements. The other Danish television network, TV2 shows advertisements only in blocks between the programs. These can take from 2 minutes to 10 minutes depending on the time to the next show. In Denmark, commercial breaks are strictly prohibited and advertising targeted to children is restricted. Channels like Kanal 5 and TV3 are allowed to interrupt programs, as these channels are being broadcast via satellite from the United Kingdom.

## **Norway**

Television advertising is regulated by the Broadcasting Act. Public service broadcaster NRK is licence-funded, and cannot carry advertising, however sponsorship of programs (typically sport events) is allowed. Commercial channels may interrupt television programmes with ads, but certain conditions apply. The maximum amount of advertising is 15% per hour (09 min). The nation's second-most watched channel - TV2 - is funded by television advertisements. Norwegian-language programs broadcast from abroad - such as TV3 Norway broadcasting from London in the Norwegian language - must comply to British regulations. Political TV advertisements are strictly prohibited, as are all advertisements for tobacco and alcohol. TV advertisements are monitored by the Norwegian Media Authority (Medietilsynet).

## **Croatia**

In Croatia, the commercial broadcasters may show up to 12 minutes of advertising per hour, while the public broadcaster HRT, being partially funded by a license fee, shows less advertising and usually does not interrupt series and films. Tobacco advertising is banned but alcohol and non-prescription medications can be advertised on TV. Political advertisements are allowed only in the short official campaign period before an election and only in separate blocks from other advertisements.

## **Poland**

In Poland, national public broadcaster Telewizja Polska is partially funded by a license fee, advertising breaks can be broadcast only between shows, but for live sports broadcasting which contain breaks under the rules of the playing and other events contains breaks can also be interrupted, while almost all commercial broadcasters (except e.g Canal+) can interrupt shows for advertising broadcasting. Tobacco and alcohol drink advertising are banned respectively by Health Protection Against the Consequences of

Tobacco Use and Tobacco Articles Act of November 9, 1995 and Education in Sobriety and Counteracting Alcoholism Act of October 26, 1982 but beer advertising is restricted and can be shown between 8:00 PM and 6:00 AM as well as unhealthy food cannot be broadcast since January 1, 2015 on children's channel such as MiniMini+, TVP ABC and Nickelodeon and on children's show by agreement.

## Asia-Pacific

### India

In India, the Code for Self-Regulation of Advertising in India, established by the Advertising Standards Council of India (ASCI), is applicable on Television Commercials (TVCs). If consumers see an advertisement which they consider misleading or offensive, they can write to ASCI.

### Malaysia

In Malaysia, a government department monitors television advertisements rather than a private institution. Almost all television stations and channels in the country, whether government-owned, private or pay television channels, broadcast advertisements, with television channel logos removed before the start of the commercial break.

There are usually two commercial breaks in a half-hour program and three commercial breaks in an hour-long program, with the exception of news programs. Terrestrial television can only broadcast advertisements during the program that was currently aired except before announcing the breaking of fast in the month of Ramadan.

In 1999, Malaysian television stations broadcast around 15 minutes of television advertisements per hour. Now it has increased to around 20 minutes with 10 - 15 advertisement per commercial break.

Because Malaysian television advertisements were controlled by the government department, the Malaysian TV advertising permit number appears during the first few seconds of any advertisement. The abbreviation at the first part of the permit number which refers to the ministry which handles the TV advertising permit number always changes sometime after the Malaysian government made a new portfolio of ministers and name changes to some ministries after the general election. The usage of advertising code began in 1995, with KP/YYYY/XXXX of which KP means Ministry of Information, YYYY is the year the advertisement produced and the XXXX is the number of the advert permit. This was replaced by KPKK (Ministry of Information, Communications and Culture) and KKMM (Ministry of Communications and Multimedia of Malaysia) in 2009 and 2013, respectively. The advertising code used on channels other than RTM may or may not be used. Other advertising permits includes the KKLIU (Ministry of Health, the Medicine Advertising Authority) for medicinal advertisements, which was used before 1995 and the JIRP (Pesticide Advertising Department) for pesticide

advertisements. All pesticide advertisements must show the word “*INI ADALAH IKLAN RACUN PEROSAK*” (This is a pesticide advertisement) and JIRP advertising code at the beginning of the advertisement and the words “*BACALAH LABEL KELUARAN SEBELUM MENGGUNAKANNYA*” (Read the label before use) at the end of the advertisement. It was also used in advertisements on newspapers and magazines.

Astro is also known to delay incoming satellite feeds by two to five minutes from the actual time of the start and the end of program (for example a program aired at 1:30 pm will be started at 1:33 pm) with broadcasting advertisements during in-between programs for its purpose of commercial replacement, as government laws forbid advertisements produced from overseas, except those recognizing Malaysia’s brands, such as Sony, Panasonic, Nokia and LG, as well as produced from within the country itself.

Liquor advertisements shown after 10:00 pm during non-Malay programs have been banned in the country since 2007, while cigarette advertisements have been banned from showing cigarette packaging since 2007, and have been banned entirely since 2015. Fast-food advertisements during children’s programs were also banned in 2010. There are also restrictions on Malaysian television advertisements such as advertisements for 18-rated films, women’s care products and unhealthy foods not being allowed to be broadcast during children’s programs, and lottery advertising, which is prohibited during Malay programs. Lingerie advertisements are prohibited in Malaysian television, but allowed in non-Malay magazines published in Malaysia.

## The Philippines

Philippines advertising industry is self-regulated. The Philippine advertising industry adopted an Advertising Code of Ethics essentially to promote efficiency in processing applications and resolution cases and avoid costly litigation in regular courts. The earliest Advertising Code of Ethics dates back to the Philippine Board of Advertising (PBA) established in 1974. In 1989, the PBA was renamed Advertising Board of the Philippines (ADBOARD) and was mandated by the Implementing Rules and Regulations of R.A. 7394 or The Consumer Protection Act to ensure that all advertising materials conform to its Code of Ethics. The ADBOARD Advertising Content & Regulations Committee (ACRC) had been the main implementing arm of advertising self-regulation in the Philippines until March 31, 2008 when the Ad Standards Council (ASC) took over this function. The Association of Broadcasters of the Philippines, a self-regulatory organization representing most television and radio broadcasters in the country, limit advertising to 18 minutes per hour, a move taken to help “promote public interest.”

In this case some TV broadcasters have to remove TV logos (like ABS-CBN, TV5 & GMA) before starting a commercial break. Also, all commercial content and advertisements will start (right after for most TV shows will break) before or after TV program announcements/etc. Some TV commercials to be aired requires ASC clearance if the content has trivial facts and testimonies.

Since television was introduced to the Philippines in 1953, they used imported TV advertisements until 1960, the same way in which they used billboard advertisements during the American period. In the 1960, P&G paved their way to start the first local TV advertisement.

In 1966, when the Philippine TV turned from black-and-white to color, Colgate-Palmolive was the first to advertise in color.

Some ads have the following notice indicated at the during or at the end of the commercial depending on type of products.

- “Drink Moderately/Responsibly.” for alcoholic beverages.
- “Member: BancNet, PDIC Maximum deposit insurance for each depositor P 500,000, PANA Truth in Advertising” for banks
- “GOVERNMENT WARNING: CIGARETTE SMOKING IS DANGEROUS TO YOUR HEALTH.” (formerly “Government Warning: Cigarette smoking is hazardous to health” from January 1, 1983 to November 30, 1990) for tobacco products (radio and television advertising of cigarette and hand-rolling tobaccos is banned since July 1, 2013 in accordance of Section 22 of Republic Act 9,211 or the Tobacco Regulation Act of 2003)
- “MAHALAGANG PAALALA: ANG (name of product) AY HINDI GAMOT AT HINDI DAPAT GAMITING PANGGAMOT SA ANUMANG URI NG SAKIT.” for food, dietary, fiber and herbal supplements.
- “If symptoms persist, consult your doctor.” for over-the-counter medicines.
- “This is a paid advertisement.” for political ads.
- “Political advertisement paid for and by (name), (address).” also for political ads.
- “The use of milk supplements must only be upon advice of a health professional”. (formerly “Breastmilk is the best for babies up to 2 years of age and beyond.”) for infant formulas.
- “Per (DTI-FTEB SPD/DOH-FDA CDRR/CFRR/DA-NMIS) Permit Number (number of permit), Series of (year)” for promos.

## Australia

Similar to the European Union, advertising on Australian commercial television is restricted to a certain amount in a 24-hour period, but there are no restrictions on how much advertising may appear in any particular hour. Australian television has one of the highest proportions of advertising content in the world. In primetime there can be

18 minutes or more of advertising (inc. news updates) per hour. Furthermore, product advertisements with informational content are labeled “public service announcements” and not included in the time restrictions; similarly with “this program brought to you by...” announcements, and station identifications. Consequently, there may be less than 40 minutes of actual program time per hour. Foreign, older television programs and movies are noticeably cut; comedy shows often return from an ad break into laughter, for instance. Australia is also one of the few countries in the world where advertisements may appear prior to, and over the top of, the closing credits of a program. There are some restrictions on television advertising in Australia, such as a complete ban on advertising for cigarettes, as well as advertising during programs intended for young children. The ABC, the nation’s public broadcaster, broadcasts no external advertisements, but between programs will broadcast promotions for its own programs and merchandise, although is restricted to approximately five minutes per hour. SBS had similar restrictions on advertising until 2005 when it began airing external advertisements between programs, and later, during programs, as per the commercial networks, although still limited to 5 minutes per hour with the first advertisement being half-hourly news updates. Back in 1978, major commercial networks has the longest ever ad break run with the record 53 minutes of advertising.

## **New Zealand**

All major New Zealand television channels, both state-owned and private, screen advertisements. Adverts on average taking up 15 minutes of each hour; there are usually two advert breaks in a half-hour program, and four advert breaks in an hour-long program.

Television advertising began in New Zealand in April 1961, ten months after the first official television broadcast, and was initially allowed only on Tuesdays, Thursdays and Saturdays. Today, television adverts are only prohibited on Good Friday, Easter Sunday and Christmas Day The Advertising Standards Authority is responsible for advertisement compliance, and deals with advertisement complaints (except for election advertising, in which the Broadcasting Standards Authority is responsible).

## **South Korea**

In South Korea, a television advertisement is called a CF, an abbreviation for “commercial film”.

Under the current rules, terrestrial channels cannot take in-program commercial breaks. So, the advertisements are usually put between the intro and the start of a program, and between the end credits and the end of the program. Terrestrial channels often divide some longer-length films like *The Ten Commandments* into parts and consider each part as an individual program. Terrestrial channels can take commercial breaks during breaks in action during sporting events.

Pay-television channels can take in-program commercial breaks, although some pay TV channels schedule advertisements in the same way that terrestrial channels do. Regulations for advertisements on terrestrial channels are more strict than those for pay channels. Non-South Korean channels are not subject to these regulations. Tobacco advertisements are prohibited.

## **Other SEA Countries and the Rest of the Asia-Pacific Region**

Depending on its style, system and other factors while in the process of broadcasting commercial breaks and TV advertisements, some officials (like government, associations, institutions, etc.) regulate and monitor the assets and broadcasting TV advertisements based on international standards.

## **Latin America**

### **Argentina**

Since late 2010, all Argentine television channels (including cable channels operated from the country itself), are required to separate advertising from the rest of the programming using bumpers with the text “Espacio publicitario” (“Advertising space”). Commercial advertising is limited to 12 minutes per hour. In-program advertising is allowed, but counted toward the 12-minute quota. That means that if a 60-minute show has 2 minutes of in-program advertising, the commercial breaks have to be limited to 10 minutes for that specific hour, otherwise the station might face a fine.

## **Use of Popular Music**

Prior to the 1970s, music in television advertisements was generally limited to jingles and incidental music; on some occasions lyrics to a popular song would be changed to create a theme song or a jingle for a particular product. An example of this is found on the recent popular Gocompare.com advert that utilises “Over There”, the 1917 song popular with United States soldiers in both world wars and written by George M. Cohan during World War I. In 1971 the converse occurred when a song written for a Coca-Cola advertisement was re-recorded as the pop single “I’d Like to Teach the World to Sing” by the New Seekers, and became a hit. Additionally songwriter Paul Williams composed a piece for a Crocker Bank commercial which he lengthened and The Carpenters recorded as “We’ve Only Just Begun”. Some pop and rock songs were re-recorded by cover bands for use in advertisements, but the cost of licensing original recordings for this purpose remained prohibitive in certain countries (including the U.S.) until the late 1980s.

The use of previously recorded popular songs in American television advertisements began in earnest in 1985 when Burger King used the original recording of Aretha Franklin’s song “Freeway of Love” in a television advertisement for the restaurant. This also occurred in 1987 when Nike used the original recording of The Beatles’ song “Revolution”

in an advertisement for athletic shoes. Since then, many classic popular songs have been used in similar fashion. Songs can be used to concretely illustrate a point about the product being sold (such as Bob Seger's "Like a Rock" used for Chevy trucks), but more often are simply used to associate the good feelings listeners had for the song to the product on display. In some cases the original meaning of the song can be totally irrelevant or even completely opposite to the implication of the use in advertising; for example Iggy Pop's "Lust for Life", a song about heroin addiction, has been used to advertise Royal Caribbean International, a cruise ship line. Music-licensing agreements with major artists, especially those that had not previously allowed their recordings to be used for this purpose, such as Microsoft's use of "Start Me Up" by the Rolling Stones and Apple Inc.'s use of U2's "Vertigo" became a source of publicity in themselves.

In early instances, songs were often used over the objections of the original artists, who had lost control of their music publishing, the music of Beatles being perhaps the most well-known case; more recently artists have actively solicited use of their music in advertisements and songs have gained popularity and sales after being used in advertisements. A famous case is Levi's company, which has used several one hit wonders in their advertisements (songs such as "Inside", "Spaceman", and "Flat Beat"). In 2010, research conducted by PRS for Music revealed that "Light & Day" by The Polyphonic Spree is the most performed song in UK TV advertising.

Sometimes a controversial reaction has followed the use of some particular song on an advertisement. Often the trouble has been that people do not like the idea of using songs that promote values important for them in advertisements. For example, Sly and the Family Stone's anti-racism song, "Everyday People", was used in a car advertisement, which angered some people.

Generic scores for advertisements often feature clarinets, saxophones, or various strings (such as the acoustic/electric guitars and violins) as the primary instruments.

In the late 1990s and early 2000s, electronica music was increasingly used as background scores for television advertisements, initially for automobiles, and later for other technological and business products such as computers and financial services. Television advertising has become a popular outlet for new artists to gain an audience for their work, with some advertisements displaying artist and song information onscreen at the beginning or end.

## **Future of TV Advertisements**

### **Digital Television Recorders and Advertisement Skipping**

After the video cassette recorder (VCR) became popular in the 1980s, the television industry began studying the impact of users fast forwarding through commercials. Advertising agencies fought the trend by making them more entertaining. The introduction of digital video recorders (also known as digital television recorders or DTRs),

such as TiVo, and services like Sky+, Dish Network and Astro MAX, which allow the recording of television programs into a hard drive, also enabled viewers to fast-forward or automatically skip through advertisements of recorded programs.

There is speculation that television advertisements are threatened by digital video recorders as viewers choose not to watch them. However evidence from the UK shows that this is so far not the case. At the end of 2008 22 percent of UK households had a DTR. The majority of these households had Sky+ and data from these homes (collected via the SkyView panel of more than 33,000) shows that, once a household gets a DTR, they watch 17 percent more television. 82 percent of their viewing is to normal, linear, broadcast TV without fast-forwarding the ads. In the 18 percent of TV viewing that is time-shifted (i.e. not watched as live broadcast), viewers still watch 30 percent of the ads at normal speed. Overall, the extra viewing encouraged by owning a DTR results in viewers watching 2 percent more ads at normal speed than they did before the DTR was installed.

The SkyView evidence is reinforced by studies on actual DTR behaviour by the Broadcasters' Audience Research Board (BARB) and the London Business School.

## Product Placement

Other forms of TV advertising include product placement advertising in the TV shows themselves. For example, *Extreme Makeover: Home Edition* advertises Sears, Kenmore, and Home Depot by specifically using products from these companies, and some sports events like the Sprint Cup of NASCAR are named after sponsors, and race cars are frequently covered in advertisements. Many major sporting venues in North America are named for commercial companies, dating back as far as Wrigley Field. Television programs delivered through new mediums such as streaming online video also bring different opportunities to the traditional methods of generating revenue from television advertising.

## Overlay Advertisements

Another type of advertisement shown increasingly, mostly for advertising TV shows on the same channel, is an ad overlay at the bottom of the TV screen, which blocks out some of the picture. "Banners", or "Logo Bugs", as they are called, are referred to by media companies as Secondary Events (2E). This is done in much the same way as a severe weather warning is done, only these happen more frequently. They may sometimes take up only 5 to 10 percent of the screen, but in the extreme, they can take up as much as 25 percent of the viewing area. Subtitles that are part of the program content can be completely obscured by banners. Some even make noise or move across the screen. One example is the 2E ads for *Three Moons Over Milford*, which was broadcast in the months before the TV show's premiere. A video taking up approximately 25 percent of the bottom-left portion of the screen would show a comet impacting into the moon with an accompanying explosion, during another television program.

## Google in the TV Advertising Business

In 2007, Google Executive Chairman Eric Schmidt, then CEO, announced plans to enter the television advertising business, despite its lack of any internal video production or network placement capability or expertise. Initial industry speculation was that they would use a business strategy similar to their scheme for radio ad sales, primarily the acquisition of operations system support provider dMarc. Google announced the shutdown of its TV ads product in 2012. According to the Google corporate blog, Google abandoned its radio advertising sales feature and its radio advertisers in February 2009. Google sold its radio buying assets in August 2009. Google's radio effort was widely considered a failure, as was their foray into print advertising sales. These two traditional media schemes were among a number of Google's media and technology experiments, which have yielded mixed results.

## Interactive Advertisements

Online video directories are an emerging form of interactive advertising, which help in recalling and responding to advertising produced primarily for television. These directories also have the potential to offer other value-added services, such as response sheets and click-to-call, which enhance the scope of the interaction with the brand.

## Shorter Commercial Breaks

During the 2008-09 TV season, Fox experimented with a new strategy, which the network dubbed "Remote-Free TV". Episodes of *Fringe* and *Dollhouse* contained approximately ten minutes of advertisements, four to six minutes fewer than other hour-long programs. Fox stated that shorter commercial breaks keep viewers more engaged and improve brand recall for advertisers, as well as reducing channel surfing and fast-forwarding past the advertisements. However, the strategy was not as successful as the network had hoped and it is unclear whether it will be continued in the future.

## Competition from Internet

The growing popularity of the internet continues to draw audiences away from advertisers populating just the television platform.

## Radio Advertisement

In the US, commercial radio stations make most of their revenue selling "airtime" to advertisers. Of total media expenditures, radio accounts for 6.9%. Radio advertisements or "spots" are available when a business or service provides valuable consideration, usually cash, in exchange for the station airing their spot or mentioning them on air.

The United States Federal Communications Commission (FCC), established under the Communications Act of 1934, regulates commercial broadcasting, and the laws regarding radio advertisements remain relatively unchanged from the original Radio Act of 1927, enacted to deal with increasing problems of signal interference as more and more stations sprung up around the country.

## History

The first radio broadcasts aired in the early 1900s. However, it wasn't until 1919 that radio stations began to broadcast continuously, similar to the modern practice. In the United States, on November 2, 1920, KDKA Pittsburgh became the first radio station to receive a commercial license from the government. KDKA engineer Frank Conrad may have been the first to broadcast a radio advertisement on his own experimental station in 1919 when he thanked a Pittsburgh music store on the air for supplying him with phonograph records, although that was for trade, not cash.

Most early radio stations were put on the air by the manufacturers of radio equipment, such as Westinghouse and General Electric or by department stores which sold radios, such as Gimbel's, Bamberger's and Wanamaker's. After all, if they wanted customers to buy radio sets, there had to be stations for them to listen to. At first, they weren't concerned with the stations making a profit, if sets were being sold. But as more stations began operating, station owners were increasingly faced with the issue of how to maintain their stations financially, because operating a radio station was a significant expense.

In February 1922, AT&T announced it would begin selling "toll broadcasting" to advertisers, in which businesses would underwrite or finance a broadcast, in exchange for being mentioned on the radio. WEAf of New York (now WFAN) is credited with airing the first paid radio commercial, on August 28, 1922, for the Queensboro Corporation, advertising a new apartment complex in Jackson Heights, Queens, near the just-completed #7 subway line. However, it appears other radio stations may actually have sold advertising before WEAf. As early as May 1920, an amateur radio broadcaster leased out his "station" in exchange for \$35 per week for twice-weekly broadcasts. And, in Seattle, Washington, Remick's Music Store purchased a large ad in the local newspaper advertising radio station KFC, in exchange for sponsorship of a weekly program, in March 1922. Additionally, on April 4, 1922, a car dealer, Alvin T. Fuller, purchased time on WGI of Medford Hillside, Massachusetts, in exchanges for mentions.

During radio's Golden Age, advertisers sponsored entire programs, usually with some sort of message like "We thank our sponsors for making this program possible", airing at the beginning or end of a program. While radio had the obvious limitation of being restricted to sound, as the industry developed, large stations began to experiment with different formats. Advertising had become a hot commodity and there was money to be made. The advertising director at Shell Oil Co., urged radio broadcasters to deal

directly with relevant advertisers, and sell tie-in commercial spots for established radio programs. Like newspaper ads at the time, Sanders figured that advertisers and radio would both benefit from selling ad spots to get the attention of listeners. Radio was an already prominent medium, but Sanders referred to his initiative as radio 'growing up' in terms of its business aspects and how it dealt with advertising. The "visual" portion of the broadcast was supplied by the listener's boundless imagination. Comedian and voice actor Stan Freberg demonstrated this point on his radio show in 1957, using sound effects to dramatize the towing of a 10-ton maraschino cherry by the Royal Canadian Air Force, who dropped it onto a 700-ft. mountain of whipped cream floating in hot-chocolate filled Lake Michigan, to the cheering of 25,000 extras. The bit was later used by the USA's Radio Advertising Bureau to promote radio commercials.

The radio industry has changed significantly since that first broadcast in 1920, and radio is big business today. Although other media and new technologies now place more demands on consumer's time, 95% of people still listen to the radio every week. Internet radio listening is also growing, with 13 percent of the U.S. population listening via this method. Although consumers have more choices today, 92 percent of listeners stay tuned in when commercials break into their programming.

## Formats

There is a broad range of choices for type and length of radio commercials. With changes in the radio industry and better production technologies, the mode of commercial presentation has changed, and commercial advertisements can take on a wide range of forms. The two primary types of radio ads are "live reads" and produced spots.

Cousin to the ad-libbed commercial, live read refers to when a DJ reads an advertiser's spot on the air, delivered from a script, fact sheet or personal knowledge. It can also refer to when the DJ "endorses" the advertiser's goods or services. The Radio Advertising Bureau defines an endorsement as: "A commercial in which the...program personality personally recommends an advertiser's product or service, often done live during the program."

Produced spots appear to be more common. A spot is 'produced' if the radio station or an advertising agency record it for the client. Produced commercial formats include: straight read with sound effects or background music, dialogue, monologue (where the voice talent portrays a character, as opposed to an announcer), jingles, and combinations of these. Studies show that the quality of the commercials is as important to listeners, generally, as the number of ads they hear.

## Research and Rates

Radio stations today generally run their advertising in clusters or sets, scattered throughout the broadcasting hour. Studies show that the first or second commercial to air during a commercial break has higher recall than those airing later in the set.

Nielsen Audio is one of the primary providers of ratings data in the United States. Most radio stations and advertising agencies subscribe to this paid service, because ratings are key in the broadcast industry. Ad agencies generally purchase radio based on a target demographic. For example, their client may want to reach men between 18 and 49 years old. The ratings enable advertisers to select a specific segment of the listening audience and purchase airtime accordingly. Ratings are also referred to as “numbers” in the business.

The numbers can show who is listening to a particular station, the most popular times of day for listeners in that group, and the percentage of the total listening audience that can be reached with a particular schedule of advertisements. The numbers also show exactly how many people are listening at each hour of the day. This allows an advertiser to select the strongest stations in the market with specificity and tells them what times of day will be the best times to run their ads.

Besides the basic numbers, most radio stations have access to other data, such as Scarborough, that details more about the listening audience than just what age group they fall into. For example, some data will provide the types of activities listeners participate in, their ethnicity, what type of employment they do, their income levels, what kinds of cars they drive, and even whether or not they have been to a particular entertainment venue, for example.

Radio stations sell their airtime according to dayparts. Typically, a station’s daypart lineup will look something like the following: 6am-10am, 10am-3pm, 3pm-7pm, and 7pm- midnight. The spots running after midnight, from 12am-6am, are referred to as “overnights”. Though this schedule of dayparts can vary from station to station, most stations run similar daypart lineups and sell their advertisements accordingly. Drive times, or morning and evenings when people are commuting, are usually the most popular times of day and also when each station has the most listeners. The “rates”, or what the station charges the advertiser, will reflect that.

Rates can also be affected by the time of year an advertiser runs. January is almost always a very slow time of year, and many stations run specials on their rates during that month. This is not the case in warm weather markets like Florida, where “snow birds” migrate and increase population. In this situation rates are usually at their highest as the population swells. The cost of radio advertising also varies on how well the parties negotiate. During busier times of the year, stations can actually sell out of ads entirely, because, unlike the print media, radio stations only have a limited number of commercial units available per hour. During the dot-com boom, some stations ran as much as twenty minutes of ads per hour. While commercial levels are nowhere near as high today, with the average station running approximately nine minutes of ads per hour, peak periods can and do sell out.

Thus, advertising rates will vary depending on time of year, time of day, how well the station does in the particular demographic an advertiser is trying to reach, how well a

station does compared to other stations, and demand on station inventory. The busier the time of year for the station, the more an advertiser can expect to spend. And, the higher ranked a station is in the market, according to the ratings data, the more an advertiser can expect to get charged to run on that station.

Advertising rates can vary depending on the length of spot the advertisers elects to run. Although sixty second spots are the most common, stations also sell airtime in thirty, fifteen, ten and two second intervals. Thirty-second ads have always been popular in television advertising, but radio stations just adopted this format recently. Clear Channel kicked off the “Less is More” initiative in 2004, utilizing thirty-second commercials in markets across the US. Though studies show that fewer commercials cause better recall rates, research indicates that traditional sixty-second spots may be the better option, with higher brand and message recall than the newer thirty-second ads.

Stations also run ten-second spots, or “billboards”. Typically, this type of spot runs adjacent to some station feature, such as the traffic report, stating, “This traffic brought to you by...”, and is usually limited to about thirty words. Fifteen-second spots are generally reserved for station promotional announcements, although some stations sell them.

In addition to traditional radio advertising, some stations are selling airtime during their streaming broadcasts. In the past, the radio station stream included only the commercials that were also running on air. CBS announced it would begin airing ‘live reads’ in its streaming radio broadcasts, sold and voiced separately from the stations’ regular spots, noting the efficacy of live endorsements.

## Efficacy

More than eight out of ten Americans feel listening to commercials in exchange for free radio is a “fair deal”. Furthermore, broadcast radio advertising often offers the advantage of being localized and inexpensive in comparison with other mediums such as television. Thus, radio advertising can be an effective, low-cost medium through which a business can reach their target consumer. Studies show that radio ads create emotional reactions in listeners. In turn, consumers perceive the ads as more relevant to them personally, which can lead to increased market awareness and sales for businesses running ad schedules. Twenty-five percent of listeners say they’re more interested in a product or business when they hear about it on their preferred station.

Local DJs create a personal relationship with their listening audience, and that audience is more likely to trust what they say and respond to their message. Live endorsements are growing in popularity, as advertisers seek new means to reach consumers and cut through the surrounding clutter. Studies show that live reads have recall and response rates higher than the typical recorded spot. Perhaps because of the relationship listeners develop with their favorite station, twenty-six percent of listeners are

more interested in a product or business when a DJ endorses it. As more advertisers turn to live endorsements, heavy demand is placed on DJs to announce them. And, as the number of available DJs shrinks, those that are left are often inundated with requests to do endorsements.

## Regulatory Considerations

The Communications Act of 1934 established the FCC, which, in turn, regulates the broadcasting media. In response to the payola scandal of the 1950s, the FCC established guidelines, known as “sponsorship disclosure” rules. These rules apply to both pay-for-play and advertisements alike, recognizing that consumers deserve to know “by whom they are being persuaded”. Of particular note to advertisers is Section 317 of the Act, also known as the “Announcement of Payment For Broadcast” provision. It states, in general terms, that where money, services or other valuables are directly or indirectly paid to a radio station, in exchange for mentions on the air, the station must disclose that fact. For example, if a cell phone provider gives a free cell phone to a station’s DJ, who then talks about that cell-phone provider on the air, perhaps mentioning what great service he has, the announcer must disclose that it is an advertisement.

Usually, listeners are able to discern radio advertisements from entertainment content. The Communications Act does include an “obviousness” exception: where it is obvious that something is a commercial, the announcement-for-payment provision does not apply. However, where anything of value has changed hands in exchange for mentions on the air, a station has a duty to disclose it.

The Federal Trade Commission is also responsible for broadcast industry regulation, in terms of false or misleading advertising practices. In October 2009, the FTC published guidelines regarding endorsements, requiring clear disclosure of the connection between an advertiser and an endorser. Under the FTC guidelines, an endorser is responsible for disclosing any “material connections” they have with a seller/business.

In recent years, there has been a trend toward the blurring of entertainment/editorial and advertising content. Marketers are “embedding” products into the media so that consumers are not aware they are being advertised to. In radio, it is sometimes difficult to tell where DJ chit-chat ends and an advertisement begins.

## Mobile Advertising

Mobile advertising is a form of advertising via mobile (wireless) phones or other mobile devices. It is a subset of mobile marketing.

It is estimated that mobile app install ads accounted for 30% of all mobile advertising revenue in 2014, and will top \$4.6bn in 2015, and over \$6.8bn by the end of 2019. Other

ways mobile advertising can be purchased include working with a Mobile Demand Side Platform, in which ad impressions are bought in real-time on an Ad exchange.

## Overview

Some see mobile advertising as closely related to online or internet advertising, though its reach is far greater — currently, most mobile advertising is targeted at mobile phones, that came at an estimated global total of \$4.6bn as of 2009. Notably computers, including desktops and laptops, are currently estimated at 1.1 billion globally. Moreover, mobile advertising includes SMS and MMS advertising units in addition to the advertisement types served and processed via online channels.

It is probable that advertisers and media industry will increasingly take account of a bigger and fast-growing mobile market, though it remains at around 1% of global advertising spend. Mobile media is evolving rapidly and while mobile phones will continue to be the mainstay, it is not clear whether mobile phones based on cellular backhaul or smartphones based on WiFi hot spot or WiMAX hot zone will also strengthen. However, such is the emergence of this form of advertising, that there is now a dedicated global awards ceremony organised every year by Visiongain.

According to the research firm Berg Insight the global mobile advertising market that was estimated to €1 billion in 2008. Furthermore, Berg Insight forecasts the global mobile advertising market to grow at a compound annual growth rate of 43 percent to €8.7 billion in 2014.

## Types of Mobile Ads

### Mobile Rich Media

There are limitations to rich media on mobile because all of the coding must be done in HTML5, since the iOS does not support flash.

### Handsets Display and Corresponding ad Images

There are hundreds of handsets in the market and they differ by screen size and supported technologies (e.g. MMS, WAP 2.0). For color images, formats such as PNG, JPEG, GIF and BMP are typically supported, along with the monochrome WBMP format. The following gives an overview of various handset screen sizes and a recommended image size for each type.

Handset	Approx Handset Screen Size (px W x H)	Example Handsets	Ad Unit	Ad Size (pixels)
X-Large	320 x 320	Palm Treo 700P, Nokia E70	X-Large	300 x 50

Large	240 x 320	Samsung MM-A900, LG VX-8500 Chocolate, Sony Ericsson W910i	Large	216 x 36
Medium	176 x 208	Motorola RAZR, LG VX-8000, Motorola ROKR E1	Medium	168 x 28
Small	128 x 160	Motorola V195	Small	120 x 20

Source: Mobile Marketing Association

## History

Martin Cooper invented a portable handset in 1973, when he was a project manager at Motorola. It was almost three decades after the idea of cellular communications was introduced by Bell Laboratories. Two decades later, cellular phones made a commercial debut in the mass market in the early 1990s. In the early days of cellular handsets, phone functionality was limited to dialing, and voice input/output.

When the second generation of mobile telecoms (so-called 2G) was introduced in Finland by Radiolinja (now Elisa) on the GSM standard (now the world's most common mobile technology with over 2 billion users) in 1991, the digital technology introduced data services. SMS text messaging was the first such service. The first person-to-person SMS text message was sent in Finland in December 1994. SMS (Short Message Service) gradually began to grow, becoming the largest data service by number of users in the world, currently with 74% of all mobile subscribers or 2.4 billion people active users of SMS in 2007.

One advantage of SMS is that while even in conference, users are able to send and receive brief messages unobtrusively, while enjoying privacy. Even in such environments as in a restaurant, café, bank, travel agency office, and so on, the users can enjoy some privacy by sending/receiving brief text messages in an unobtrusive way.

It would take six years from the launch of SMS until the first case of advertising would appear on this new data media channel, when a Finnish news provider offered free news headlines via SMS, sponsored by advertising. This led to rapid experimentation in mobile advertising and mobile marketing, and the world's first conference to discuss mobile advertising was held in London in 2000, sponsored by the Wireless Marketing Association (which later merged into the Mobile Marketing Association). The first books to discuss mobile advertising were Ahonen's *M-Profits* and Haig's *Mobile Marketing* in 2002. Several major mobile operators around the world launched their own mobile advertising arms, like Aircross in South Korea, owned by the parents of SK Telecoms the biggest mobile operator, or like D2 Communications in Japan, the joint venture of Japan's largest mobile operator NTT DoCoMo and Dentsu, Japan's largest ad agency.

## Mobile as Media

This unobtrusive two-way communications caught the attention of media industry and advertisers as well as cellphone makers and telecom operators. Eventually, SMS became

a new media - called the “seventh mass media channel” by several media and mobile experts - and even more, it is a two-way mobile media, as opposed to one-way immobile media like radios, newspapers and TV. Besides, the immediacy of responsiveness in this two-way media is a new territory found for media industry and advertisers, who are eager to measure up market response immediately. Additionally, the possibility of fast delivery of the messages and the ubiquity of the technology (it does not require any additional functionality from the mobile phone, all devices available today are capable of receiving SMS), make it ideal for time- and location-sensitive advertising, such as customer loyalty offers (ex. shopping centres, large brand stores), SMS promotions of events, etc. To leverage this strength of SMS advertising, timely and reliable delivery of messages is paramount, which is guaranteed by some SMS gateway providers.

Mobile media has begun to draw more significant attention from media giants and advertising industry since the mid-2000s, based on a view that mobile media was to change the way advertisements were made, and that mobile devices can form a new media sector. Despite this, revenues are still a small fraction of the advertising industry as a whole but are most certainly on the rise. Informa reported that mobile advertising in 2007 was worth \$2.2 billion. This is less than 0.5% of the approximately \$450 billion global advertising industry.

Types of mobile advertising are expected to change rapidly. In other words, mobile technology will come up with a strong push for identifying newer and unheard-of mobile multimedia, with the result that subsequent media migration will greatly stimulate a consumer behavioral shift and establish a paradigm shift in mobile advertising. A major media migration is on, as desktop Internet evolves into mobile Internet. One typical case in point is Nielsen’s buyout of Telephia.

However it should be kept in mind that the rapid change in the technology used by mobile advertisers can also have adverse effect to the number of consumers being reached by the mobile advertisements, due to technical limitations of their mobile devices. Because of that, campaigns that aim to achieve wide response or are targeting lower income groups might be better off relying on older, more widespread mobile advertising technologies, such as SMS.

## **Viral Marketing**

As mobile is an interactive mass media similar to the internet, advertisers are eager to utilize and make use of viral marketing methods, by which one recipient of an advertisement on mobile, will forward that to a friend. This allows users to become part of the advertising experience. At the bare minimum mobile ads with viral abilities can become powerful interactive campaigns. At the extreme, they can become engagement marketing experiences. A key element of mobile marketing campaigns is the most influential member of any target audience or community, which is called the alpha user

## **Future of Digital Marketing**

### **Privacy Concern**

Advocates have raised the issue of privacy. Targeted mobile marketing requires customization of ad content to reach interested and relevant customers. To customize such behavioral personal data, user profiling, data mining and other behavior watch tools are employed, and privacy advocates warn that this may cause privacy infringement.

Some mobile carriers offer freebie or cheaper rate plans in exchange for SMS or other mobile ads. However, mobile TV and mobile search may override this privacy concern, as soon as they are implemented on a full-blown basis. In a naive way to override privacy concern, however, User's prior consent needs to be obtained through membership to join or User account to set up. Both mobile TV and mobile search may supersede the way of getting Users' prior consent through membership or User account because users are free to choose mobile TV channels or mobile search services on a voluntary basis.

### **Interactivity**

Mobile devices aim to outgrow the domain of voice-intensive cellphones and to enter a new world of multimedia mobile devices, like laptops, PDA phones and smartphones. Unlike the conventional one-way media like TV, radio and newspaper, web media has enabled two-way traffic, thereby introducing a new phase of interactive advertising, regardless of whether static or mobile. This user-centric approach was noted at the 96th annual conference of Association of National Advertisers in 2006, which described "a need to replace decades worth of top-down marketing tactics with bottom-up, grass-roots approaches". Many use 2d bar codes to make offline print material more interactive with their mobile device. This has been proven to be successful in Japan, UK, Philippines and has been catching on in Northern America.

### **Mobile Device Issues**

Coincidentally, however, mobile devices are encountering technological bottlenecks in terms of battery life, formats, and safety issues.

In a broad sense, mobile devices are categorically broken down into portable and stationary equipment. Technically, mobile devices are categorized as below:

- Handheld [portable]
- Laptop, including ultraportable [portable]
- Dastop, including GPS navigation, satellite radio, and WiMAX-enabled dash-top mobile payment platforms[fixed on dashboards]

The battery life and safety issues will perhaps combine to eventually push mobile equipment's inroads into vehicle dastops. However, satellite-based GPS navigation

and satellite radio may already hit a snag because of their part-time usage and technological hierarchy. Put differently, people want more functions than GPS navigation and satellite radios. The trend indicates an ongoing convergence into all-in-one dash-top mobile devices incorporating GPS navigators, satellite radios, MP3 players, mobile TV, mobile Internet, MVDER (vehicle black box), driving

## Classified Advertising

Classified advertising is a form of advertising which is particularly common in newspapers, online and other periodicals which may be sold or distributed free of charge. Classified advertisements are much cheaper than larger display advertisements used by businesses, although display advertising is more widespread. According to William A. Cohen, classified ads will bring “a greater return on your investment”, dollar for dollar, than investments in display advertising, direct mail, or other media.

### Newspaper Classifieds

Advertisements in a newspaper are typically short, as they are charged for by the line, and are one newspaper column wide.

Publications printing news or other information often have sections of classified advertisements; there are also publications that contain only advertisements. The advertisements are grouped into categories or *classes* such as “for sale—telephones”, “wanted—kitchen appliances”, and “services—plumbing”, hence the term “classified”. Classified ads generally fall into two types: individuals advertising sales of their personal goods, and advertisements by local businesses. Some businesses use classified ads to hire new employees.

One issue with newspaper classified advertising are that it doesn't allow images, even though display ads, which do allow images, can be found in the classified section.

### Developments

In recent years the term “classified advertising” or “classified ads” has expanded from merely the sense of print advertisements in periodicals to include similar types of advertising on computer services, radio, and even television, particularly cable television but occasionally broadcast television as well, with the latter occurring typically very early in the morning hours.

Like most forms of printed media, the classified ad has found its way to the Internet, as newspapers have taken their classified ads online and new groups have discovered the benefits of classified advertising.

Internet classified ads do not typically use per-line pricing models, so they tend to be longer. They are also searchable, unlike printed material, tend to be local, and may foster a greater sense of urgency as a result of their daily structure and wider scope for audiences. Because of their self-regulatory nature and low cost structures, some companies offer free classifieds internationally. Other companies focus mainly on their local hometown region, while others blanket urban areas by using postal codes. Craigslist.org was one of the first online classified sites, and has grown to become the largest classified source, bringing in over 14 million unique visitors a month according to comScore Media Metrix. A growing number of sites and companies have begun to provide specialized classified marketplaces online, catering to niche market products and services, such include boats, pianos, pets, and adult services, amongst others. In many cases, these specialized services provide better and more targeted search capabilities than general search engines or general classified services can provide.

A number of online services called aggregators crawl and aggregate classifieds from sources such as blogs and RSS feeds, as opposed to relying on manually submitted listings.

Additionally, other companies provide online advertising services and tools to assist members in designing online ads using professional ad templates and then automatically distributing the finished ads to the various online ad directories as part of their service. In this sense these companies act as both an application service provider and a content delivery platform. Social classifieds is a growing niche.

## Statistics

In 2003 the market for classified ads in the United States was \$15.9 billion (newspapers), \$14.1 billion (online) according to market researcher Classified Intelligence. The worldwide market for classified ads in 2003 was estimated at over \$100 billion. Perhaps due to the lack of a standard for reporting, market statistics vary concerning the total market for internet classified ads. The Kelsey Research Group listed online classified ads as being worth \$13.3 billion, while Jupiter Research provided a conservative appraisal of \$2.6 billion as of 2005 and the Interactive Advertising Bureau listed the net worth of online classified revenue at \$2.1 billion as of April 2006.

Newspaper's revenue from classifieds advertisements is decreasing continually as internet classifieds grow. Classified advertising at some of the larger newspaper chains dropped by 14% to 20% in 2007, while traffic to classified sites grew by 23%.

As the online classified advertising sector develops, there is an increasing emphasis toward specialization. Vertical markets for classifieds are developing quickly along with the general marketplace for classifieds websites. Like search engines, classified websites are often specialized, with sites providing advertising platforms for niche markets of buyers or sellers.

## Aerial Advertising

Aerial advertising is a form of advertising that incorporates the use of aircraft, flogos, balloons, airships, or drones to create, transport, or display, advertising media. The media can be *static*, such as a banner, logo, lighted sign or sponsorship branding. It can also be *dynamic*, such as animated lighted signage, skywriting, or audio.

Prior to World War II aviation pioneer, Arnold Sidney Butler the owner and operator of Daniel Webster Airport (New Hampshire) utilizing his fleet of J3 Cubs created banner towing and was credited with a number of inventions and aircraft modifications used to pickup and release banners. At the start of World War II, the government took over the air strip for military training. Afterward, Arnold Butler moved his aircraft to Florida and formed Circle-A Aviation where he continued his banner towing business. Still today, many of his aircraft remain in service and can be seen in the skies over Miami and Hollywood, Florida.

Aerial advertising is effective if a large target audience is gathered near the source of advertising. Balloons, skywriting, and banner towing are usually strategically located. Long-range vehicles such as blimps and flogos can reach a broader audience along their flight route. Secondary distribution such as news media coverage, word of mouth and photos of aerial advertising can reach an extended audience. Due to safety, privacy, and aesthetic reasons, the ability to perform aerial advertising is regulated by local and federal entities throughout the world.

### Employment Methods

#### Balloons

Advertising can be carried on the envelope of a conventional hot air balloon, or the envelope can be constructed into a specific shape to advertise a product. Research from the United States suggests that the direct cost of balloon advertising “per thousand opportunities to see” is lower than for newspapers, posters, radio or television.



Hot air balloons advertising a furniture removals company in Canberra, 2006.

## Blimps

Blimps are effective carriers of mobile billboards due to their slow speed, long loiter time and inexpensive fuel costs. The first British airship, built by Stanley Spencer in 1902, was funded by an advertisement for baby food carried on its envelope. The Goodyear Tire and Rubber Company first used aerial advertising in 1925, when the company created its first in-house series, the Goodyear Type AD.

## Fixed-wing Aircraft

The most common type of fixed-wing aircraft used for mobile billboards and aerial advertising are single reciprocating engine aircraft, such as converted crop dusters. While on the ground, operators attach a grapple hook and a towline to the rear of the aircraft. Once in flight, the operator comes back and links the grapple hook to the banner, billboard, or streamer while in flight. The wind resistance created during the natural course of flight causes the banner to stream out behind the aircraft, allowing it to be easily seen by those nearby.

Because of the relatively low speed and altitude ceiling of propeller aircraft, this type is generally favored for the deployment of mobile billboards when fixed-wing aircraft are used. All metropolitan areas in the U.S. can be serviced except New York City and Washington, D.C. which have restricted airspace.

In the 1950s banner-towing started to become widely used as a cost-effective way of bringing a message to the attention of targeted groups of people. There were very few restrictions, the airspace was not nearly as tightly regulated as to-day. VFR traffic, meaning aircraft navigating solely by visual reference, could even fly into some major airports without using two-way radio, using special air corridors and getting landing-, take-off and taxi instructions by coloured light signals using an “Aldis” lamp from the control tower.

The Dutch charter airline Martinair, now part of the air-cargo arm of KLM Royal Dutch Airlines, was founded in the 1950s by Martin Schroeder, a former Dutch Air force pilot, as a company using tethered balloons and banners. The towing aircraft used were DH 82a Tiger Moth, written off as primary trainers, and the occasional Auster. The company later set up an air charter operation at Amsterdam-Schiphol Airport. The first aircraft were a Cessna 172 (PH-MAF) and a De Havilland Dove. Later expansion followed and the company split into the charter company, called “Martin’s Air Charter”, later Martinair and the light aircraft division, called “Luchtreclame Nederland” based at Hilversum Aerodrome. It was later renamed “Reclamair”, moved to Lelystad in the 1970s and expanded into a flying school and restaurant.

The previous is to illustrate that aerial advertising was big business then, and could grow into a much bigger operation. A parallel can be found in Germany, where a banner-towing company grew into a much larger operation. At Essen-Muelheim a company called

“Westdeutsche Luftwerbung Theodor Wuellenkemper KG” became “WDL Flugdienst” with main operations based at Cologne-Bonn.

**The aircraft:** Although there are various types of aircraft suitable for banner-towing they have to have stable flying characteristics, sufficient power to overcome the substantial drag created by a banner streaming behind the aircraft and they must be equipped with a quick-release hook at the tail. Needless to say, they must be approved for towing operations by the civil aviation authorities. In the 1950s Tiger Moths were cheap and dominated the scene in the Netherlands, but the occasional surviving Fieseler Storch was also very suitable. These aircraft now are priceless classics. Current types are Piper PA18 Super Cub, Vilga, Cessna 172 and other like Morane-Saulnier Rallye, Aeronca Champion, etc. Often these aircraft, when not in use for banner-towing, are used for towing gliders. Some crop dusters are equipped with a hook for towing operations. Nowadays we find that many are turboprop, or diesel powered. Even a twin-engine Dornier D28 has been seen towing a banner.



Banner towing

For towing, a grapple hook is attached. Mostly it is in the pilot’s lap for take-off. It will be thrown out and door or canopy closed. The Super Cub door has a top and bottom half and the pilot could close it after take-off. The C172 door hinges forward. The pilot has to throw the grapnel out of the window, but the 172 often has a second quick-release under the belly. The hook is attached and released after getting airborne. If the pilot makes a mistake, (s)he will only have a line trailing from the aircraft with the grapple hanging under the belly. The only solution is to land, rectify it and take off again, hoping not too many spectators will have noticed.

The grapple (or grapnel) resembles a three-pronged anchor. But the prongs are rounded and bent back towards the stock. A subtle but very important detail: It will prevent the grapple digging into the ground in the event that the aircraft makes its run-in a bit low. And it will also reduce the risk of the loop, about which later, slipping off.

For the pick-up, the banner will be spread on the ground. There are two main types: One, a large poster. Not seldom 3 or 4 metres square. Often sewn by professional sail makers using pieces of parachute- or spinnaker nylon in different colours. They may represent a tube of toothpaste, a bottle, a company logo. Expensive to manufacture, they are mainly used for long-term contracts. The other type, more often used, is a text, a streamer as a rule made up of interchangeable letters, mainly black and sometimes red if emphasis is required.

The various components are: a line with grapple hook as mentioned, a loop attached to a long line, a parachute, a front boom, the actual streamer with the text or visual message and a stabilizing piece of webbing at the end. The stabilizer is necessary for two reasons: the end of the banner tends to flap or wave, making the last bit of the message difficult to read. It also wears more quickly so that the stabilizer also has a sacrificial function, as a piece of webbing is cheaper to replace.

The standard text consists of individual, detachable letters. A ground crew will assemble it beforehand. The standard height usually is in the order of 5 feet. A compromise because too large means a smaller text - limited by the aircraft manufacturers and copper-fastened by the CAA - and too small means that it will become difficult to read from the ground. Since they are used and re-used they normally are open-type making them stand out against the sky. A white background can get dirty over time. The letters are sown on parallel lines of thin, strong nylon rope. At the front of each letter is a rod of thin, strong and supple steel. The nylon lines at the front are fitted with wooden pegs, at the end the open lines have loops. When assembling a text, the letters are checked for integrity as they come out of storage and laid out on the ground to form the message. When everything is found to be in order, no pegs missing, no wires broken, no tears and the actual text correct without spelling mistakes the letters will be assembled and the webbing at the end attached, as well as a front boom. This is a strong metal rod with loops at the end. There usually are three lines to the actual towing line. The top one is shortest so that the center of gravity will be below the center of the boom. This to ensure that the message will hang vertical. In addition, often the bottom will be fitted with a weight.

If, for whatever reason, the aircraft loses the banner or has to jettison it in an emergency, the front boom will tend to fall straight down. For this reason, a parachute is added. Care must be taken of course that it will stream closed in normal flight; if attached the wrong way around it will cause a very high drag.

The banner will now be rolled up, brought to the pick-up point, usually in the grass along the runway and unrolled. Again, it will have to be checked. If one of the lines catches and loops itself around one of the rods, the tension not only may result in damage, but also will cause the banner not to hang straight, even twist and roll in the airstream during flight and the message will be unreadable.

To the parachute will be attached a tow line and a loop. This loop is draped over two poles, upright in the ground, Sometimes over forks at the top, other operators use a bit of tubing, split to hold the loop just enough so that it will stay up without slipping off at the critical moment. The lines, typically, are in the order of 30 – 50 feet in length. If there are two aircraft flying in formation, the second one will be fitted with two lines. The second banner will trail further behind the towing aircraft and the texts will not overlap.

The position of the poles at the pick-up point can be marked to make them as visible as possible to the pilot. Traffic cones or other markers like a brightly colored cloth held

down with a few stones, or pegs, can be useful. An operator will be positioned who can view the approaching aircraft and give instructions, either using bats or via a portable VHF radio. The banner will be laid out away from the poles against the wind direction. Seen from the cockpit, the pilot will see the banner lying behind the poles; having said that, the large square posters are often laid beside the poles. Their construction will cause less risk of friction over the surface than the open and much longer standard banner.

The pilot, having released the grapple, approaches the pick-up point parallel to the runway in a long, very shallow descent. The speed will differ according to the type of aircraft. For the Super Cub, it will typically be 60 mph with one notch of flap extended. In a strong wind, the speed can be 10 mph higher. Over the poles, at a signal from the batsman, (s)he will initiate a steep climb, full power, until a jolt confirms that the grapple has engaged and the banner is lifted off the ground. At this point, the banner will quite literally “peel” off the surface without dragging. The sudden increase in drag will cause the aircraft to decelerate to below stall speed. The curved flight path will allow this to happen. The pilot will slam the controls forward. Once the banner has lifted off, the aircraft will regain flying speed instantly. It will not be more than about 200 feet off the ground at this time.

Cruising speed with a banner usually is at 45-50 mph. The banner will stabilize the aircraft. In flight, the PA18 will need about 2000- 2100 rpm. More power will cause a very high increase in drag (for you, pilots: remember  $1/2 \rho v^2$ ), a corresponding increase in fuel burn and a gain of perhaps no more than 1 or two mph extra airspeed.

The aircraft will cruise, maintaining the flap setting. Again: two reasons. It reduces the stall speed, but it also allows a slightly less nose-up attitude. Meaning: a cooler engine.

When the mission is completed, the pilot will return to drop the banner before landing. The drop will be more accurate at as low an altitude as possible. If there is little or no wind, the pilot will fly over the drop-off position - usually the area where the pick-up took place - and pull the release. The banner will fall to the ground, the parachute will open to control the fall of the pole and the aircraft will join the traffic pattern for landing.

If there is a strong wind, the pilot may decide to drop at low altitude from a shallow dive. The dive will ensure that the banner, in cruise a few feet lower than the aircraft, will not prematurely touch down. If that happens, a weak link should disconnect the banner from the towing line. If that fails: the Super Cub may end up with the wheels touching the wings as the result of a (very) hard landing.

Banner towing has the reputation of being dangerous. In fact, if the pilot takes precautions it is not. The most important precaution is never, ever, to assume that the banner has failed to engage and start a turn to come back for another run - at very low level - too early. With the airspeed suddenly dropping off the clock in a (tight) turn, the banner

will not stabilize it and the aircraft will enter a spin from which recovery is not possible. This is the phase of flight that has led to some banner towing pilots losing their lives.

A few years ago, in the UK a banner-towing aircraft crashed at the end of a flight; it carried a passenger, a politician for whose election campaign the banner towing flight was intended to draw attention. Unfortunately, it did that but for the wrong reasons. At the time, it was speculated in the press that the extra weight of the passenger would have been the cause of the accident. This is highly unlikely. The aircraft should have been able to carry the added weight. It is much more likely that the pilot was making a low pass to allow the press photographers to get a good shot. Flying at low airspeed, the banner will be substantially below the flight path of the aircraft. It is probable that the pilot misjudged the height and room required to remain clear of the surface, the banner dragged over the ground and the rapidly increasing resistance as more parts of the banner would come into contact with the surface would in a very short time, a matter of mere seconds, caused the aircraft to stall. Releasing the banner, either by the pilot or by the “weak link” breaking would not have saved the aircraft: It would have been in a full stall and losing the stabilizing effect of the banner it is likely that it slammed into the ground. In a fully developed stall, the application of full power would also have been too late to take effect.

When coming in too low for the pick-up run, there is a risk that the banner is picked up with the wheels. Especially a tail dragger can be pulled upside-down when landing with the banner. One German operator carried a knife with an extra long handle in every Super Cub so that the pilot could cut it loose. If not, the best technique is to come in to land approaching slightly high, making certain that the aircraft, at the lowest possible speed, will touch before the banner.

With experience, many pilots found that the best way to pick up is not to make the run-in at the height where the ground crew would see the grapple just above the ground.

Any turbulence would cause a swing and also could cause the hook to touch the ground. If that happened just before the poles, the grapple would bounce off and over the loop. The best way was to make the approach in a steady, very gentle dive. The pull-up could be initiated about 30 yards or so before the poles. Even if the grapple would be above the actual loop, the pull-up still would result in a decrease in airspeed which, in turn, would allow the momentum of the grapnel to swing a bit lower and engage. By that time, the aircraft would be in a much more gentle climb, already well above the poles and the stall at the top would also be much more under control.

Banner towing no longer is practiced as intensively as in the seventies, probably it's European heyday. Stricter rules and regulations especially when flying over urban centers and large assemblies, higher minimum altitudes, in some areas raised from 1000 feet to 2000 which reduces the legibility and impact. Low-flying aircraft are also perceived as a nuisance factor, perceived or real, but all have led to a decline in banner towing

activities. In some countries, of course, the climate is not always reliable and the factual occurrence of banner-towing aircraft being caught out in IMC (weather conditions that make flight on instruments necessary if not outright mandatory), all have resulted in banner-towing becoming, if not a thing of the past, certainly becoming a much rarer form of advertising.

## Drones

The growing popularity of consumer-grade and industry-grade unmanned aerial vehicles (particularly, quadcopter drones) led several companies to consider the opportunities of commercial application of such devices. For instance, Google and Amazon have plans of using drones as means of delivery, while the Coca-Cola Company, Lakemaid Beer, Paramount Pictures, and Wokker have already used them in a number of advertising campaigns. The cases of advertising-related application include the distribution of branded products, as well as drones carrying banners.

## Flogos

Flogos (“flying“ and “logos“) are stable foam shapes, customizable motifs made out of foam, which are suitable for both outdoor and indoor and once released into the air can float or fly into the air. In a special machine a patented foam fluid is combined with water and helium to make the foam. The generated foam gets pressed through a stencil which will determine its individual shape. Flogos are customized to suit needs and can be shapes, logos, symbols and words. The machine can also work for more complex motifs as well. They are produced continuously at a rate of one every 15 – 20 seconds in sizes of almost 100 cm. It can be written in the sky, the reason why they are often linked to the term “skyvertising“



Skyvertising with Flogos, flying foam shapes

## Helicopter Banners

This technique involves printing many rows of fabric and joining them to create one very large flag which is towed below a helicopter. Typical sizes of these banners are 20,000 sq/ft and visible for great distances due to their scale compared to plane banners. <http://brandingbyair.com/> also incorporate a weight bag release system that is sewn into the leading edge of the banner allowing them to fly over populated areas.



Large Format Printed Aerial Advertising Banner

## Kite Systems

For centuries kite systems have been employed to fly advertisements. Messages have been on wing covers as well as hung on the tether set of the kite systems. Logos, greetings, purchased advertising messages, political messages, religions celebration symbols, event-marking art, promotional phrases, and flags are frequently flown by kites. Advertising by kites is one of the many kite applications. William A. Eddy was an early pioneer in using kites for advertising.

## Rotorcraft Aircraft

Sky Sign Inc. created, patented and holds various STC's for their aerial LED based signs. These signs attach to popular rotorcraft and fixed wing aircraft, including Robinson's R22 and Cessna's 172.

## Sky-writing

Sky-writing by fixed-wing aircraft, combined with the use of a vapor projector, remains popular with major advertisers, especially movies, TV, and insurance companies. It is most effective in brand awareness with short, dramatic messages and occasionally for "spectaculars" such as marriage proposals. The practice of sky-writing is known to be one of the safest forms of flying as it is only done in clear skies with smooth air (winds can be strong but smooth) and usually in controlled airspace, where radar separation is provided between planes.



Skywriting over a cemetery in New South Wales in 2009.

## Effectiveness

Modern proponents of aerial advertising hold the position that it is a cost-effective method to reach otherwise isolated pockets of consumers (such as people stuck in rush-hour traffic, or at the beach, where advertising tends to be limited). Aerial advertisements, according to the service providers, give a company the opportunity to target specific customers based on their geographical location and related demographics. The benefits of aerial advertising, banner towing in particular, include a high recall rate and increased engagement with a brand through social media.

Detractors of aerial advertising maintain it has a highly limited and ineffective scope in the age of the internet. In particular, they state that the use of aircraft near two major metropolitan regions (NYC and D.C.) tends to be tightly regulated and restricted, and that, at least in the U.S., the use of aerial advertisement over sporting events with 30,000 or more in attendance is prohibited. Aerial advertising planes do fly before the events over the masses of tailgaters. A 2003 article by the Associated Press reports that aerial advertisement companies had lost a preliminary injunction against new federal security regulations, and all data indicate that the use of civilian fixed-wing aircraft over sporting events in the U.S. is forbidden.

Studies by advertisers have shown that mobile billboards carried by aircraft have a limited local exposure but a high consumer recall and retention rate—in other words, customers who see the ad tend to recall the message or product being displayed at a higher rate than with most other forms of advertising, but the region where the advertisement is displayed is limited to the flight path of the aircraft. The reason for this higher retention rate is unclear, but it can be postulated that it is due to the relatively unusual method in which the advertisement is displayed; the novelty of seeing a message in an unfamiliar way helps consumers to remember the message. Viral marketing and stealth marketing are excellent examples of this idea put to work in the modern day.

## Examples of Use



Spencer's 1902 airship in flight, showing the advertising for Mellin's Food

- Pioneer balloonist and parachutist Stanley Spencer built the first British airship in 1902 with funds from Mellin and Company, the manufacturer of a leading brand of infant formula “for babies and invalids”. The sum of £1,500 was payable in return for twenty five return flights carrying an advertisement for “Mellin's Food”.

- The first use of skywriting for advertising was on 30 May 1922, when Cyril Turner, a former Royal Air Force officer, spelt out “London Daily Mail” in black smoke from an S.E.5a biplane at the Epsom Derby.
- During the 1994 Pennsylvania gubernatorial election, Tom Ridge used aerial advertising along the Jersey Shore, a vacation spot popular with Pennsylvanians.

## Risks

There are some inherent dangers involved in the operation of low-altitude manned aircraft. Most of the fixed-wing aerial advertisement accidents that have occurred in the U.S. have been determined by the United States Federal Aviation Administration to be the result of just a few basic causes:

- Problems during the pickup/deployment of the banner
- Banner tow lines that become tangled or snarled

Some of the specific areas of danger include grapple hook deployment errors, and banner pickup errors. If the grapple hook is not released in a satisfactory manner, it can snarl on the tailwheel or in the landing gear itself, fouling the landing and causing an improper landing or a crash event. Once the grapple hook is deployed, the aircraft must approach the banner pickup in a descent using the energy of the shallow dive, and then rotate with application of full power to pick up the banner. Professional banner companies have training programs which comply with the FAA guidelines for aerial banner operations. However, safety reasons may lead local authorities to consider banning some forms of aerial advertising in populated areas.

## Risk Mitigation

Modern companies have employed a new, patented, methodology of banner towing that greatly reduces the risks associated with the older, grappling hook method. With the new take-off technique, the pilot no longer has to pick up the banner in the tow hook - a time-consuming and technically demanding manoeuvre. Instead, the pilot can take the banner, already set up for towing, directly from the hangar across the taxiway to the airstrip, and then carry out a normal take-off.

A technical innovation makes the ground start possible. Wheels are mounted on both sides of the banner tube system, so the front part of the banner runs on rollers. This counteracts the effect which would otherwise be created between the banner and the ground over which it is towed, sucking the banner downwards.

## Targeted Advertising

Advertising is one of the most important decisions a marketer makes and media purchasing is the most expensive of all advertising spending. Ensuring that media is

bought effectively and not directed toward the “wrong people” has always been a challenge for marketers (Iyer, Soberman & Villas-Boas, 2005). Traditionally, the goal in media planning was to minimize wasted advertising, which was achieved by reducing the quantity of advertising sent to consumers who are unlikely to purchase or have an interest in their product and who are not active in the category (Iyer, Soberman & Villas-Boas, 2005). This is the reason target advertising came to be. Targeted advertising is a form of advertising that focuses on certain traits of the consumer, these traits are based on the product or person the advertiser is promoting. They are located in areas where consumers with those traits are likely to come upon. These traits can either be demographic which are focused on race, economic status, sex, age, level of education, income level and employment or they can be psychographic focused which are based on the consumer’s values, personality, attitudes, opinions, lifestyles and interests (Jansen, Moore & Carman, 2013). They can also be behavioral variables, such as browser history, purchase history, and other recent activity. Targeted advertising has proven to be beneficial for the advertiser as it is cost efficient because it is focused on certain traits and the consumers who are likely to have a strong preference will receive the message instead of those who have no interest and whose preferences do not match a product’s attribute this eliminates wastage (Iyer, Soberman & Villas-Boas, 2005).

Most targeted new media advertising currently uses second-order proxies for targeting, such as tracking online or mobile web activities of consumers, associating historical webpage consumer demographics with new consumer web page access, using a search word as the basis for implied interest, or contextual advertising.

Addressable advertising systems serve ads directly based on demographic, psychographic, or behavioral attributes associated with the consumer(s) exposed to the ad. These systems are always digital and must be addressable in that the end point which serves the ad (set-top box, website, or digital sign) must be capable of rendering an ad independently of any other end points based on consumer attributes specific to that end point at the time the ad is served. Addressable advertising systems therefore must use consumer traits associated with the end points as the basis for selecting and serving ads.

## Targeted Advertising

Targeted advertising is ubiquitous. Through the emergence of new online channels, advertisers have new ways to struggle with identifying consumers and tracking behaviour. They want to guarantee that the advert can influence or touch the best consumer for their company’s product (Anand & Shacar, 2009). This has resulted in the increasing need for targeted advertising.

Adverts can be misperceived and interpreted wrong by consumers by misreading a message, not giving careful consideration or unclear language, Anand & Shachar

(2009) call this noisiness. Developments such as “fragmented media” and new technologies, aid in helping advertisers reach a specific consumer, through targeted advertising (Anand & Shachar, 2009). Traditional forms of advertising, including billboards, newspapers, magazines and radio, are progressively becoming replaced by online advertisements (Schlee, 2013). Information and Communication Technology (ICT) space has transformed over recent years, resulting in targeted advertising to stretch across all ICT technologies, such as web, IPTV, and mobile environments.

Web services are continually generating new business ventures and revenue opportunities for internet corporations. Companies have rapidly developing technological capabilities that allow them to gather information about web users (Johnson, 2013). By tracking and monitoring what websites users visit, internet service providers can directly show ads that are relative to the consumer’s preferences. Most of today’s websites are using these targeting technology to track user’s internet behaviour and there is much debate over the privacy issues present (Schlee, 2013). Facebook, MySpace and other social networking sites, permit ads shown to be based on consumer-generated information (Johnston, 2013). Even Google announced in 2009 that the companies AdSense service will be using user’s browsing patterns to target adverts at them (Toubiana et al., 2010).

Another sphere targeted advertising occurs in, is television. Advertisers can reach a consumer that is using digital cable, which is classified as Internet Protocol Television (IPTV) (Stern & Subramaniam, 2006). This is effective when information is collected about the user, their age, gender and location, and also their personal interests in films, etc. This data is then processed, optimized and then consumers are advertised to accordingly (Konow et al., 2010).

Since the early 2000s, advertising has been pervasive online and more recently in the mobile setting. Targeted advertising based on mobile devices allows more information about the consumer to be transmitted, not just their interests, but their information about their location and time (Li & Du, 2012). This allows advertisers to produce advertisements that could cater to their schedule and a more specific changing environment.

In next generation advertising, the importance of targeted advertisements will radically increase, as it spreads across numerous ICT channels cohesively (Schlee, 2013).

## **Types of Targeted Advertising**

Google Remarketing Campaigns are a type of targeted advertising where websites use the ip addresses of computers that have visited their websites to remarket their ad specifically to the user who has previously been on their website as they use websites that are apart of the Google display network, or when searching for keywords related to your product or service on the google search engine. (“A Year In Search 2014: Highlights For Marketers”) dynamic remarketing can improve the targeted advertising as the ads are able to include the products or services that the consumers have previously viewed on

the advertisers' website within the ads. ("1.2 Google's Advertising Networks - Google Partners Help")

### Advertising Networks

There are two kinds of advertising networks, the Search Network and the Display network.

Google Adwords have different platforms how the ads appear

The Search Network displays the ads on 'Google Search, other Google sites such as Maps and Shopping, and hundreds of non-Google search partner websites that show AdWords ads matched to search results.' ("1.2 Google's Advertising Networks - Google Partners Help") and 'The Display Network includes a collection of Google websites (like Google Finance, Gmail, Blogger, and YouTube), partner sites, and mobile sites and apps that show AdWords ads matched to the content on a given page.' ("1.2 Google's Advertising Networks - Google Partners Help") These two kinds of Advertising networks can be beneficial each specific goal of the company, or type of company. For example the search network can benefit a company with the goal of reaching consumers searching for a particular product or service.

While the display network can help improve brand awareness and loyalty. These advertising networks are one of the main forms of targeted marketing as it uses all of the attributes of targeting

### Search engine ads

Other ways Advertising campaigns are able to target the user is to use browser history and search history, for example, if the user typed in *promotional pens* in a search engine, such as google; ads for promotional pens will appear at the top of the page above the organic pages, these ads will be targeted to the area of the users IP address, showing the product or service in the local area or surrounding regions, the higher ad position is a benefit of the ad having a higher quality score. ("Examples Of Targeted Advertising"). The ad quality is affected by the 6 components of the quality score:

- The ad's expected CTR
- The quality of your landing page
- The ad/search relevance
- Geographic performance
- Your targeted devices

When ranked based on this criteria, will affect the advertiser by improving ad auction eligibility, actual cost per click (CPC), ad position, and ad position bid estimates; to summarise, the better the quality score, the better ad position, and lower costs.

## Display network ads

Google uses its display network to track what users are looking at and to gather information about them. When a user goes onto a website that uses the google display network it will send a cookie to google, showing information on the user, what he or she searched, where they are from, found by the ip address, and then builds a profile around them, allowing google to easily target ads to the user more specifically. For example, if a user went onto promotional companies' websites often, that sell promotional pens, google will gather data from the user such as age, gender, location and other demographic information as well as information on the websites visited, the user will then be put into a category of promotional products, allowing google to easily display ads on websites the user visits relating to promotional products. (*Betrayed By Your Ads!*) these types of adverts are also called behavioural advertisements as they track the website behaviour of the user and displays ads based on previous pages or searched terms. ("Examples Of Targeted Advertising")

## Social media

Social media targeting is a form of targeted advertising, that uses general targeting attributes such as geotargeting, behavioral targeting, socio-psychographic targeting, but gathers the information that consumer have provided on each social media platform. For example, on Facebook if a consumer has liked clothing pages they will receive ads based on those page likes and the area they have said they live in, this allows advertisers to target very specific consumers as they can specify cities and interests to their needs. Social media also creates profiles of the consumer and only needs to look one place, one the users' profile to find all interests and 'likes'.

## Types of Targeted Advertising

Companies use a variety of methods to achieve targeted advertising. Listed below are some of the key innovative approaches.

### Content and Contextual Targeting

The most straightforward method of targeting is content/contextual targeting. This is when advertisers put ads in a specific place, based on the relative content present (Schlee, 2013). Another name used is content-oriented advertising, as it is corresponding the context being consumed. This targeting method can be used across different mediums, for example in an article online, about purchasing homes would have an advert associated with this context, like an insurance ad. This is usually achieved through an ad matching system which analyses the contents on a page or finds key words and presents a relevant advert, sometimes through pop-ups (Fan & Chang, 2010). Though sometimes the ad matching system can fail, as it can neglect to tell the difference between positive and negative correlations. This can result

in placing contradictory adverts, which are not appropriate to the content (Fan & Chang, 2010).

### **Technical Targeting**

This form of targeting is associated with the user's own software or hardware status. The advertisement is altered depending on the user's available network bandwidth, for example if a user is on their mobile phone that has limited connection, the ad delivery system will display a version of the ad that is smaller for a faster data transfer rate (Schlee, 2013).

### **Time Targeting**

This type of targeting is centred around time and focuses on the idea of fitting in around people's everyday lifestyles (Schlee, 2013). For example, scheduling specific ads at a timeframe from 5-7pm, when the typical commute home from work is.

### **Sociodemographic Targeting**

This form of targeting focuses on the characteristics of consumers, including their age, gender, salary and nationality (Schlee, 2013). The idea is to target users specifically, using this data about them collected, for example, targeting a male in the age bracket of 18-24. Facebook uses this form of targeting by showing advertisements relevant to the user's individual demographic on their account, this can show up in forms of banner ads, or commercial videos (Taylor et al., 2011).

### **Geographical and Location-Based Targeting**

This type of advertising involves targeting different users based on their geographic location. IP addresses can signal the location of a user and can usually transfer the location through ZIP codes. (Schlee, 2013) Locations are then stored for users in static profiles, thus advertisers can easily target these individuals based on their geographic location. Location-based services (LBS) is a mobile information service which allows spatial and temporal data transmission and can be used to an advertiser's advantage (Dhar & Varshney, 2011). This data can be harnessed from applications on the device that allow access to the location information (Peterson & Groot, 2009). This type of targeted advertising focuses on localising content, for example a user could be prompted with options of activities in the area, for example places to eat, nearby shops etc. Although producing advertising off consumer's location-based services can improve the effectiveness of delivering ads, it can raise issues with the user's privacy (Li & Du, 2012).

### **Behavioural Targeting**

This form of targeted advertising is centred around the activity/actions of users, and is more easily achieved on web pages (Krumm, 2010). Information from browsing

websites can be collected from data mining, which finds patterns in users search history. Advertisers using this method believe it produces ads that will be more relevant to users, thus leading consumers be more likely influenced by them (Yan et al., 2009). If a consumer was frequently searching for plane ticket prices, the targeting system would recognise this and start showing related adverts across unrelated websites, such as airfare deals on Facebook. Its advantage is that it can target individual's interests, rather than target groups of people whose interests may vary (Schlee, 2013).

## **Retargeting**

Retargeting is where advertising use behavioural targeting to produce ads that follow you after you have looked or purchased are particular item. Retargeting is where advertisers use the this information to 'follow you' and try and grab your attention so you do not forget. Examples of this is store catalogs, where after purchase they subscribe you to their email system hoping that they draw your attention to items for continuous purchases. The main example of retargeting that has earn't a reputation from most people are ads that follow you across the web. Showing you the same items that you have looked at in hope you will purchase them. Retargeting is a very effective process, by analysing consumers activities with the brand they can address their consumers behaviour appropriately.

## **The Process**

Advertising provides advertisers with a direct line of communication to existing and prospective consumers. By using a combination of words and/or pictures the general aim of the advertisement is to act as a "medium of information"- David Ogilvy, making the means of delivery and to whom the information is delivered most important. Advertising should define how and when structural elements of advertisements influence receivers, knowing that all receivers are not the same and thus may not respond in a single, similar manner (Laczniak, 2015). Targeted advertising serves the purpose of placing particular advertisements before specific groups so as to reach consumers who would be interested in the information. Advertisers aim to reach consumers as efficiently as possible with the belief that it will result in a more effective campaign. By targeting, advertisers are able to identify when and where the ad should be positioned in order to achieve maximum profits. This requires an understanding of how customers' minds work (Roger, 2012) so as to determine the best channel by which to communicate.

Types of targeting include, but are not limited to advertising based on demographics, psychographics, behavioural variables and contextual targeting.

Behavioral advertising is the most common form of targeting used online. Packets of data called 'cookies' are sent back and forth between an internet server and the browser, that allows a user to be identified or to track their progressions. Cookies provide

detail on what pages a consumer visits, the amount of time spent viewing each page, the links clicked on; and searches and interactions made. From this information, the browser develops an understanding of the user's browsing tendencies and interests generating a 'profile' for the server. Analysing the profile, advertisers are able to create defined audience segments based upon users with similar returned similar information, hence profiles. Tailored advertising is then placed in front of the consumer based upon what organisations working on behalf of the advertisers assume are the interests of the consumer (McStay, 2011). These advertisements have been formatted so as to appear on pages and in front of users that it would most likely appeal to based on their profiles. For example, under behavioral targeting if a user is known to have recently visited a number of automotive shopping and comparison sites based on the data recorded by cookies stored on the user's computer, the user can then be served automotive related advertisements when visiting other sites (Chen, 2014). So behavioral advertising is reliant on data both wittingly and unwittingly provided by users and is made up of two different forms: one involving the delivery of advertising based on assessment of user's web based movements; the second involving the examination of communication and information as it passes through the gateways of internet service providers.

Demographic targeting was the first and most basic form of targeting used online. involves segmenting an audience into more specific groups using parameters such as gender, age, ethnicity, annual income, parental status etc. All members in the group share the common trait. So, when an advertiser wishes to run a campaign aimed at a specific group of people then that campaign is intended only for the group that contains those traits at which the campaign is targeted. Having finalized the advertiser's demographic target, a website or a website section is chosen as a medium because a large proportion of the targeted audience utilizes that form of media.

Segmentation using psychographics Is based on an individual's personality, values, interests and lifestyles. A recent study concerning what forms of media people use-conducted by the Entertainment Technology Center at the University of Southern California, the Hallmark Channel, and E-Poll Market Research- concludes that a better predictor of media usage is the user's lifestyle. Researchers concluded that while cohorts of these groups may have similar demographic profiles, they may have different attitudes and media usage habits (Belch & Belch, 2012). Psychographics can provide further insight by distinguishing an audience into specific groups by using their personal traits. Once acknowledging this is the case, advertisers can begin to target customers having recognized that factors other than age for example provides greater insight into the customer.

Contextual advertising is a strategy to place advertisements on media vehicles, such as specific websites or print magazines, whose themes are relevant to the promoted products (Joeng & King, 2005, p. 2). Advertisers apply this strategy in order to narrow-target their audiences (Belch & Belch, 2009, p. 2; Jeong and King, 2005). Advertisements

are selected and served by automated systems based on the identity of the user and the displayed content of the media. The advertisements will be displayed across the user's different platforms and are chosen based on searches for key words; appearing as either a web page or pop up ads. It is a form of targeted advertising in which the content of an ad is in direct correlation to the content of the webpage the user is viewing.

## **The Major Psychographic Segments are...**

### **Personality**

Every brand, service or product has itself a personality, how it is viewed by the public and the community and marketers will create these personalities to match the personality traits of their target market (Jansen, Moore & Carman, 2013). Marketers and advertisers create these personalities because when a consumer can relate to the characteristics of a brand, service or product they are more likely to feel connected towards the product and purchase it.

### **Lifestyle**

Everyone is different and advertisers compensate for this, they know different people lead different lives, have different lifestyles and different wants and needs at different times in their consumers lives ("Psychographic Market Segmentation | Local Directive", 2016). Advertisers who base their segmentation on psychographic characteristics promote their product as the solution to these wants and needs. Segmentation by lifestyle considers where the consumer is in their life cycle and what is important to them at that exact time.

### **Opinions, Attitudes, Interest's and Hobbies**

Psychographic segmentation also includes opinions on religious, gender and politics, sporting and recreational activities, views on the environment and arts and cultural issues. The views that the market segments hold and the activities they participate in will have a massive impact on the products and services they purchase and it will even affect how they respond to you message.

Alternatives to behavioral advertising and psychographic targeting include geographic targeting and demographic targeting

When advertisers want to reach as many consumers as efficiently as possible they use a six step process.

- identify the objectives the advertisers do this by setting benchmarks, identifying products or proposals, identifying the core values and strategic objectives. This step also includes listing and monitoring competitors content and creating objectives for the next 12-18months.

- The second step understanding buyers, is all about identifying what types of buyers the advertiser wants to target and identifying the buying process for the consumers.
- Identifying gaps is key as this illustrates all of the gaps in the content and finds what is important for the buying process and the stages of the content.
- Stage 4 is where the content is created and the stage where the key messages are identified and the quality bench line is discussed.
- Organising distribution is key for maximising the potential of the content, these can be social media, blogs or google display networks.

The last step is vital for an advertiser as they need to measure the return on the investment (ROI) there are multiple ways to measure performance, these can be tracking web traffic, sales lead quality, and/ or social media sharing.

Alternatives to behavioral advertising include audience targeting, contextual targeting, and psychographic targeting.

## **Effectiveness**

Targeting improves the effectiveness of advertising it reduces the wastage created by sending advertising to consumers who are unlikely to purchase that product, target advertising or improved targeting will lead to lower advertising costs and expenditures (Iyer, Soberman & Villas-Boas, 2005).

The effects of advertising on society and those targeted are all implicitly underpinned by consideration of whether advertising compromises autonomous choice (Sneddon, 2001).

Those arguing for the ethical acceptability of advertising claim either that, because of the commercially competitive context of advertising, the consumer has a choice over what to accept and what to reject.

Humans have the cognitive competence and are equipped with the necessary faculties to decide whether to be affected by adverts (Shiffman, 1990). Those arguing against note, for example, that advertising can make us buy things we do not want or that, as advertising is enmeshed in a capitalist system, it only presents choices based on consumerist-centered reality thus limiting the exposure to non-materialist lifestyles.

Although the effects of target advertising are mainly focused on those targeted it also has an effect on those not targeted. Its unintended audiences often view an advertisement targeted at other groups and start forming judgments and decisions regarding the advertisement and even the brand and company behind the advertisement, these judgments may affect future consumer behavior (Cyril de Run, 2007).

The Network Advertising Initiative conducted a study in 2009 measuring the pricing and effectiveness of targeted advertising. It revealed that targeted advertising:

- Secured an average of 2.7 times as much revenue per ad as non-targeted “run of network” advertising.
- Twice as effective at converting users who click on the ads into buyers

However, other studies show that targeted advertising, at least by gender, is not effective.

One of the major difficulties in measuring the economic efficiency of targeting, however, is being able to observe what would have happened in the absence of targeting since the users targeted by advertisers are more likely to convert than the general population. Farahat and Bailey exploit a large-scale natural experiment on Yahoo! allowing them to measure the true economic impact of targeted advertising on brand searches and clicks. They find, assuming the cost per 1000 ad impressions (CPM) is \$1, that:

- The marginal cost of a brand-related search resulting from ads is \$15.65 per search, but is only \$1.69 per search from a targeted campaign.
- The marginal cost of a click is 72 cents, but only 16 cents from a targeted campaign.
- The variation in CTR lifts from targeted advertising campaigns is mostly determined by pre-existing brand interest.

Research shows that Content marketing in 2015 generates 3 times as many leads as traditional outbound marketing, but costs 62% less (Plus) showing how being able to advertise to targeted consumers is becoming the ideal way to advertise to the public. As other stats show how 86% of people skip television adverts and 44% of people ignore direct mail, which also displays how advertising to the wrong group of people can be a waste of resources.

## Benefits & Disadvantages

The information in advertisements is always directed towards the consumer. Thus, targeted advertising aims to serve advertisements to consumers who would be interested and connect with the message sent. Consumers receive benefit from targeted advertising in the following ways:

§ More effective delivery of desired product or service directly to the consumer (Keating, n.d): having assumed the traits or interests of the consumer from their targeting, advertisements that will appeal and engage the customer are used.

§ More direct delivery of a message that relates to the consumer’s interest (Keating, n.d): advertisements are delivered to the customer in a manner that is comfortable,

whether it be jargon or a certain medium, the delivery of the message is part of the consumer's 'lifestyle'

Because behavioral advertising enables advertisers to more easily determine user preference and purchasing habit, the ads will be more pertinent and useful for the consumers.

By creating a more efficient and effective manner of advertising to the consumer, an advertiser benefits greatly and in the following ways:

§ More efficient campaign development (Keating, n.d): by having information about the consumer an advertiser is able to make more concise decisions on how to best communicate with them.

§ Better use of advertising dollar (Keating, n.d): A greater understanding of the targeted audience will allow an advertiser to achieve better results with an advertising campaign

§ Increased return on investment: Targeted advertisements will yield higher results for lower costs.

### **Benefits:**

Advertising is a highly important decision a company has to make. Using information from consumers can benefit the advertiser by developing a more efficient campaign, targeted advertising is proven to work both effectively and efficiently (Gallagher & Parsons, 1997). They don't want to waste time and money advertising to the "wrong people" (Iyer et al., 2005). Through technological advances, the internet has allowed advertisers to target consumers beyond the capabilities of traditional media, and target significantly larger amount (Bergemann & Bonatti, 2011). The main advantage of using targeted advertising is how it can help minimize wasted advertising by using detailed information about individuals who are intended for a product (Anand & Shachar, 2009). If consumers are produced these ads that are targeted for them, it is more likely they will be interested and click on them. 'Know thy consumer', is a simple principle used by advertisers, when businesses know information about consumers, it can be easier to target them and get them to purchase their product. Some consumers do not mind if their information being used, and are more accepting to ads with easily accessible links. This is because they may appreciate adverts tailored to their preferences, rather than just generic ads. They are more likely to be directed to products they want, and possibly purchase them, in return generating more income for the business advertising.

There are many benefits of targeted advertising for both consumers and advertisers;

Consumer benefits: Targeted advertising benefits consumers because advertisers are able to effectively attract the consumers by using their purchasing and browsing habits this enables ads to be more apparent and useful for customers. Having ads that are related to the interests of the consumers allow the message to be received in a direct

manner through effective touch points. An example of how targeted advertising is beneficial to consumers if you see an ad targeted to you with something similar to an item you have previously viewed online and been interested in you are more likely to buy.

**Advertiser Benefits:** Advertisers benefit greatly with target advertising, by using targeted advertising companies are reduce resource cost and create an more effective ads by attracting consumers with a strong appeal to these products. Targeted advertising allows advertisers in reduced cost of advertisement by minimising “wasted” advertisements to non interested consumers. Targeted advertising captivate the attention of consumers they were aimed at resulting in higher return on investment for the company.

*An example of how targeted advertising is beneficial to advertisers, by knowing more about your customers you are able to make a decision about the ads produced to be strictly aimed at*

### **Disadvantages:**

As Well as benefits of Target Advertising there are many Disadvantages;

**Consumer disadvantages:** Targeted advertising can come to a disadvantage to consumers for many reasons, targeted advertising is performed by analysing consumers activities through online services i.e cookies and data-mining. Both service can be seen as detrimental to the consumers privacy, targeted advertising uses consumer’s online activities as research to the advertisers. Consumers have concerns with privacy issue revolved around this, and are unsure whether to trust advertisements via the internet. Targeted advertising is aimed to advertise to consumer who they deem to be interested in their product, this could be a disadvantage to the consumer as they may not have to opportunity to learn and purchase products that they are unaware of from being discriminated against that product via target advertising.

**Advertiser Disadvantages:** Targeting advertising is not a process performed overnight, it takes time and effort to analyse the behaviour of consumers. This results in more expenses than the traditional advertising processes. As targeted advertising is seen more effective this is not always a disadvantage but there are cases where advertisers have not received the profit expected. Targeted advertising has a limited reach to consumers, advertisers are not always aware that consumers change their minds and purchases which will no longer mean ads are apparent to them. Another disadvantage is that while using Cookies to track activity advertisers are unable to depict whether 1 or more consumers are using the same computer. This is apparent in family homes where multiple people from a broad age range are using the same device.

### **Controversies**

Targeted advertising has raised a lot of fear and controversies, most particularly towards

the privacy rights and policies. With behavioral targeting focusing in on specific user actions such as site history, browsing history, and buying behavior, this has raised user concern that all activity is being tracked.

Privacy International is a UK based registered charity that defends and promotes the right to privacy across the world. This organization is fighting in order to make Governments legislate in a way that protects the rights of the general public. According to them, from any ethical standpoint such interception of web traffic must be conditional on the basis of explicit and informed consent. And action must be taken where organisations can be shown to have acted unlawfully.

A survey conducted in the United States by the Pew Internet & American Life Project between January 20 and February 19, 2012 revealed that most of Americans are not in favor of targeted advertising, seeing it as an invasion of privacy. Indeed, 68% of those surveyed said they are “not okay” with targeted advertising because they do not like having their online behavior tracked and analyzed.

Another issue with targeted advertising is the lack of ‘new’ advertisements of goods or services. Seeing as all ads are tailored to be based on user preferences, no different products will be introduced to the consumer. Hence, in this case the consumer will be at a loss as they are not exposed to anything new.

### **Controversies:**

Advertisers concentrate their resources on the consumer, which can be very effective when done right (Goldfarb & Tucker, 2011). When advertising doesn’t work, consumer can find this creepy and start wondering how the advertiser learnt the information about them (Taylor et al., 2011). Consumers can have concerns over ads targeted at them, which are basically too personal for comfort, feeling a need for control over their own data (Tucker, 2014).

In targeted advertising privacy is a complicated issue due to the type of protected user information and the number of parties involved. The three main parties involved in online advertising are the advertiser, the publisher and the network. People tend to want to keep their previously browsed websites private, although user’s ‘clickstreams’ are being transferred to advertisers who work with ad networks. The user’s preferences and interests are visible through their clickstream and their behavioural profile is generated (Toubiana et al., 2010).

Many find this form of advertising to be concerning and see these tactics as manipulative and a sense of discrimination (Toubiana et al., 2010). As a result of this, a number of methods have been introduced in order to avoid advertising (Johnson, 2013). Internet users employing ad blockers are rapidly growing in numbers. A study conducted by PageFair found that from 2013 to 2014, there was a 41% increase of people using ad blocking software globally (PageFair, 2015).

## Online Advertising

Online advertising, also called online marketing or Internet advertising or web advertising, is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies who help generate and place the ad copy, an ad server which technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser.

In 2011, Internet advertising revenues in the United States surpassed those of cable television and nearly exceeded those of broadcast television. In 2013, Internet advertising revenues in the United States totaled \$42.8 billion, a 17% increase over the \$36.57 billion in revenues in 2012. U.S. internet ad revenue hit a historic high of \$20.1 billion for the first half of 2013, up 18% over the same period in 2012. Online advertising is widely used across virtually all industry sectors.

Many common online advertising practices are controversial and increasingly subject to regulation. Online ad revenues may not adequately replace other publishers' revenue streams. Declining ad revenue has led some publishers to hide their content behind paywalls.

### History

In early days of the Internet, online advertising was mostly prohibited. For example, two of the predecessor networks to the Internet, ARPANET and NSFNet, had "acceptable use policies" that banned network "use for commercial activities by for-profit institutions". The NSFNet began phasing out its commercial use ban in 1991.

### Email

The first widely publicized example of online advertising was conducted via electronic mail. On 3 May 1978, a marketer from DEC (Digital Equipment Corporation), Gary Thuerk, sent an email to most of the ARPANET's American west coast users, advertising an open house for a new model of a DEC computer. Despite the prevailing acceptable use policies, electronic mail marketing rapidly expanded and eventually became known as "spam."

The first known large-scale non-commercial spam message was sent on 18 January 1994 by an Andrews University system administrator, by cross-posting a religious

message to all USENET newsgroups. Four months later, Laurence Canter and Martha Siegel, partners in a law firm, broadly promoted their legal services in a USENET posting titled “Green Card Lottery – Final One?” Canter and Siegel’s Green Card USENET spam raised the profile of online advertising, stimulating widespread interest in advertising via both Usenet and traditional email. More recently, spam has evolved into a more industrial operation, where spammers use armies of virus-infected computers (botnets) to send spam remotely.

## **Display Ads**

Online banner advertising began in the early 1990s as page owners sought additional revenue streams to support their content. Commercial online service Prodigy displayed banners at the bottom of the screen to promote Sears products. The first clickable web ad was sold by Global Network Navigator in 1993 to a Silicon Valley law firm. In 1994, web banner advertising became mainstream when HotWired, the online component of Wired Magazine, sold banner ads to AT&T and other companies. The first AT&T ad on HotWired had a 44% click-through rate, and instead of directing clickers to AT&T’s website, the ad linked to an online tour of seven of the world’s most acclaimed art museums.

## **Search ads**

GoTo.com (renamed Overture in 2001, and acquired by Yahoo! in 2003) created the first search advertising keyword auction in 1998. Google launched its “AdWords” search advertising program in 2000 and introduced quality-based ranking allocation in 2002, which sorts search advertisements by a combination of bid price and searchers’ likelihood to click on the ads.

## **Recent Trends**

More recently, companies have sought to merge their advertising messages into editorial content or valuable services. Examples include Red Bull’s Red Bull Media House streaming Felix Baumgartner’s jump from space online, Coca-Cola’s online magazines, and Nike’s free applications for performance tracking. Advertisers are also embracing social media and mobile advertising; mobile ad spending has grown 90% each year from 2010 to 2013.

## **Delivery Methods**

### **Display Advertising**

Display advertising conveys its advertising message visually using text, logos, animations, videos, photographs, or other graphics. Display advertisers frequently target users with particular traits to increase the ads’ effect. Online advertisers (typically through

their ad servers) often use cookies, which are unique identifiers of specific computers, to decide which ads to serve to a particular consumer. Cookies can track whether a user left a page without buying anything, so the advertiser can later retarget the user with ads from the site the user visited.

As advertisers collect data across multiple external websites about a user's online activity, they can create a detailed picture of the user's interests to deliver even more targeted advertising. This aggregation of data is called behavioral targeting. Advertisers can also target their audience by using contextual to deliver display ads related to the content of the web page where the ads appear. Retargeting, behavioral targeting, and contextual advertising all are designed to increase an advertiser's return on investment, or ROI, over untargeted ads.

Advertisers may also deliver ads based on a user's suspected geography through geotargeting. A user's IP address communicates some geographic information (at minimum, the user's country or general region). The geographic information from an IP can be supplemented and refined with other proxies or information to narrow the range of possible locations. For example, with mobile devices, advertisers can sometimes use a phone's GPS receiver or the location of nearby mobile towers. Cookies and other persistent data on a user's machine may provide help narrowing a user's location further.

## **Web Banner Advertising**

Web banners or banner ads typically are graphical ads displayed within a web page. Many banner ads are delivered by a central ad server.

Banner ads can use rich media to incorporate video, audio, animations, buttons, forms, or other interactive elements using Java applets, HTML5, Adobe Flash, and other programs.

## **Frame Ad (Traditional Banner)**

Frame ads were the first form of web banners. The colloquial usage of "banner ads" often refers to traditional frame ads. Website publishers incorporate frame ads by setting aside a particular space on the web page. The Interactive Advertising Bureau's Ad Unit Guidelines proposes standardized pixel dimensions for ad units.

## **Pop-ups/pop-unders**

A pop-up ad is displayed in a new web browser window that opens above a website visitor's initial browser window. A pop-under ad opens a new browser window under a website visitor's initial browser window. Pop-under ads and similar technologies are now advised against by online authorities such as Google, who state that they "do not condone this practice".

## Floating Ad

A floating ad, or overlay ad, is a type of rich media advertisement that appears superimposed over the requested website's content. Floating ads may disappear or become less obtrusive after a preset time period.

## Expanding Ad

An expanding ad is a rich media frame ad that changes dimensions upon a predefined condition, such as a preset amount of time a visitor spends on a webpage, the user's click on the ad, or the user's mouse movement over the ad. Expanding ads allow advertisers to fit more information into a restricted ad space.

## Trick Banners

A trick banner is a banner ad where the ad copy imitates some screen element users commonly encounter, such as an operating system message or popular application message, to induce ad clicks. Trick banners typically do not mention the advertiser in the initial ad, and thus they are a form of bait-and-switch. Trick banners commonly attract a higher-than-average click-through rate, but tricked users may resent the advertiser for deceiving them.

## News Feed Ads

"News Feed Ads", also called "Sponsored Stories", "Boosted Posts", typically exist on Social Media Platforms that offer a steady stream of information updates ("news feed") in regulated formats (i.e. in similar sized small boxes with a uniform style). Those advertisements are intertwined with non-promoted news that the users are reading through. Those advertisements can be of any content, such as promoting a website, a fan page, an app, or a product.

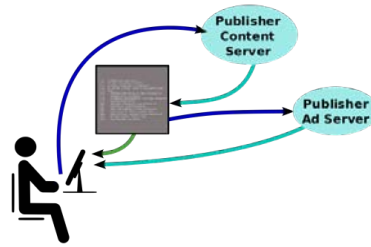
Some examples are: Facebook's "Sponsored Stories", LinkedIn's "Sponsored Updates", and Twitter's "Promoted Tweets".

This display ads format falls into its own category because unlike banner ads which are quite distinguishable, News Feed Ads' format blends well into non-paid news updates. This format of online advertisement yields much higher click-through rates than traditional display ads

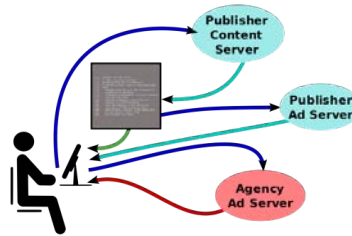
## Display Advertising Process Overview

The process by which online advertising is displayed can involve many parties. In the simplest case, the web site publisher selects and serves the ads. Publishers which operate their own advertising departments may use this method.

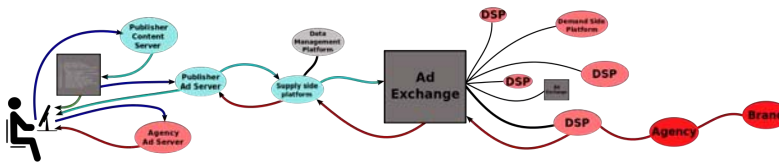
The ads may be outsourced to an advertising agency under contract with the publisher, and served from the advertising agency's servers.



Online advertising serving process - simple publisher case



Online advertising serving process using an ad agency



Online advertising serving process using online bidding

Alternatively, ad space may be offered for sale in a bidding market using an ad exchange and real-time bidding. This involves many parties interacting automatically in real time. In response to a request from the user's browser, the publisher content server sends the web page content to the user's browser over the Internet. The page does not yet contain ads, but contains links which cause the user's browser to connect to the publisher ad server to request that the spaces left for ads be filled in with ads. Information identifying the user, such as cookies and the page being viewed, is transmitted to the publisher ad server.

The publisher ad server then communicates with a supply-side platform server. The publisher is offering ad space for sale, so they are considered the supplier. The supply side platform also receives the user's identifying information, which it sends to a data management platform. At the data management platform, the user's identifying information is used to look up demographic information, previous purchases, and other information of interest to advertisers.

Broadly speaking, there are three types of data obtained through such a data management platform:

*First party data* refers to the data retrieved from customer relationship management (CRM) platforms, in addition to website and paid media content or cross-platform data. This can include data from customer behaviors, actions or interests.

*Second party data* refers to an amalgamation of statistics related to cookie pools on external publications and platforms. The data is provided directly from the source (adserver, hosted solutions for social or an analytics platform). It is also possible to negotiate a deal with a particular publisher to secure specific data points or audiences.

*Third party data* is sourced from external providers and often aggregated from numerous websites. Businesses sell third-party data and are able to share this via an array of distribution avenues.

This customer information is combined and returned to the supply side platform, which can now package up the offer of ad space along with information about the user who will view it. The supply side platform sends that offer to an ad exchange.

The ad exchange puts the offer out for bid to demand-side platforms. Demand side platforms act on behalf of ad agencies, who sell ads which advertise brands. Demand side platforms thus have ads ready to display, and are searching for users to view them. Bidders get the information about the user ready to view the ad, and decide, based on that information, how much to offer to buy the ad space. According to the Internet Advertising Bureau, a demand side platform has 10 milliseconds to respond to an offer. The ad exchange picks the winning bid and informs both parties.

The ad exchange then passes the link to the ad back through the supply side platform and the publisher's ad server to the user's browser, which then requests the ad content from the agency's ad server. The ad agency can thus confirm that the ad was delivered to the browser.

This is simplified, according to the IAB. Exchanges may try to unload unsold ("remnant") space at low prices through other exchanges. Some agencies maintain semi-permanent pre-cached bids with ad exchanges, and those may be examined before going out to additional demand side platforms for bids. The process for mobile advertising is different and may involve mobile carriers and handset software manufacturers.

## **Interstitial**

An interstitial ad displays before a user can access requested content, sometimes while the user is waiting for the content to load. Interstitial ads are a form of interruption marketing.

## **Text Ads**

A text ad displays text-based hyperlinks. Text-based ads may display separately from a web page's primary content, or they can be embedded by hyperlinking individual words or phrases to advertiser's websites. Text ads may also be delivered through email

marketing or text message marketing. Text-based ads often render faster than graphical ads and can be harder for ad-blocking software to block.

## **Search Engine Marketing (SEM)**

Search engine marketing, or SEM, is designed to increase a website's visibility in search engine results pages (SERPs). Search engines provide sponsored results and organic (non-sponsored) results based on a web searcher's query. Search engines often employ visual cues to differentiate sponsored results from organic results. Search engine marketing includes all of an advertiser's actions to make a website's listing more prominent for topical keywords.

## **Search Engine Optimization (SEO)**

Search engine optimization, or SEO, attempts to improve a website's organic search rankings in SERPs by increasing the website content's relevance to search terms. Search engines regularly update their algorithms to penalize poor quality sites that try to game their rankings, making optimization a moving target for advertisers. Many vendors offer SEO services.

## **Sponsored Search**

Sponsored search (also called sponsored links, search ads, or paid search) allows advertisers to be included in the sponsored results of a search for selected keywords. Search ads are often sold via real-time auctions, where advertisers bid on keywords. In addition to setting a maximum price per keyword, bids may include time, language, geographical, and other constraints. Search engines originally sold listings in order of highest bids. Modern search engines rank sponsored listings based on a combination of bid price, expected click-through rate, keyword relevancy and site quality.

## **Social Media Marketing**

Social media marketing is commercial promotion conducted through social media websites. Many companies promote their products by posting frequent updates and providing special offers through their social media profiles.

## **Mobile Advertising**

Mobile advertising is ad copy delivered through wireless mobile devices such as smartphones, feature phones, or tablet computers. Mobile advertising may take the form of static or rich media display ads, SMS (Short Message Service) or MMS (Multimedia Messaging Service) ads, mobile search ads, advertising within mobile websites, or ads within mobile applications or games (such as interstitial ads, "advergaming," or

application sponsorship). Industry groups such as the Mobile Marketing Association have attempted to standardize mobile ad unit specifications, similar to the IAB's efforts for general online advertising.

Mobile advertising is growing rapidly for several reasons. There are more mobile devices in the field, connectivity speeds have improved (which, among other things, allows for richer media ads to be served quickly), screen resolutions have advanced, mobile publishers are becoming more sophisticated about incorporating ads, and consumers are using mobile devices more extensively. The Interactive Advertising Bureau predicts continued growth in mobile advertising with the adoption of location-based targeting and other technological features not available or relevant on personal computers. In July 2014 Facebook reported advertising revenue for the June 2014 quarter of \$2.68 billion, an increase of 67 percent over the second quarter of 2013. Of that, mobile advertising revenue accounted for around 62 percent, an increase of 41 percent on the previous year.

### **Email Advertising**

Email advertising is ad copy comprising an entire email or a portion of an email message. Email marketing may be unsolicited, in which case the sender may give the recipient an option to opt out of future emails, or it may be sent with the recipient's prior consent (opt-in).

### **Chat Advertising**

As opposed to static messaging, chat advertising refers to real time messages dropped to users on certain sites. This is done by the usage of live chat software or tracking applications installed within certain websites with the operating personnel behind the site often dropping adverts on the traffic surfing around the sites. In reality this is a subset of the email advertising but different because of its time window.

### **Online Classified Advertising**

Online classified advertising is advertising posted online in a categorical listing of specific products or services. Examples include online job boards, online real estate listings, automotive listings, online yellow pages, and online auction-based listings. Craigslist and eBay are two prominent providers of online classified listings.

### **Adware**

Adware is software that, once installed, automatically displays advertisements on a user's computer. The ads may appear in the software itself, integrated into web pages visited by the user, or in pop-ups/pop-unders. Adware installed without the user's permission is a type of malware.

## Affiliate marketing

Affiliate marketing (sometimes called lead generation) occurs when advertisers organize third parties to generate potential customers for them. Third-party affiliates receive payment based on sales generated through their promotion. Affiliate marketers generate traffic to offers from affiliate networks, and when the desired action is taken by the visitor, the affiliate earns a commission. These desired actions can be an email submission, a phone call, filling out an online form, or an online order being completed.

## Content Marketing

Content marketing is any marketing that involves the creation and sharing of media and publishing content in order to acquire and retain customers. This information can be presented in a variety of formats, including blogs, news, video, white papers, e-books, infographics, case studies, how-to guides and more.

Considering that most marketing involves some form of published media, it is almost (though not entirely) redundant to call 'content marketing' anything other than simply 'marketing'. There are, of course, other forms of marketing (in-person marketing, telephone-based marketing, word of mouth marketing, etc.) where the label is more useful for identifying the type of marketing. However, even these are usually merely presenting content that they are marketing as information in a way that is different from traditional print, radio, TV, film, email, or web media.

## Online Marketing Platform

Online marketing platform (OMP) is an integrated web-based platform that combines the benefits of a business directory, local search engine, search engine optimisation (SEO) tool, customer relationship management (CRM) package and content management system (CMS). Ebay and Amazon are used as online marketing and logistics management platforms. On Facebook, Twitter, YouTube, Pinterest, LinkedIn, and other Social Media, retail online marketing is also used. Online business marketing platforms such as Marketo, Aprimo, MarketBright and Pardot have been bought by major IT companies (Eloqua-Oracle, Neolane-Adobe and Unica-IBM).

## Compensation Methods

Advertisers and publishers use a wide range of payment calculation methods. In 2012, advertisers calculated 32% of online advertising transactions on a cost-per-impression basis, 66% on customer performance (e.g. cost per click or cost per acquisition), and 2% on hybrids of impression and performance methods.

## CPM (Cost Per Mille)

Cost per mille, often abbreviated to CPM, means that advertisers pay for every thousand

displays of their message to potential customers (mille is the Latin word for thousand). In the online context, ad displays are usually called “impressions.” Definitions of an “impression” vary among publishers, and some impressions may not be charged because they don’t represent a new exposure to an actual customer. Advertisers can use technologies such as web bugs to verify if an impression is actually delivered.

Publishers use a variety of techniques to increase page views, such as dividing content across multiple pages, repurposing someone else’s content, using sensational titles, or publishing tabloid or sexual content.

CPM advertising is susceptible to “impression fraud,” and advertisers who want visitors to their sites may not find per-impression payments a good proxy for the results they desire.

### **CPC (Cost Per Click)**

CPC (Cost Per Click) or PPC (Pay per click) means advertisers pay each time a user clicks on the ad. CPC advertising works well when advertisers want visitors to their sites, but it’s a less accurate measurement for advertisers looking to build brand awareness. CPC’s market share has grown each year since its introduction, eclipsing CPM to dominate two-thirds of all online advertising compensation methods.

Like impressions, not all recorded clicks are valuable to advertisers. GoldSpot Media reported that up to 50% of clicks on static mobile banner ads are accidental and resulted in redirected visitors leaving the new site immediately.

### **CPE (Cost Per Engagement)**

Cost per engagement aims to track not just that an ad unit loaded on the page (i.e., an impression was served), but also that the viewer actually saw and/or interacted with the ad.

### **CPV (Cost Per View)**

Cost per view video advertising. Both Google and TubeMogul endorsed this standardized CPV metric to the IAB’s (Interactive Advertising Bureau) Digital Video Committee, and it’s garnering a notable amount of industry support. CPV is the primary benchmark used in YouTube Advertising Campaigns, as part of Google’s AdWords platform.

### **CPI (Cost Per Install)**

The CPI compensation method is specific to mobile applications and mobile advertising. In CPI ad campaigns brands are charged a fixed bid rate only when the application was installed.

## Attribution of Ad Value

In marketing, “attribution” is the measurement of effectiveness of particular ads in a consumer’s ultimate decision to purchase. Multiple ad impressions may lead to a consumer “click” or other action. A single action may lead to revenue being paid to multiple ad space sellers.

## Other Performance-based Compensation

CPA (Cost Per Action or Cost Per Acquisition) or PPP (Pay Per Performance) advertising means the advertiser pays for the number of users who perform a desired activity, such as completing a purchase or filling out a registration form. Performance-based compensation can also incorporate revenue sharing, where publishers earn a percentage of the advertiser’s profits made as a result of the ad. Performance-based compensation shifts the risk of failed advertising onto publishers.

## Fixed Cost

Fixed cost compensation means advertisers pay a fixed cost for delivery of ads online, usually over a specified time period, irrespective of the ad’s visibility or users’ response to it. One examples is CPD (cost per day) where advertisers pay a fixed cost for publishing an ad for a day irrespective of impressions served or clicks.

## Benefits Of Online Advertising

### Cost

The low costs of electronic communication reduce the cost of displaying online advertisements compared to offline ads. Online advertising, and in particular social media, provides a low-cost means for advertisers to engage with large established communities. Advertising online offers better returns than in other media.

### Measurability

Online advertisers can collect data on their ads’ effectiveness, such as the size of the potential audience or actual audience response, how a visitor reached their advertisement, whether the advertisement resulted in a sale, and whether an ad actually loaded within a visitor’s view. This helps online advertisers improve their ad campaigns over time.

### Formatting

Advertisers have a wide variety of ways of presenting their promotional messages, including the ability to convey images, video, audio, and links. Unlike many offline ads, online ads also can be interactive. For example, some ads let users input queries or let users follow the advertiser on social media. Online ads can even incorporate games.

## Targeting

Publishers can offer advertisers the ability to reach customizable and narrow market segments for targeted advertising. Online advertising may use geo-targeting to display relevant advertisements to the user's geography. Advertisers can customize each individual ad to a particular user based on the user's previous preferences. Advertisers can also track whether a visitor has already seen a particular ad in order to reduce unwanted repetitious exposures and provide adequate time gaps between exposures.

## Coverage

Online advertising can reach nearly every global market, and online advertising influences offline sales.

## Speed

Once ad design is complete, online ads can be deployed immediately. The delivery of online ads does not need to be linked to the publisher's publication schedule. Furthermore, online advertisers can modify or replace ad copy more rapidly than their offline counterparts.

## Concerns

### Security Concerns

According to a US Senate investigation, the current state of online advertising endangers the security and privacy of users.

### Banner Blindness

Eye-tracking studies have shown that Internet users often ignore web page zones likely to contain display ads (sometimes called "banner blindness"), and this problem is worse online than in offline media. On the other hand, studies suggest that even those ads "ignored" by the users may influence the user subconsciously.

### Fraud on the Advertiser

There are numerous ways that advertisers can be overcharged for their advertising. For example, click fraud occurs when a publisher or third parties click (manually or through automated means) on a CPC ad with no legitimate buying intent. For example, click fraud can occur when a competitor clicks on ads to deplete its rival's advertising budget, or when publishers attempt to manufacture revenue.

Click fraud is especially associated with pornography sites. In 2011, certain scamming porn websites launched dozens of hidden pages on each visitor's computer, forcing the visitor's computer to click on hundreds of paid links without the visitor's knowledge.

As with offline publications, online impression fraud can occur when publishers overstate the number of ad impressions they have delivered to their advertisers. To combat impression fraud, several publishing and advertising industry associations are developing ways to count online impressions credibly.

## **Technological Variations**

### **Heterogeneous Clients**

Because users have different operating systems, web browsers and computer hardware (including mobile devices and different screen sizes), online ads may appear to users differently from how the advertiser intended, or the ads may not display properly at all. A 2012 comScore study revealed that, on average, 31% of ads were not “in-view” when rendered, meaning they never had an opportunity to be seen. Rich media ads create even greater compatibility problems, as some developers may use competing (and exclusive) software to render the ads.

Furthermore, advertisers may encounter legal problems if legally required information doesn’t actually display to users, even if that failure is due to technological heterogeneity. In the United States, the FTC has released a set of guidelines indicating that it’s the advertisers’ responsibility to ensure the ads display any required disclosures or disclaimers, irrespective of the users’ technology.

### **Ad-blocking**

Ad-blocking, or ad filtering, means the ads do not appear to the user because the user uses technology to screen out ads. Many browsers block unsolicited pop-up ads by default. Other software programs or browser add-ons may also block the loading of ads, or block elements on a page with behaviors characteristic of ads (e.g. HTML autoplay of both audio and video). Approximately 9% of all online page views come from browsers with ad-blocking software installed, and some publishers have 40%+ of their visitors using ad-blockers.

### **Anti-targeting Technologies**

Some web browsers offer privacy modes where users can hide information about themselves from publishers and advertisers. Among other consequences, advertisers can’t use cookies to serve targeted ads to private browsers. Most major browsers have incorporated Do Not Track options into their browser headers, but the regulations currently are only enforced by the honor system.

### **Privacy Concerns**

The collection of user information by publishers and advertisers has raised consumer concerns about their privacy. Sixty percent of Internet users would use Do Not Track

technology to block all collection of information if given an opportunity. Over half of all Google and Facebook users are concerned about their privacy when using Google and Facebook, according to *Gallup*.

Many consumers have reservations about online behavioral targeting. By tracking users' online activities, advertisers are able to understand consumers quite well. Advertisers often use technology, such as web bugs and respawning cookies, to maximizing their abilities to track consumers. According to a 2011 survey conducted by Harris Interactive, over half of Internet users had a negative impression of online behavioral advertising, and forty percent feared that their personally-identifiable information had been shared with advertisers without their consent. Consumers can be especially troubled by advertisers targeting them based on sensitive information, such as financial or health status.

### **Trustworthiness of Advertisers**

Scammers can take advantage of consumers' difficulties verifying an online persona's identity, leading to artifices like phishing (where scam emails look identical to those from a well-known brand owner) and confidence schemes like the Nigerian "419" scam. The Internet Crime Complaint Center received 289,874 complaints in 2012, totaling over half a billion dollars in losses, most of which originated with scam ads.

Consumers also face malware risks, i.e. malvertising, when interacting with online advertising. Cisco's 2013 Annual Security Report revealed that clicking on ads was 182 times more likely to install a virus on a user's computer than surfing the Internet for porn. For example, in August 2014 Yahoo's advertising network reportedly saw cases of infection of a variant of Cryptolocker ransomware.

### **Spam**

The Internet's low cost of disseminating advertising contributes to spam, especially by large-scale spammers. Numerous efforts have been undertaken to combat spam, ranging from blacklists to regulatorily-required labeling to content filters, but most of those efforts have adverse collateral effects, such as mistaken filtering.

### **Regulation**

In general, consumer protection laws apply equally to online and offline activities. However, there are questions over which jurisdiction's laws apply and which regulatory agencies have enforcement authority over transborder activity.

As with offline advertising, industry participants have undertaken numerous efforts to self-regulate and develop industry standards or codes of conduct. Several United States advertising industry organizations jointly published *Self-Regulatory Principles for Online Behavioral Advertising* based on standards proposed by the FTC in 2009.

European ad associations published a similar document in 2011. Primary tenets of both documents include consumer control of data transfer to third parties, data security, and consent for collection of certain health and financial data. Neither framework, however, penalizes violators of the codes of conduct.

## Privacy and Data Collection

Privacy regulation can require users' consent before an advertiser can track the user or communicate with the user. However, affirmative consent ("opt in") can be difficult and expensive to obtain. Industry participants often prefer other regulatory schemes.

Different jurisdictions have taken different approaches to privacy issues with advertising. The United States has specific restrictions on online tracking of children in the Children's Online Privacy Protection Act (COPPA), and the FTC has recently expanded its interpretation of COPPA to include requiring ad networks to obtain parental consent before knowingly tracking kids. Otherwise, the U.S. Federal Trade Commission frequently supports industry self-regulation, although increasingly it has been undertaking enforcement actions related to online privacy and security. The FTC has also been pushing for industry consensus about possible Do Not Track legislation.

In contrast, the European Union's "Privacy and Electronic Communications Directive" restricts websites' ability to use consumer data much more comprehensively. The EU limitations restrict targeting by online advertisers; researchers have estimated online advertising effectiveness decreases on average by around 65% in Europe relative to the rest of the world.

## Delivery Methods

Many laws specifically regulate the ways online ads are delivered. For example, online advertising delivered via email is more regulated than the same ad content delivered via banner ads. Among other restrictions, the U.S. CAN-SPAM Act of 2003 requires that any commercial email provide an opt-out mechanism. Similarly, mobile advertising is governed by the Telephone Consumer Protection Act of 1991 (TCPA), which (among other restrictions) requires user opt-in before sending advertising via text messaging.

## Comparative Advertising

Comparative advertising or advertising war is an advertisement in which a particular product, or service, specifically mentions a competitor by name for the express purpose of showing why the competitor is inferior to the product naming it. Also referred to as "knocking copy", it is loosely defined as advertising where "the advertised brand is explicitly compared with one or more competing brands and the comparison is obvious to the audience."

This should not be confused with parody advertisements, where a fictional product is being advertised for the purpose of poking fun at the particular advertisement, nor should it be confused with the use of a coined brand name for the purpose of comparing the product without actually naming an actual competitor. (“Wikipedia tastes better and is less filling than the Encyclopedia Galactica.”)

In the United States, the Federal Trade Commission (FTC) defined comparative advertising as “advertisement that compares alternative brands on objectively measurable attributes or price, and identifies the alternative brand by name, illustration or other distinctive information.” This definition was used in the case *Gillette Australia Pty Ltd v Energizer Australia Pty Ltd*. Similarly, the Law Council of Australia recently suggested that comparative advertising refers to “advertising which include reference to a competitor’s trademark in a way which does not impute proprietorship in the mark to the advertiser.”

Comparative advertisements could be either indirectly or directly comparative, positive or negative, and seeks “to associate or differentiate the two competing brands”. Different countries apply differing views regarding the laws on comparative advertising.

## History

The earliest case concerning comparative advertising dates back to 1910 in United States – *Saxlehner v Wagner*. Prior to the 1970s, comparative advertising was deemed unfeasible due to related risks. For instance, comparative advertising could invite misidentification of products, potential legal issues, and may even win public sympathy for their competitors as victims.

In 1972, the FTC began to encourage advertisers to make comparison with named competitors, with the broad, public welfare objective of creating more informative advertising. The FTC argued that this form of advertising could also stimulate comparison shopping, encourage product improvement and innovation, and foster a positive competitive environment. However, studies have shown that while comparative advertisements had increased since 1960, the relative amount of comparative advertising is still small.

## Legal Issues

### United Kingdom

In the UK, most of the use of competitor’s registered trademark in a comparative advertisement was an infringement of the registration up till the end of 1994. However, the laws on comparative advertising were harmonized in 2000. The current rules on comparative advertising are regulated by a series of EU Directives. The Business Protection from Misleading Marketing Regulations 2008 implements provisions of Directive (EC) 2006/114 in the UK.

One of the classic cases of comparative advertising in UK was the O2 v Hutchison case. The European Court of Justice (ECJ) held that there could have been a trademark infringement when a comparative advertiser used the registered trademark for the advertiser's own goods and services. It was also held that a trademark proprietor could not prevent a competitor's use of a sign similar or identical to his mark in a comparative advertisement, which satisfies all the conditions of the Comparative Advertising Directive. If the Advocate General's decision in the O2 case were followed by the ECJ, competitors will not be able to use trademark legislation either to prevent a comparative advertisement through an injunction or to charge in respect of its use. Conversely, in *British Airways plc v Ryanair Ltd.* a lenient approach was adopted by the UK courts. The use of competitors' trademarks was no longer restricted for businesses competing within an industry, provided that compliance of the conditions set out in the legislation were performed. This meant that businesses are able to use the trademarks of other companies and trade names to distinguish the relative merits of their own products and services over those of their competitors.

## United States

The FTC and the National Advertising Division of the Council of Better Business Bureaus, Inc. (NAD), govern the laws of comparative advertising in the United States including the treatment of comparative advertising claims. FTC stated that comparative advertising could benefit consumers and encourages comparative advertising, provided that the comparisons are "clearly identified, truthful, and non-deceptive". Although comparative advertising is encouraged, NAD has stated "claims that expressly or implicitly disparage a competing product should be held to the highest level of scrutiny in order to ensure that they are truthful, accurate, and narrowly drawn." Another major law is the trademark protective Lanham Act, which states that one could incur liability when the message of the comparative advertisement is untrue or uncertain, but has the intention to deceive consumers through the implied message conveyed.

## Australia

In Australia, no specific law governs comparative advertising although certain cases regarding this matter have occurred. Comparative advertising that is truthful, and does not lead to confusion is permitted.

Generally, Australian advertisers should make sure that the following are complied when exercising comparative advertising to avoid breaches regarding misleading advertising under Australia Consumer Law:

1. Product compared should be like products as per *HCF Australia Ltd v Switzerland Australia Health Fund Pty Ltd*, or else comparison must be made clearly to consumers as per *Gillette Australia Pty Ltd v Energizer Australia Pty Ltd*;

2. Test results are presented as it is as per *Makita v Black & Decker*;
3. Test used are appropriate and conducted according to industry guidelines as per *Duracell Australia Pty Ltd v Union Carbide Australia Ltd*; and
4. Mock up test results truly reflects how is product functioning in real life as per *Hoover (Australia) Pty Ltd v Email Ltd*.

## Hong Kong

The law in Hong Kong regarding comparative advertising is the law that existed in the UK prior to the enactment of the UK Act 1994. Hong Kong has no legislation exclusively intended at limiting false or misleading advertisements. Still, the Trade Descriptions Ordinance (Cap 362) bans the use of false trade descriptions in advertisements. The tort of trade libel also exists to deal with false or misleading advertisements designed to injure the competitor. Consumer Council may have the authority to publish information with a perspective to amending false or misleading advertisements, while the Association of Accredited Advertising Agencies of Hong Kong have the authority to take action against members who organize advertisements that are inaccurate.

## Argentina

In Argentina, there is no specific statute dealing with comparative advertising (so it is not forbidden), but there are clear jurisprudential rules based on unfair competition law. If in some manner an advertisement is proven to be unfair or exceeds ethical standards by hiding the truth or omitting some essential aspect of the comparison, it is probable that an injunction will be granted and that the plaintiff will be able to obtain a final decision declaring the advertising illegal.

Numerous cases follow international precedent in referring to the requirements of the European Union Directive on comparative advertising. By following these criteria, Argentine courts have developed standards very similar to European regulation. It is as if the judges wanted to validate the law created by the Courts with an external source. Similar conclusions reached elsewhere indicate the existence of universally accepted principles that accept that comparing products in commercial advertisements should be lawful.

## Brazil

In Brazil, the *“Brazilian Advertising Self-Regulation Code”* (PDF). allow comparative advertising with certain restrictions. Its primary purpose shall be the clarification or consumer’s protection; it shall have as basic principle the objectiveness of the comparison since subjective data, psychological or emotionally based data does not constitute a valid comparison basis for consumers; the purposed or implemented comparison shall be capable of being supported by evidence; in the case of consumption goods, the

comparison shall be made with models manufactured in the same year and no comparison shall be made between products manufactured in different years, unless it is only a reference to show evolution, in which case the evolution shall be clearly demonstrated; there shall be no confusion between the products and competitor's brands; there shall be no unfair competition, denigration of the product's image or another company's product; and there shall be no unreasonable use of the corporate image or goodwill of third parties.

Likewise, the majority of the Brazilian authors is inclined to say that its legitimacy depends to meet certain requirements, which, in general, would be stipulated by Article 3a of Directive 84/450/EEC

In an early Mercosur's rules through Resolution 126/96.

## **Effectiveness**

Comparative advertising has been increasingly implemented through the years, and the types of comparative advertising range from comparing a single attribute dimension, comparing an attribute unique to the target and absent in the referent and comparisons involving attributes unique to both brands. The contributing factors to the effectiveness of comparative advertising include believability, which refers to the extent a consumer can rely on the information provided in comparative advertisements, the level of involvement, and the convenience in evaluation, provided by spoon feeding the consumer with information that does not require extra effort in recall.

Comparative advertising is generally coupled with negativity, as evidenced by early industry condemnation. Stating reasons such as participation in comparative advertising damaged the honour and credibility of advertising. Studies have suggested that negative information can be stored more effectively, thus generating the impact that any advertisement is purposed for, and more importantly, strong recall. On the contrary, such negativity can either be transferred directly to the brand and the consumer's impression of the brand, various studies through the years have proven that comparative advertising has been responded to negatively.

## **Examples**

Comparative advertising has been used effectively by companies like The National Australia Bank (NAB), and its "break up" campaign has made such an impact it has won an award from Cannes, and a substantial increase in its consumer interest. Internationally acclaimed Apple Inc. has effectively utilized its Mac vs PC advertisements as part of its marketing efforts to increase its market share over the years. Such companies prove the academic view that comparative advertising is more successful when used by established brands, justified by the credibility and attention an established brand brings. Other famous examples include L'Oreal SA v Bellure NV and Coca Cola v Pepsi.

Comparative advertising has to be executed with caution and deep consideration for the targeted markets as the novelty of the concept affects the effectiveness of the stipulated campaigns.

In the 1980s, during what has been referred to as the cola wars, soft-drink manufacturer Pepsi ran a series of advertisements where people, caught on hidden camera, in a blind taste test, chose Pepsi over rival Coca-Cola.



“Daisy” advertisement

The use of comparative advertising has been well established in political campaigns, where typically one candidate will run ads where the record of the other candidate is displayed, for the purpose of disparaging the other candidate. The most famous of these type ads, which only ran once on TV, consisted of a child picking daisies in a field, while a voice which sounded like Barry Goldwater performed a countdown to zero before the launch of a nuclear weapon which explodes in a mushroom cloud. The ad, “Daisy”, was produced by Lyndon B. Johnson’s campaign in an attempt to prevent Goldwater from either winning the nomination of his party or being selected.

Another example took place throughout the late 1980s between the bitter rivals Nintendo and Sega. “Genesis does what Nintendon’t” immediately became a catchphrase following the release of the Sega Genesis (known as Mega Drive in PAL countries).

A 30-second commercial promoting sustainability, showing soda bottles exploding each time a person makes a drink using his Sodastream machine, was banned in the United Kingdom in 2012. Clearcast, the organization that preapproves TV advertising in the U.K., explained that they “thought it was a denigration of the bottled drinks market.” The same ad, crafted by Alex Bogusky, ran in the United States, Sweden, Australia, and other countries. An appeal by Sodastream to reverse Clearcast’s decision to censor the commercial was rejected. A similar ad was expected to air during Super Bowl XLVII in February 2013 but was banned by CBS for jabbing at Coke and Pepsi (two of CBS’s largest sponsors).

In 2012, Microsoft’s Bing (formerly MSN Search) began to run a campaign about which search engine they prefer as it compared Bing to Google, and that more people preferred Bing over Google. The campaign was titled “Bing It On”.

## Performance-based Advertising

Performance-based advertising, also known as Pay for performance advertising is a form of advertising in which the purchaser pays only when there are measurable results. Performance-based advertising is becoming more common with the spread of electronic media, notably the Internet, where it is possible to measure user actions resulting from advertisement.

### Pricing Models

There are four common pricing models used in the online performance advertising market.

CPM (Cost-per-Mille, or Cost-per-Thousand) Pricing Models charge advertisers for impressions, i.e. the number of times people view an advertisement. Display advertising is commonly sold on a CPM pricing model. The problem with CPM advertising is that advertisers are charged even if the target audience does not click on the advertisement.

CPC (Cost-per-Click) advertising overcomes this problem by charging advertisers only when the consumer clicks on the advertisement. However, due to increased competition, search keywords have become very expensive. A 2007 Doubleclick Performics Search trends Report shows that there were nearly six times as many keywords with a cost per click (CPC) of more than \$1 in January 2007 than the prior year. The cost per keyword increased by 33% and the cost per click rose by as much as 55%.

In recent times, there has been a rapid increase in online lead generation - banner and direct response advertising that works off a CPL pricing model. In a Cost-per-Lead pricing model, advertisers pay only for qualified leads - irrespective of the clicks or impressions that went into generating the lead. CPL advertising is also commonly referred to as online lead generation.

Cost per Lead (CPL) pricing models are the most advertiser friendly. A recent IBM research study found that two-thirds of senior marketers expect 20 percent of ad revenue to move away from impression-based sales, in favor of action-based models within three years. CPL models allow advertisers to pay only for qualified leads as opposed to clicks or impressions and are at the pinnacle of the online advertising ROI hierarchy.

In CPA advertising, advertisers pay for a specific action such as a credit card transaction (also called CPO, Cost-Per-Order).

Advertisers need to be careful when choosing between CPL and CPA pricing models.

In CPL campaigns, advertisers pay for an interested lead - i.e. the contact information of a person interested in the advertiser's product or service. CPL campaigns are suitable for brand marketers and direct response marketers looking to engage consumers at

multiple touch-points - by building a newsletter list, community site, reward program or member acquisition program.

In CPA campaigns, the advertiser typically pays for a completed sale involving a credit card transaction. CPA is all about 'now' -- it focuses on driving consumers to buy at that exact moment. If a visitor to the website doesn't buy anything, there's no easy way to re-market to them.

There are other important differentiators:

1. CPL campaigns are advertiser-centric. The advertiser remains in control of their brand, selecting trusted and contextually relevant publishers to run their offers. On the other hand, CPA and affiliate marketing campaigns are publisher-centric. Advertisers cede control over where their brand will appear, as publishers browse offers and pick which to run on their websites. Advertisers generally do not know where their offer is running.
2. CPL campaigns are usually high volume and light-weight. In CPL campaigns, consumers submit only basic contact information. The transaction can be as simple as an email address. On the other hand, CPA campaigns are usually low volume and complex. Typically, consumer has to submit credit card and other detailed information.

CPL advertising is more appropriate for advertisers looking to deploy acquisition campaigns by re-marketing to end consumers through e-newsletters, community sites, reward programs, loyalty programs and other engagement vehicles.

## **Economic Benefits**

Many advertisers have limited budgets and may not understand the most effective method of advertising. With performance-based advertising plans, they avoid the risk of paying large amounts for advertisements that are ineffective. They pay only for results.

The advertising agency, distributor or publisher assumes the risk, and is therefore motivated to ensure that the advertisement is well-targeted, making best use of the available inventory of advertising space. Electronic media publishers may choose advertisements based on location, time of day, day of week, demographics and performance history, ensuring that they maximize revenue earned from each advertising slot.

The close attention to targeting is intended to minimize the number of irrelevant advertisements presented to consumers. They see advertisements for products and services that are likely to interest them. Although consumers often state that advertisements are irritating, in many situations they find the advertisement useful if they are relevant.

## **Metrics**

Various types of measurable action may be used in charging for performance-based advertising:

- Many Internet sites charge for advertising on a “CPM” (Cost per Thousand) or Cost per impression basis. That is, the advertiser pays only when a consumer sees their advertisement. Some would argue that this is not performance-based advertising since there is no measurement of the user response.
- Internet sites often also offer advertising on a “PPC” (pay per click) basis. Google’s AdWords product and equivalent products from Millennial Media, Yahoo!, Microsoft and others support PPC advertising plans.
- A small but growing number of sites are starting to offer plans on a “Pay per call” basis. The user can click a button to place a VoIP call, or to request a call from the advertiser. If the user requests a call, presumably they are highly likely to make a purchase.
- Finally, there is considerable research into methods of linking the user’s actions to the eventual purchase: the ideal form of performance measurement.

Some Internet sites are markets, bringing together buyers and sellers. eBay is a prominent example of a market operating on an auction basis. Other market sites let the vendors set their price. In either model, the market mediates sales and takes a commission - a defined percentage of the sale value. The market is motivated to give a more prominent position to vendors who achieve high sales value. Markets may be seen as a form of performance-based advertising.

The use of mobile coupons also enables a whole new world of metrics within identifying campaign effect. There are several providers of mobile coupon technology that makes it possible to provide unique coupons or barcodes to each individual person and at the same time identify the person downloading it. This makes it possible to follow these individuals during the whole process from downloading until when and where the coupons are redeemed.

## Media

Although the Internet introduced the concept of performance-based advertising, it is now spreading into other media.

The mobile telephone is increasingly used as a web browsing device, and can support both pay-per-click and pay-per-call plans. Coupons delivered to the mobile handset can be used to link advertising direct to sales. As consumers start to use their mobile handset as an electronic payment device, it may become practical to establish direct linkage between advertising and purchases. The linkage may be indirect. A consumer may use their mobile phone to scan a barcode on an outdoor advertisement. This loads the advertiser’s mobile site onto the phone. When the consumer shortly afterwards goes to the advertiser’s store and uses their phone to make a purchase, the linkage can be inferred.

Directory assistance providers are starting to introduce advertising, particularly with “Free DA” services such as the Jingle Networks 1-800-FREE-411, the AT&T 1-800-YELLOWPAGES and the (now-defunct) Google 1-800-GOOG-411. The advertiser pays when a caller listens to their advertisement, the equivalent of Internet CPM advertising, when they ask for additional information, or when they place a call.

IPTV promises to eventually combine features of cable television and the Internet. Viewers may see advertisements in a sidebar that are relevant to the show they are watching. They may click on an advertisement to obtain more details, and this action can be measured and used to charge the advertiser.

It is even possible to directly measure the performance of print advertising. The publisher prints a special telephone number in the advertisement, used nowhere else. When a consumer places a call to that number, the call event is recorded and the call is routed to the regular number. In theory, the call could only have been generated because of the print advertisement. In practice, there is the risk that an inadvertent third party will find a number from an advertisement and submit it to an online or printed directory, causing it to receive additional calls for which the advertiser must pay individually as “leads” or enquiries. Some of the received calls may be misdirected product support requests from existing clients or even enquiries from suppliers, which are not new revenue and should not be counted as new leads. Toll-free telephone numbers are also notoriously prone to misdials which a company must pay to receive - often because a little-used number is one digit away from a major airline, hotel chain, hire car firm, bank or national franchise operator.

## Pricing

A publisher may charge defined prices for performance-based advertising, so much per click or call, but it is common for prices to be set through some form of “bidding” or auction arrangement. The advertiser states how much they are willing to pay for a user action, and the publisher provides feedback on how much other advertisers have offered. The actual amount paid may be lower than the amount bid, for example 1 cent more than the next highest bidder.

A “bidding” plan does not guarantee that the highest bidder will always be presented in the most prominent advertising slot, or will gain the most user actions. The publisher will want to earn the maximum revenue from each advertising slot, and may decide (based on actual results) that a lower bidder is likely to bring more revenue than a higher bidder - they will pay less but be selected more often.

In a competitive market, with many advertisers and many publications, defined prices and bid-based prices are likely to converge on the generally accepted value of an advertising action. This presumably reflects the expected sale value and the profit that will result from the sale. An item like a hotel room or airplane seat that loses all value if not

sold may be priced at a higher ratio of sale value than an item like a bag of sand or box of nails that will retain its value over time.

A number of companies provide products or services to help optimize the bidding process, including deciding which keywords the advertiser should bid on and which sites will give best performance.

Other companies that offer straight-forward pay for performance lead generation services, offer performance based pricing related to the quality or quantity of the lead.

## Issues

There is the potential for fraud in performance-based advertising.

- The publication may report excessive performance results, although a reputable publication would be unlikely to take the risk of being exposed by audit.
- A competitor may arrange for automatically generated clicks on an advertisement

Since the user's actions are being measured, there are serious concerns of loss of privacy.

Performance-based advertising mechanisms induce firms to distort the prices of their goods (usually upwards) relative to prices that would maximize profits in settings where advertising is sold under established pay-per-impression methods. Upward price distortions reduce both consumer surplus and the joint publisher-advertiser profit, leading to a net reduction in social welfare. Dellarocas (2010) discusses a number of ways in which performance-based advertising mechanisms can be enhanced to restore efficient pricing.

## Shock Advertising

Shock advertising or Shockvertising is a type of advertising that “deliberately, rather than inadvertently, startles and offends its audience by violating norms for social values and personal ideals”. It is the employment in advertising or public relations of “graphic imagery and blunt slogans to highlight” a public policy issue, goods, or services. Shock advertising is designed principally to break through the advertising “clutter” to capture attention and create buzz, and also to attract an audience to a certain brand or bring awareness to a certain public service issue, health issue, or cause (e.g., urging drivers to use their seatbelts, promoting STD prevention, bringing awareness of racism and other injustices, or discouraging smoking among teens).

This form of advertising is often controversial, disturbing, explicit and crass, and may entail bold and provocative political messages that challenge the public's conventional

understanding of the social order. This form of advertising may not only offend but can also frighten as well, using scare tactics and elements of fear to sell a product or deliver a public service message, making a “high impact.” In the advertising business, this combination of frightening, gory and/or offensive advertising material is known as “shockvertising” and is often considered to have been pioneered by Benetton, the Italian clothing retailers which created the line *United Colors of Benetton*, and its ad-vertisements in the late 1980s.

## Types

Shock advertisements can be shocking and offensive for a variety of reasons, and violation of social, religious, and political norms can occur in many different ways. They can include a disregard for tradition, law or practice (e.g., lewd or tasteless sexual references or obscenity), defiance of the social or moral code (e.g., vulgarity, brutality, nudity, feces, or profanity) or the display of images or words that are horrifying, terrifying, or repulsive (e.g., gruesome or revolting scenes, or violence). Some advertisements may be considered shocking, controversial or offensive not because of the way that the advertisements communicate their messages but because the products themselves are “unmentionables” not to be openly presented or discussed in the public sphere. Examples of these “unmentionables” may include cigarettes, feminine hygiene products, or contraceptives. However, there are several products, services or messages that could be deemed shocking or offensive to the public. For example, advertisements for weight loss programs, sexual or gender related products, clinics that provide AIDS and STD testing, funeral services, groups that advocate for less gun control, casinos which naturally support and promote gambling could all be considered controversial and offensive advertising because of the products or messages that the advertisements are selling. Shocking advertising content may also entail improper or indecent language, like French Connection’s “fcuk” campaign.

## The Effects

Advertisers, psychiatrists, and social scientists have long debated the effectiveness of shock advertising. Some scientists argue that shocking ads of course evoke stronger feelings among the consumers. One finding suggests “shocking content in an advertisement significantly increases attention, benefits memory, and positively influences behavior.” The same study also shows that consumers are more likely to remember shocking advertising content over advertising content that is not shocking. Shock advertising could also refer to the usage of emotional appeals such as humor, sex or fear. Humor has for a long time been the most frequently used communication tool within advertising, and according to branch active people it is considered to be the most effective.

The effects of shock advertising could also be explained by the theory of selective perception. Selective perception is the process by which individual selects, organizes and

evaluates stimuli from the external environment to provide meaningful experiences for him- or herself. This means that people focus in certain features of their environment to the exclusion of others. The consumer unconsciously chooses which information to notice and this kind of selection is dependent of different perceptual filters which are based on the consumer's earlier experiences. One example of this kind of filter is perceptual defense. Perceptual defense is the tendency for people to protect themselves against ideas, objects or situations that are threatening. This means that if a consumer finds a certain kind of advertising content threatening or disturbing, this message will be filtered out. An example of this a heavy smoker who could be filtering out a picture of cancer sick lung since the content could be perceived as disturbing and uncomfortable.

**Target audience:** direct-to-consumer advertisements are common in popular magazines, and particularly aimed at women.

You should also consider long term branding issues if using shock advertising as communication method. Using shocking pictures could affect the way consumers perceive your brand and quality of your product. The ethics is always important to have in mind, and using fear or other strong messages might not always be the best and most effective method to use.

## Examples

Examples include the use of blood and gore, diseased organs and human body parts, and so on. Thus, it can expose any taboo, but typically has an unnecessarily sexually suggestive image. Benetton Group has had several shocking ads of a priest and a nun kissing, a black woman breast-feeding a white baby, and death row inmates' thoughts. Legal advertising that employs shockvertising would depict or re-enact a car accident, which is now illegal in New York.

This practice has been compared to extreme sports and lewd behavior, and to the Jerry Springer show.

Shockvertising is recognized around the world as a term of art, in Polish, in German, and Dutch.

## Benetton

Benetton has come under particular scrutiny for the use of shock advertisements in its campaigns, leading to public outrage and consumer complaints. However, several of Benetton's advertisements have also been the subject of much praise for heightening awareness of significant social issues and for "taking a stand" against infringements on human rights, civil liberties, and environmental rights. Benetton's advertisements have featured images of portions of men's and women's bodies with tattoos that say "HIV Positive", a Black woman breastfeeding a White infant (which could be celebrated as a championing image of racial diversity or raising awareness of racial issues yet was

also denounced for its historical connotations when Black women, during slavery, were often required to become caretakers for White children), a priest and a nun leaning to kiss each other, as well as a group of real death row inmates (alluding to issues concerning capital punishment). Other shocking advertisements released by Benetton include an image of a duck covered in oil (addressing issues of oil spillage and the cleanliness of oceans), a man dying of AIDS, a soldier holding a human bone, as well as a newborn infant still attached to its umbilical cord, which “was intended as an anthem to life, but was one of the most censured visuals in the history of Benetton ads.” Oliviero Toscani, a photographer for Benetton who contributed to many of its shocking advertisements, said, regarding the advertisement he created of a man dying from AIDS, that he wanted “to use the forum of poster advertising to make people aware of this [AIDS] tragedy at a time when no-one dared to show AIDS patients.”

## Calvin Klein

Calvin Klein of Calvin Klein Jeans has also received media attention for its controversial advertisements in the mid-1990s. Several of Calvin Klein’s advertisements featured images of teenage models, some “who were reportedly as young as 15” in overly sexual and provocative poses. Although Klein insisted that these advertisements were not pornographic, some considered the campaign as a form of “soft porn” that was exploitative, shocking, and suggestive. In 1999, Calvin Klein was the subject of more controversy when it aired advertisements of young children who were only wearing the brand’s underwear. This “kiddie underwear ad campaign” was pulled only one day after it aired as a result of public outlash. A spokesperson from Calvin Klein insisted that these ads were intended “to capture the same warmth and spontaneity that you find in a family snapshot.”

## “Get Unhooked” Anti-smoking Ads

In May 2007, the UK National News reported that the British government banned anti-smoking advertisements that were part of the “Get Unhooked” campaign because they caused “fear and distress” in children. These public service advertisements featured in magazines, television, and on the internet displayed images of smokers’ faces and lips being hooked with fish hooks “to illustrate how they were ‘hooked’ on cigarettes.” Although this campaign received hundreds of complaints citing that the advertisements were offensive, disturbing and violent, the Department of Health was reported as saying that the “Get Unhooked” campaign was “highly effective.”

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# Outdoor Advertisement and its Types

Out-of-the-home advertising or outdoor advertising is the term for any advertising that reaches a consumer outside his/her house. It is a form of mass communication and is better suited in techniques such as branding, support campaigns and interactive messages. This chapter provides a detailed account of outdoor advertising and its various forms like billboard advertising, sandwich boards, mobile billboards, transit advertising etc. The major categories of outdoor advertisement are dealt with great details in the chapter.

## Out-of-home Advertising

Out-of-home advertising (aka OOH advertising or outdoor advertising) or out-of-home media (aka OOH media or outdoor media) is advertising that reaches the consumers while they are outside their homes.

Out-of-home advertising is focused on marketing to consumers when they are “on the go” in public places, in transit, waiting (such as in a medical office), and/or in specific commercial locations (such as in a retail venue). OOH advertising formats fall into four main categories: billboards, street furniture, transit, and alternative.

The OOH advertising industry in the United States includes more than 2,100 operators in 50 states representing the major out of home format categories. These OOH media companies range from public, multinational media corporations to small, independent, family-owned businesses. Currently, the United Kingdom and France are Western Europe’s first and second largest markets for OOH, respectively. Data from Outsmart (formerly the Outdoor Media Centre), the UK’s out-of-home advertising trade association, shows that DOOH grew at a 29.7% CAGR from 2009 to 2014.

### Overview

Billboard advertising is a traditional OOH advertising format, but there has been significant growth in digital OOH (digital billboards and place-based networks) in recent years; for example, about 4,900 digital billboard displays have been installed in China and the United States.

Traditional roadside billboards remain the predominant form of OOH advertising in the US with 66 percent of total annual revenue. Today, billboard revenue is 73 percent local ads, 18 percent national ads, and 9 percent public service ads.

Street furniture is made up of formats such as bus shelters, newsracks, mall kiosks, and telephone booth advertising. This form of OOH advertising is mainly seen in urban centers. Additionally, this form of advertising provides benefits to communities, as building and maintaining the shelters people use while waiting for the bus.

Transit advertising is typically advertising placed on anything which moves, such as buses, subway advertising, truckside, food trucks, and taxis, but also includes fixed static and electronic advertising at train and bus stations and platforms. Airport advertising, which helps businesses address an audience while traveling, is also included in this category. Municipalities often accept this form of advertising, as it provides revenue to city and port authorities.

Street furniture, transit, and alternative media formats comprise 34 percent of total outdoor revenue in the US. Some of these formats have a higher percentage of national ads than traditional billboards.

## **Digital Out-of-home**

Digital out-of-home (DOOH) refers to dynamic media distributed across placed-based networks in venues including, but not limited to: cafes, bars, restaurants, health clubs, colleges, arenas, gas stations, convenience stores, barber shops, and public spaces. PQ Media defines DOOH by two major platforms, digital place-based networks (DPN) and digital billboards & signage (DBB); DOOH networks typically feature independently addressable screens, kiosks, jukeboxes and/or jumbotrons. DOOH media benefits location owners and advertisers alike in being able to engage customers and/or audiences and extend the reach and effectiveness of marketing messages. It is also referred to as Digital Signage.

In the U.S., the DOOH industry grew to \$2.9 billion in 2015, representing 40.8% of the total OOH spending. Gas stations, restaurants, and bars are the preferred locations for ad placement. With digital TVs in gas stations, nearly 52 million customers are getting snippets of weather, sports highlights, celebrity gossip and commercials with their gas each month, according to Nielsen. The weekly reach is actually larger than most of the prime-time TV shows. The largest company in the space is Gas Station TV with 27.5 million monthly viewers at more than 1,100 stations across the U.S., according to Nielsen. In addition to the large number of viewers, the audience profile of TVs at gas stations is unique. All are drivers and 76 percent are adults from age 18-49 with a median age of 40 and median household income over 70,000 dollar. According to the Nielsen Intercept Studies, 89 percent of the consumers are engaged and watching TV at the gas station and 88 percent love watching every time they fuel because they have nothing else to do.

The reason that this category is growing so rapidly is because busy people are typically busy at home and with the introduction and acceptance of digital video recorders

(DVRs), it has diluted the frequency with which traditional television commercials are viewed. Every day more TV viewers are skipping past commercials with their DVRs, making out-of-home advertising all the more appealing. A Nielsen media research study in 2009 showed that 91 percent of DVR owners skipped commercials. As a result, traditional TV advertisers are hungry for an effective substitute, and digital out-of-home ads appear to be one of the solutions. Digital out of home advertising seems to be a cost-effective way for promoting or marketing any brand or product. Usage of billboards and displays for brand promotion is a less expensive way of advertising than television, radio, newspapers and other mediums.

DOOH also includes stand-alone screens, kiosks, and interactive media found in public places. The availability of inexpensive LCD screens with built-in media players has opened the door for companies to add interactive video messages in point of purchase (POP) displays. The displays allow consumers to get additional information at the moment of decision on a product or service. Growth in the DOOH industry has been increasing in 2009, with more POP manufacturers, advertisers, and content developers moving to digital. Technological improvements are holding down costs, and low-cost digital signage is making it easier to reach consumers on a larger scale. For example, beacons are small devices placed on out-of-home advertising structures that use Bluetooth technology to connect with mobile devices. “Beacons allow you to communicate with the viewer. They also tell you frequency. With these technologies you could say, for example, with certainty that from 3-5 p.m. on a Monday this is how many men or women walked in front of your sign and also what percentage are new people, which are repeat people, etc.” according to Mark Boidman, managing director at PJSC.

## Printed Out-of-home

Printed out of home refers to static media distributed across physical spaces. These are:



Vinyl decals allowing use of windows, on a side and rear advertisement for alcohol on a Berlin bus

**Aerial Advertising** - Aerial advertising includes towing banners via a fixed-wing aircraft as well as airships like blimps and other air-borne inflatables overhead of beaches, events and gridlock traffic.

**Billboard bicycle** is a new type of mobile advertising in which a bike tows a billboard with an advertising message. This method is a cost-efficient, targeted, and environmentally friendly form of advertising.



Billboard Bicycle in East Coast Park, Singapore

**Brochure Distribution** - Information displays in public gathering spaces such as transportation centers, lodging facilities, visitor centers, attractions, and retail environments are targeted ways to distribute highly effective messaging to a targeted audience. This method is slightly different than traditional OOH as the consumer self-selects the messaging material and can take that message with them.

**Billboard** - Billboards (or Bulletins) are usually located in highly visible, heavy traffic areas such as expressways, primary arterials, and major intersections. In the U.S. bulletins are usually illuminated. The ad artwork, commonly digitally printed on large vinyl coated fabric membranes, is often “rotated” by the outdoor plant operator amongst several locations in a metropolitan area to achieve the desired reach of the population as defined in the sales contract. With extended periods of high visibility, billboard advertisements provide advertisers with significant impact on commuters. This is the largest standard out of home advertising format, usually measuring at 14ftx48ft in overall size.

**Bus advertising** - Firmly establish brand awareness and generate quick recall with high profile exposure near point of purchase locations.

**Commuter rail display** - Reaches a captive audience of upscale suburban commuters. Additionally, reaches lunch-time patrons, shoppers and business professionals.

**ComPark advertising** - ComPark is a device used for car park advertising; which is placed onto the parallel lines of a bay and is able to gain instant exposure from motorists that have just parked their vehicle. The ComPark also serves as a guide to assist motorist in adhering to the parking bay size.

**Lamppost banner advertising** - Lamp columns are sited everywhere, allowing advertisers and events to use banners to target precise geographical locations and create massive promotional awareness.

**Mobile billboard** - Mobile billboards offer a great degree of flexibility to advertisers. These advertisements can target specific routes, venue or events, or can be used to

achieve market saturation. A special version is the inflatable billboard which can stand free nearly everywhere. This product can also be used for outdoor movie nights.



Mobile inflatable billboard

**Poster** - Target local audiences with these billboards, which are highly visible to vehicular traffic and are ideal for the introduction of new products/services. Marketers use posters to achieve advertising objectives and increase brand awareness by placing multiple units in strategic locations while lowering the cost per thousand impressions. This is a standardized poster format, typically measuring 12'3" x 24'6"; formally known as a 30-Sheet Poster.

**Premier panel** - Premiere panels combine the frequency and reach of a poster campaign with the creative impact of a bulletin.

**Premier square** - Bright top and bottom illumination on a premiere panel provide extra impact after dark.

**Street advertising** - The use of pavements and street furniture to create media space for brands to get their message onto the street in a cost-effective approach.

**Taxi advertising** - Taxi advertising allows advertisers to highlight their products, whether brand awareness, or a targeted message, directly to areas where people work, shop, and play.

**Wallscape** - Wallscape are attached to buildings and are able to accommodate a wide variety of unusual shapes and sizes. These billboard advertisements are visible from a distance and provide tremendous impact in major metro areas.

Other types of non-digital OOH advertising include airport displays; transit and bus-shelter displays; headrest displays; double-sided panels; junior posters; and mall displays.

## Regulations on Out-of-home Advertising

Different jurisdictions regulate outdoor advertising to different degrees.

- In the United States:

- The states of Vermont, Hawaii, Maine, and Alaska prohibit all billboards.
- The other 46 states permit multiple forms of OOH advertising.
- Billboards are regulated by all levels of government. The regulatory framework, created by the federal Highway Beautification Act (HBA), calls for billboards to be located in commercial and industrial areas. Billboard permits are issued by state and local authorities. Under the Highway Beautification Act, states have strong regulatory powers including the authority to ban billboards.
- Most states have taken steps to regulate digital (electronic) billboards, which feature static images that change (typically) every six or eight seconds. In 2007, the Federal Highway Administration (FHWA) issued Guidance to the states regarding regulation of digital billboards. Scenic America challenged the federal Guidance in federal court on procedural grounds. On June 20, 2014, US District Court Judge James E. Boasberg dismissed this case, with prejudice.
- Regulations governing digital billboards prohibit animation and scrolling. Digital billboards are equipped with light sensors to adjust billboard lighting to surrounding light conditions to avoid glare, per the industry code.
- Sao Paulo, Brazil established an almost total outdoor advertising ban in 2006. The ban required that all billboard and banner advertisements be removed and that store signs be greatly reduced in size and prominence.

## Emerging Technologies

Media fragmentation, competition from online media, as well as the need for greater efficiencies in media buying prompted companies to offer billboard inventory aggregation services. Interactive services are becoming increasingly more common with the move to digital outdoor advertising, such as allowing the public to connect, share and interact through their mobile devices in particular through WiFi connections.

## Billboard

A billboard (also called a hoarding in the UK and many other parts of the world) is a large outdoor advertising structure (a billing board), typically found in high-traffic areas such as alongside busy roads. Billboards present large advertisements to passing pedestrians and drivers. Typically showing large, ostensibly witty slogans, and distinctive visuals, billboards are highly visible in the top designated market areas.



“World’s tallest billboard” – One Times Square, New York City.

The largest standard-size billboards, known as Bulletins, are located primarily on major highways, expressways or principal arterials, and command high-density consumer exposure (mostly to vehicular traffic). Bulletins afford greatest visibility due not only to their size, but because they allow creative “customizing” through extensions and embellishments.



Billboard at the closed Forum Hotel in Kraków, Poland. It is the biggest billboard in Europe. It displays a new advertisement every month.

Posters are the other common form of billboard advertising, located mostly along primary and secondary arterial roads. Posters are a smaller format than bulletins and are viewed principally by residents and commuter traffic, with some pedestrian exposure.

## Advertising Style

Billboard advertisements are designed to catch a person’s attention and create a memorable impression very quickly, leaving the reader thinking about the advertisement after they have driven past it. They have to be readable in a very short time because they are usually read while being passed at high speeds. Thus there are usually only a few words, in large print, and a humorous or arresting image in brilliant color.

Some billboard designs spill outside the actual space given to them by the billboard, with parts of figures hanging off the billboard edges or jutting out of the billboard in three dimensions. An example in the United States around the turn of the 21st century were the Chick-fil-A billboards (a chicken sandwich fast food chain), which had three-dimensional cow figures in the act of painting the billboards with misspelled anti-beef slogans such as “frenzd don’t let frenzd eat beef.”

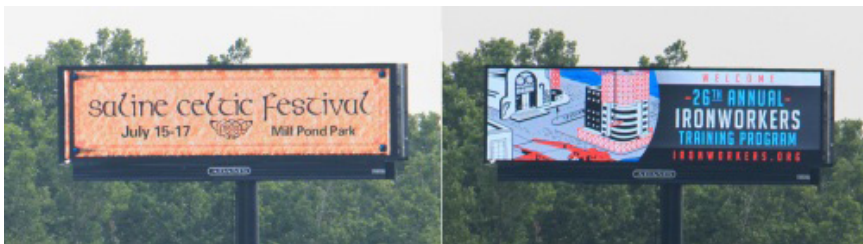
The first “scented billboard,” an outdoor sign emitting the odors of black pepper and charcoal to suggest a grilled steak, was erected on NC 150 near Mooresville, North Carolina by the Bloom grocery chain. The sign depicted a giant cube of beef being pierced by a large fork that extended to the ground. The scents were emitted between 7–10 a.m. and 4– to 7 pm from 28 May 2010 through 18 June 2010.

## Painted Billboards

Almost all these billboards were painted in large studios. The image was projected on the series of paper panels that made up the billboard. Line drawings were done, then traced with a pounce wheel that created perforated lines. The patterns were then “pounced” onto the board with a chalk filled pounce bag, marking the outlines of the figures or objects. Using oil paints, artists would use large brushes to paint the image. Once the panels were installed using hydraulic cranes, artists would go up on the installed billboard and touch up the edges between panels. These large, painted billboards were especially popular in Los Angeles where historic firms such as Foster & Kleiser and Pacific Outdoor Advertising dominated the industry. Eventually, these painted billboards gave way to graphic reproduction, but hand-painted billboards are still in use in some areas where only a single board or two is required. The “Sunset Strip” in Los Angeles is one area where hand-painted billboards can still be found, usually to advertise upcoming films or albums.

## Digital Billboards

A digital billboard is a billboard that is created from computer programs and software. Digital billboards can be designed to display running text, display several different displays from the same company, and even provide several companies a certain time slot during the day. The constantly changing texts ensure maximum impact and wide exposure to target audiences.



Digital billboard with changing images, Ypsilanti, MI

In May 2014, Beck’s Beer released a billboard poster that plays audio. Conductive ink linked to sensors and speakers means that when touched, the poster begins to play music. The beer company claim it to be ‘the world’s first playable music poster’. However, Agency Republic released the Spotify Powered Interactive Music Poster in April 2012. Creative agency, Grey London collaborated on a similarly interactive poster using touch sensitive inks in April 2014.

## Mobile Billboards

Outdoor Advertising, such as a mobile billboard, is effective because it is difficult to ignore. According to a UK national survey, it is also memorable. Capitol Communications Group found that 81.7% of those polled recalled images they saw on a moving multi-image sign. This is compared to a 19% retention rate for static signs.

Unlike a typical billboard, mobile billboards are able to go directly to their target audience. They can be placed wherever there is heavy foot traffic due to an event – including convention centers, train stations, airports and sports arenas. They can repeat routes, ensuring that an advertiser's message is not only noticed, but that information is retained through repetition.

## Multi-purpose Billboards

Some billboards are not used only for advertising, but can be multi-purpose. So, an advertising sign can integrate its main purpose with telecommunications antenna and/or public lighting support. Usually the structure has a steel pole with a coupling flange on the above-fitted advertising billboard structure that can contain telecommunications antennas. The lighting power wiring and any antennas are placed inside the structure.

## Other Types of Billboards

Other types of billboards include the billboard bicycle attached to the back of a bicycle or the mobile billboard, a special advertising trailer to hoist big banners. Mechanical billboards display three different messages, with three advertisements attached to a conveyor inside the billboard. There are also three-dimensional billboards, such as the ones at Piccadilly Circus, London.

## Placement of Billboards

Some of the most prominent billboards are alongside highways; since passing drivers typically have little to occupy their attention, the impact of the billboard is greater. Billboards are often drivers' primary method of finding lodging, food, and fuel on unfamiliar highways. There were approximately 450,000 billboards on US highways in 1991. Somewhere between 5,000 and 15,000 are erected each year. Current numbers are put at 368,263, according to the OAAA (outdoor Advertising Association of America). In Europe billboards are a major component and source of income in urban street furniture concepts.

An interesting use of billboards unique to highways was the Burma-Shave advertisements between 1925 and 1963, which had 4- or 5-part messages on multiple signs, keeping the reader hooked by the promise of a punchline at the end. This example is in the National Museum of American History at the Smithsonian Institution:

Shaving brushes

You'll soon see 'em

On a shelf

In some museum

Burma-Shave



Billboards on Times Square, New York City

These sort of multi-sign advertisements are no longer common, though they are not extinct. One example, advertising for the NCAA, depicts a basketball player aiming a shot on one billboard; on the next one, 90 yards (82 meters) away, is the basket. Another example is the numerous billboards advertising the roadside attraction South of the Border near Dillon, SC, along I-95 in many states.

Many cities have high densities of billboards, especially where there is dense pedestrian traffic—Times Square in New York City is a good example. Because of the lack of space in cities, these billboards are placed on the sides of buildings and sometimes are free-standing billboards hanging above buildings. Billboards on the sides of buildings create different stylistic opportunities, with artwork that incorporates features of the building into the design, such as using windows as eyes, or for gigantic frescoes that adorn the entire building.

## Visual and Environmental Concerns

Many groups such as Scenic America have complained that billboards on highways cause excessive clearing of trees and intrude on the surrounding landscape, with billboards' bright colors, lights and large fonts making it difficult to focus on anything else, making them a form of visual pollution. Other groups believe that billboards and advertising contribute negatively to the mental climate of a culture by promoting products as providing feelings of completeness, wellness and popularity to motivate purchase. One focal point for this sentiment would be the magazine AdBusters, which will often showcase politically motivated billboard and other advertising vandalism, called culture jamming.



This is one of three contested billboards in the coastal zone of Humboldt Bay that were cut down by an unknown vandal in 2013.

In 2000, rooftops in Athens had grown so thick with billboards that it was difficult to see its famous architecture. In preparation for the 2004 Summer Olympics, the city embarked on a successful four-year project demolishing the majority of rooftop billboards to beautify the city, overcoming resistance from advertisers and building owners. Most of these billboards were illegal, but had been ignored until then.

In 2007, São Paulo, Brazil instituted a billboard ban because there were no viable regulations of the billboard industry. Today, São Paulo, Brazil, is working with outdoor companies to rebuild the outdoor infrastructure in a way that will reflect the vibrant business climate of the city while adopting good regulations to control growth.

Individuals and groups have vandalized billboards worldwide.

## Road Safety Concerns

Panoramic view of Los Angeles looking north from the Pacific Electric Building, ca. January 1, 1907

In the US, many cities enacted laws banning billboards as early as 1909 (California Supreme Court, *Varney & Green vs. Williams*) but the First Amendment has made this difficult. A San Diego law championed by Pete Wilson in 1971 cited traffic safety and driver distraction as the reason for the billboard ban, but was narrowly overturned by the Supreme Court in 1981, in part because it banned non-commercial as well as commercial billboards.

Billboards have long been accused of distracting drivers and causing accidents. This may not necessarily be true, as a study by researchers at the University of North Carolina showed. Released in June 2001, the researchers prepared a thorough report on driver distraction for the AAA Foundation for Traffic Safety. This study said: “The search appears to suggest that some items—such as CB radios, billboards, and temperature controls—are not significant distractions.”

Traffic safety experts have studied the relationship between outdoor advertising and traffic accidents since the 1950s, finding no authoritative or scientific evidence that billboards are linked to traffic accidents. However, many of these studies were funded by the Outdoor Advertising Association of America, which has led to accusations of bias. The methodology used in certain studies is also questionable.

The US Department of Transportation, State Department of Transportation and property/casualty insurance companies statistics on fatal accidents indicate no correlation between billboards and traffic accidents. A broad sampling of law enforcement agencies across the country found no evidence to suggest that motor vehicle accidents were caused by billboards. Property and casualty insurance companies have conducted detailed studies of traffic accident records and conclude no correlation between billboards and traffic accidents.

However, studies based on correlations between traffic accidents and billboards face the problem of under-reporting: drivers are unwilling to admit responsibility for a crash, so will not admit to being distracted at a crucial moment. Even given this limitation, some studies have found higher crash rates in the vicinity of advertising using variable message signs or electronic billboards.

It is possible that advertising signs in rural areas reduce driver boredom, which many believe is a contribution to highway safety. On the other hand, drivers may fixate on a billboard which unexpectedly appears in a monotonous landscape, and drive straight into it (a phenomenon known as “highway hypnosis”).

Surveys of road users show that the lighting provided by billboards provide security and visibility to many motorists. The Federal Highway Administration (FHWA) went on record (Federal Register, 5 March 1999) stating that the agency agrees that appropriately regulated billboards do not compromise highway safety. It should be noted that this statement was made before the release of the FHWA report *Research review of potential safety effects of electronic billboards on driver attention and distraction* in 2001. What level of regulation is appropriate for billboards in different areas is still under discussion by road safety experts around the world.

## **Laws Limiting Billboards**

In 1964, the negative impact of the over-proliferation of signage was abundantly evident in Houston, Texas, and it motivated Lady Bird Johnson to ask her husband to create a law. At the same time the outdoor advertising industry was becoming aware that excessive signs, some literally blocking another, was bad for business.

In 1965, the Highway Beautification Act was signed into law. The act applied only to “Federal Aid Primary” and “Defense” highways and limited billboards to commercial and industrial zones created by states and municipalities. It required each state to set standards based on “customary use” for the size, lighting and spacing of billboards,

and prohibited city and state governments from removing billboards without paying compensation to the owner. The act requires states to maintain “effective control” of billboards or lose 10% of their federal highway dollars.

The act also required the screening of junk yards adjacent to regulated highways.

Around major holidays, volunteer groups erected highway signs offering free coffee at rest stops. These were specifically exempted in the act.

Currently, four states—Vermont, Alaska, Hawaii, and Maine—have prohibited billboards. Vermont’s law went into effect in 1968, Hawaii’s law went into effect in 1927, Maine’s law went into effect in 1977, and Alaska’s law went into effect upon its achievement of statehood in 1959.

In the UK, billboards are controlled as adverts as part of the planning system. To display an illegal advert (that is, without planning permission) is a criminal offence with a fine of up to £2500 per offence (per poster). All of the large UK outdoor advertisers such as CBS Outdoor, JCDecaux, Clear Channel, Titan and Primesight have numerous convictions for such crimes.

In São Paulo, a city of eleven million in Brazil, Billboards and advertising on vehicles have been banned since January 2007. It also restricted the dimensions of advertising on shop fronts.

In British Columbia, a province of Canada, billboards are restricted to 300m away from roadways, the government also retains the right to remove any billboard it deems an unsafe distraction.

In Toronto, a city of over 2 million in Canada, a municipal tax on billboards was implemented in April 2010. A portion of the tax will help fund arts programs in the city.

## Usages

### Highway

Many signs advertise local restaurants and shops in the coming miles, and are crucial to drawing business in small towns. One example is Wall Drug, which in 1936 erected billboards advertising “free ice water”. The town of Wall, South Dakota, was essentially built around the many thousands of customers per day those billboards brought in (20,000 in 1981). Some signs were placed at great distances, with slogans such as “only 827 miles to Wall Drug, with FREE ice water.” In some areas the signs were so dense that one almost immediately followed the last. This situation changed after the Highway Beautification Act was passed; the proliferation of Wall Drug billboards is sometimes cited as one of the reasons the bill was passed. After the passage of the act, other states (such as Oregon) embarked on highway beautification efforts.



A billboard frame in Swindon, England



ATB Financial ad, Edmonton

## Railway

Billboard advertising in underground stations, especially, is perhaps a place where they find a greater degree of acceptability and may assist in maintaining a neat, vibrant and safe atmosphere if not too distracting. Museum Station, Sydney has mounted restored 1940s billboard panels along the platforms that are in keeping with its heritage listing.

## Big Name Advertisers

Billboards are also used to advertise national or global brands, particularly in more densely populated urban areas. According to the Outdoor Advertising Association of America, the top three companies advertising on billboards in 2009 were McDonald's, Verizon Long Distance and Pepsi. A large number of wireless phone companies, movie companies, car manufacturers and banks are high on the list as well.

## Tobacco Advertising

Prior to 1999, billboards were a major venue of cigarette advertising; 10% of Michigan billboards advertise alcohol and tobacco, according to the Detroit Free Press. This is particularly true in countries where tobacco advertisements are not allowed in other media. For example, in the US, tobacco advertising was banned on radio and television

in 1971, leaving billboards and magazines as some of the last places tobacco could be advertised. Billboards made the news in America when, in the tobacco settlement of 1999, all cigarette billboards were replaced with anti-smoking messages. In a parody of the Marlboro Man, some billboards depicted cowboys riding on ranches with slogans like “Bob, I miss my lung.”



Mail Pouch Barn advertisement: A bit of Americana in southern Ohio. Mail Pouch painted the barns for free.

Likely the best-known of the tobacco advertising boards were those for “Mail Pouch” chewing tobacco in the United States during the first half of the 20th century (pictured at left). The company agreed to paint two or three sides of a farmer’s barn any color he chose in exchange for painting their advertisement on the one or two sides of the structure facing the road. The company has long since abandoned this form of advertising, and none of these advertisements have been painted in many years, but some remain visible on rural highways.

## Non-commercial Use



Non-commercial advertisement is used around the world by governments and non-profit organisations to obtain donations, volunteer support or change consumer behavior. as here in North Dakota in May 2004.

Not all billboards are used for advertising products and services—non-profit groups and government agencies use them to communicate with the public. In 1999 an anonymous person created the God Speaks billboard campaign in Florida “to get people thinking about God”, with witty statements signed by God. “Don’t make me come down there”, “We need to talk” and “Tell the children that I love them” were parts of the campaign,

which was picked up by the Outdoor Advertising Association of America and continues today on billboards across the country.

South of Olympia, Washington is the privately owned Uncle Sam billboard. It features conservative, sometimes inflammatory messages, changed on a regular basis. Chehalis farmer Al Hamilton first started the board during the Johnson era, when the government was trying to make him remove his billboards along Interstate 5. He had erected the signs after he lost a legal battle to prevent the building of the freeway across his land. Numerous legal and illegal attempts to remove the Uncle Sam billboard have failed, and it is now in its third location. One message, attacking a nearby liberal arts college, was photographed, made into a postcard and is sold in the College Bookstore.

## Governance

The Traffic Audit Bureau for Media Measurement Inc. (TAB) was established in 1933 as a non-profit organization whose historical mission has been to audit the circulation of out-of-home media in the United States. TAB's role has expanded to lead and/or support other major out of home industry research initiatives. Governed by a tripartite board composed of advertisers, agencies and media companies, the TAB acts as an independent auditor for traffic circulation in accordance to guidelines established by its Board of Directors.

Similarly, in Canada, the Canadian Outdoor Measurement Bureau (COMB) was formed in 1965 as a non-profit organization independently operated by representatives composed of advertisers, advertising agencies and members of the Canadian out-of-home advertising industry. COMB is charged with the verification of traffic circulation for the benefit of the industry and its users.

## History

Early billboards were basically large posters on the sides of buildings, with limited but still appreciable commercial value. As roads and highways multiplied, the billboard business thrived.

- Late 15th century - Flyposting was widely practiced throughout Europe
- 1796 – Lithography was invented, making real posters possible
- 1835 – Jared Bell was making 9 × 6 posters for the circus in the U.S.
- 1867 – Earliest known billboard rentals (source: OAAA)
- 1871 - Fredrick Walker designed one of the first art posters
- 1872 – International Bill Posters Association of North America was established (now known as the Outdoor Advertising Association of America) as a billboard lobbying group.

- 1889 – The world’s first 24 sheet billboard was displayed at the Paris Exposition and later at the 1893 World’s Columbian Exposition in Chicago. The format was quickly adopted for various types of advertising, especially for circuses, traveling shows, and movies
- Early 1900’s - Poster art school’s were established in England, Austria and Germany
- 1908 – The Model T automobile is introduced in the U.S., increasing the number of people using highways and therefore the reach of roadside billboards.
- 1919 – Japanese candy company Glico introduces its building-spanning billboard, the Glico Man
- 1925 – Burma-Shave makes its billboards lining the highways
- 1936 – The Wall Drug billboards start to go up nationwide
- 1960 – The mechanized Kani Doraku billboard is built in Dotonbori, Osaka
- 1965 – The Highway Beautification Act is passed after much campaigning by Lady Bird Johnson
- 1971 – The Public Health Cigarette Smoking Act bans cigarette ads in television and radio, moving that business into billboards
- 1981 – The Supreme Court overturns a San Diego billboard ban, but leaves room open for other cities to ban commercial billboards
- 1986 – Non-television advertising becomes restricted – as now, non-television adverts could not show people smoking. This meant that Benson & Hedges and Silk Cut, amongst other brands – advertised their cigarettes through increasingly indirect and obscure campaigns to a point where they became recognizable.
- 1998 – The four major U.S. tobacco companies sign the Tobacco Master Settlement Agreement, which eliminate billboard advertising of cigarettes in 46 states.
- 2007 – Industry adopts one sheet plastic poster replacement for paper poster billboards and begins phase-out of PVC flexible vinyl, replacing it with eco-plastics such as polyethylene
- 2010 – The first “scented billboard,” emitting odors similar to charcoal and black pepper to suggest a steak grilling, was erected in Mooresville, North Carolina by the Bloom grocery chain to promote the sale of beef
- 2010 – Augmented Billboards were introduced in the Transmediale Festival 2010 in Berlin using Artvertiser

## Mobile Billboard

A mobile billboard is a device used for advertising on the side of a truck or trailer that is typically mobile. Mobile billboards are a form of out-of-home advertising (OOH); radio, static billboards, and mall/airport advertising fall into this same category. Using a mobile billboard for advertising is an advertising niche called mobile outdoor advertising.



Advertising on a recumbent bicycle in Stratford, England, 2012

### Description

Most mobile billboards are dedicated, customized trucks with large, but narrow, bodies for posting the advertisements. Some of these dedicated units offer features such as external sound systems, illumination, and hot/cold boxes for product sampling. This type of mobile billboard is the most popular among vendors, and the most capable in terms of gaining exposure and quick deployment. An innovative development of mobile billboards is dynamic advertising trailers called “SkyBoard” to hoist large format vinyl banners up to 4,000 square feet (370 m<sup>2</sup>).

Another trend is to use smaller but more distinctive looking mini mobile billboards, often based on the Daihatsu Midget from Japan, as it is an unusual looking vehicle in Europe and the US. These one-seater vehicles have a very short wheelbase; they can be parked sideways so the large advertising panels on the side are facing the traffic flow.

Some mobile billboards are installed on trucks and trailers that are in service delivering goods. This form of mobile billboards can be less expensive than dedicated trucks, but may also make fewer impressions because the trucks spend more time at loading docks.

Box-type trucks with glass panels enclosing the cargo space can be turned into a mobile 3D display case. Many companies use these trucks for parades, product launches, furniture displays, and general rapid-awareness creation. Almost anything can be placed inside of the boxes for display.

For micromarketing campaigns, small engine scooters are used to pull a tall and narrow signage trailer. This form has become a very effective intercity advertising method for Atlanta, Georgia.

## Installation

Advertisements are installed by applying large vinyl sheets as decals, or by fastening a large sheet of vinyl to the sides of the truck or trailer using specialized aluminum frames. The advertisements can also be painted directly onto the side of the truck or trailer.

With the new mobile digital display billboards (Traffic AdBoards), changing ad campaigns is as easy as either loading the ads via USB or over the Internet.

## Printing Technology

Printing technology has improved to the point where outdoor mobile advertising has become an option that may be less expensive than traditional billboard advertising.

## Effectiveness

Industry analysts, researchers and trade representatives have researched the effectiveness of mobile billboards. *Outdoor Advertising Magazine* said that outdoor mobile media billboards have a 97% recall rate, and 96% of survey respondents thought mobile advertising is more effective than traditional outdoor advertising. 3M and the American Trucking Association noted 91% of the target noticed the text and graphics on truck advertising, and the Traffic Audit Bureau noted that on local routes monthly impressions ranged from one to four millions hits. Product Acceptance and Research said 94% of respondents recalled seeing the Mobile Billboard, with 80% recalling the specific advertisement; the billboards resulted in a sales increase of 107%.

## Utilisation

Mobile Billboards are generally used due to the perceived benefits such as being able to deliver a message in places that other static billboards are unable to. They also offer a median that doesn't get cluttered by other advertisements and aren't generally seen near competitors. Many also find it advantageous that the message is less likely to be tuned out by drivers than other advertising medians. They also don't require any booking time, and have a low setup time.

## Legality

Some municipalities have strict laws against mobile advertisements. Mobile billboards have been accused of congesting already congested streets, since they are deployed in areas with high population density. In such areas, non-motorized but mobile advertisements (i.e. adbikes and billboard bicycles) can often be used as a substitute. Smaller cities code compliance often use a complaint driven model wherein the smaller lighter trucks seem to have fewer complaints and are often allowed. These mobile billboard trucks have been welcomed more by municipalities over the larger trucks.

In the US, mobile advertising falls under the First Amendment to the United States Constitution. The US Supreme Court has issued rulings that protect “commercial speech” as well. Hence, it is difficult for any jurisdiction to limit such advertising beyond public safety issues. Since most complaints regarding mobile advertising relate to oversized trucks with loudspeakers, the bigger companies are more likely to have lawyers on retainer who can remind the authorities of US Constitutional protection of free speech and commerce. However, content-neutral regulations of speech with a legitimate government interest are subject to a more deferential standard of review. Ordinances banning mobile billboards on traffic and public safety grounds, regardless of message and without singling out commercial advertisement, have been largely upheld as legitimately and reasonably regulating the *form*, and not *content*, of speech.

In Norway, the use of wrap advertising on buses was prohibited by the road authorities. The reason behind the ban was that in an emergency, the windows might need to serve as an emergency exit and that the advertising would make the window harder to break with the emergency hammer. Gaia Trafikk argued against the ban, pointing out that their tests showed that the thin wrap had no impact on the breakability of the window, but did remove the advertising which covered the windows.

## Other Forms

There are many other forms of outdoor mobile advertising, which are considered mobile billboards by some advertising professionals.

One such form is called wrap advertising, which differs from mobile billboards because wrap advertisements typically envelop an entire vehicle, typically a car or small truck, while mobile billboards are large flat surfaces like traditional billboards.

Other mobile advertising formats include bicycles, airplane banner towing, blimps, and mobile billboards on water towed by boats.

## Truckside Advertisement

A truckside advertisement or truckside ad is a billboard that is affixed to a truck that is brokered and carried by a third party firm for the purpose of advertising to the general public. This is a form of outdoor advertising classified as transit advertising by the outdoor advertising association of America.

Truckside advertisements have been argued by many to have one of the lowest CPM (Cost Per Thousand) impressions available to advertisers in the market. with a cost coming in at 81 cents per thousand compared to 10.40 for a 30 second TV commercial on a prime-time network, 11.03 for a quarter page newspaper ad, and 9.14 for a four-color magazine ad

More recently companies such as Tripink have developed a new form of truckside advertisement called digital or video mobile advertising. The principle is the same that the one used with traditional truckside advertisement except that now, the billboard is an actual screen which can display commercials.

## Digital Billboard

A digital billboard is a billboard that displays digital images that are changed by a computer every few seconds. Digital billboards are primarily used for advertising, but they can also serve public service purposes.

### Safety Concerns

There have been concerns regarding road safety when digital billboards are present. The Federal Highway Administration (FHWA) conducted a study in 2001 to review the effects of electronic billboards (EBBs) on crash rates. According to the FHWA, it appeared that there was no effective technique or method appropriate for evaluating the safety effects of EBBs on driver attention or distraction at that time. More recent and extensive studies have affirmed the negative impact of digital billboards on driver attention.

## Sandwich Board

A sandwich board is a type of advertisement composed of two boards (holding a message or graphic) and being either:

- Carried by a person, with one board in front and one behind, creating a “sandwich” effect; or
- Set up (for example next to a store advertising its goods) in a triangle shape, hinged along the top.



Man wearing a sandwich board

The carried version is usually attached to straps acting as suspenders, allowing the person wearing the boards to carry the weight on his or her shoulders and keeping the boards balanced on the wearer. Sandwich boards are most typically deployed in busy pedestrian areas and advertise businesses within easy walking distance. The wearer might also pass out flyers or shout advertising slogans. Sandwich boards were most popular in the 19th century, and have largely been supplanted by billboards, which are more effective in advertising to passers-by who are now likely to be in automobiles, rather than traveling by foot.

However, they are still frequently to be seen on major shopping streets such as Oxford Street, London; Champs Élysées, Paris, and 42nd Street, New York City, where they are used to advertise offers from particular stores most often in adjacent side-streets.

## Forehead Advertising

Forehead Advertising is a type of nontraditional advertising that involves using a person's forehead as advertising space.

### History

The Wall St Journal ran a piece about John Carver and his London Creative Agency, CUNNING, in February 2003. In the piece John was credited with inventing a new type of advertising. He called it ForeheADS. This preceded other companies that jumped on the bandwagon.

The origin of Forehead Advertising cannot be attributed to Justin Kapust and Nathan Allen. These former Johnson & Wales University students launched a Providence-based start-up, Headvertise, in late 2003. At its start, employee of Headvertise could earn up to \$150 per week for wearing a temporary logo tattoo on their forehead. It was last reported that 64 students had featured ads on their foreheads for companies such as Roommates.com. According to a forum post by Kapust on YoungEntrepreneur.com, the company is now defunct.

In 2004, Toyota used forehead advertising as a guerilla marketing tactic to sell the newly launched Scion tC. Forty young adults were paid \$11 per hour to wear temporary tattoos on their foreheads. The advertising message included a combination of the Scion brand name, tC model name, and asking price of \$16,465. This event took place in Times Square, lasted for three hours in order, and was meant to expose adults between the ages of 30 and 40 to the car promotion campaign. This was a part of Cunning advertising agency's attempt to increase awareness for Toyota through non-traditional advertising techniques only. This London-based advertising agency also used forehead advertising in London, Leeds, Glasgow, and Cardiff in 2005 to promote CNX, a European youth TV channel.

Forehead advertising made headlines in January and February 2005 when a 20-year-old man, Andrew Fischer, auctioned his forehead for advertising space on eBay. The winning company, SnoreStop, bid \$37,375 for Fischer to display the company's logo via temporary tattoo on his forehead for 30 days. After this auction, Fischer became known internationally as the "Forehead Guy". His website, HumanAdSpace.com, last reported that Fischer was working as an operator of several web forums.

In June 2005, forehead advertising moved beyond temporary tattoos. Kari Smith auctioned her forehead for advertising space on eBay for an asking price of \$10,000. Bidding reached \$999.99 before GoldenPalace.com, a Canadian Internet gambling company, bid \$10,000 for Smith to permanently tattoo "GoldenPalace.com" on her forehead. GoldenPalace.com has also advertised its logo via temporary and permanent tattoos on the backs of boxers, bellies of pregnant women, women's legs, and the chest of a swimsuit model.

In August 2005, a Miami-based start-up, Lease Your Body, was launched by Alex Fisher. Lease Your Body allowed advertisers to meet good-looking people willing to rent out space on their bodies, including necks, upper arms, forearms, hands, stomachs, lower backs, and foreheads, for temporary tattoo placement. Rates for these body parts cost anywhere from \$100 to \$5,000.

Most recently, forehead advertising has moved beyond the forehead and onto the entire skull. In 2009, Terry Gardner of California shaved her head to display a temporary tattoo for Air New Zealand on the back of her head. The company called these ads "cranial billboards." Approximately 30 people participated in this advertising campaign. Each participant received a round-trip ticket to New Zealand or \$777 in cash. Another advertising campaign during this year featured temporary tattoos on the eyelids of participants. Ten men and women were paid to wink at strangers in order to display the FeelUnique.com Web address. Each participant was paid \$149.

## Billboard Bicycle

A billboard bicycle (advertising bike) is a type of mobile advertising in which a bike tows a billboard with an advertising message. Billboard bicycles, like some other forms of mobile advertising, offer a cost efficient, targeted, and environmentally friendly form of advertising. Gary Saunders of Queens, NY, New York, was credited in a 1999 New York Times article as the "brainchild" behind the billboard bicycle concept. Mr. Saunders' billboard bicycle, the Vital Sign, was geared toward messenger bikes and measured 12" by 18". Since the introduction of the Vital Sign several different variations of the billboard bicycle, differing in both size and appearance, have been constructed.

## Advantages



### Advertising bike.

- Low cost per thousand impressions
- Environmentally friendly advertising
- Innovative and eye-catching
- Delivering high-impact impressions
- Closer to the point of sale
- High impact audio and visual combination
- Ideal for pedestrian areas
- All weather and season operation
- Can be Bluetooth and GPS tracking system enabled
- Riders can handout promotional material or do sampling
- National, regional or local campaigns

## Advertising Efficiency

According to research conducted by the Outdoor Advertising Association of America, when compared to other advertising forms such as radio, television, and newspaper, billboard advertising is a more effective form in terms of cost per thousand impressions (CPM). National Public Radio (NPR) in a 2005 news article commented on the billboard bicycles ability to target specific audiences.

## Environmental Impact

Billboard bicycles are human powered, thus they leave no carbon footprint; however, they may contribute to urban traffic congestion and visual pollution.

## Types

Today billboard bicycles come in a variety of shapes and sizes. Some billboard bicycles are one unit. Others are composed of a bike and a detachable billboard. Some billboard bicycles are specially manufactured to have a unique look in order to further attract an audiences attention. Others are simple frames which focus attention solely on the advertising message. Some billboard bicycles use large billboards; however the size of the billboard is limited by wind constraints. Other billboards are small, like Gary Saunders messenger sign noted above.

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# Concepts of Advertising

This chapter focuses on topics like public service announcement, virtual advertising, interactive advertising, in-game advertising, wrap advertising, parody advertising, space advertising, advertorials, barn advertising etc. that are key concepts of advertising. The section talks about each topic in detail giving definitions and techniques used in each. It is crucial to understand these in order to get a firm grasp on advertising.

## Public Service Announcement

A public service announcement (PSA) or public service ad, are messages in the public interest disseminated by the media without charge, with the objective of raising awareness, changing public attitudes and behavior towards a social issue. In the U.K, they are generally called public information films (PIFs); in Hong Kong, they are known as announcements in the public interest (APIs).

### History

The earliest public service announcements were made before and during the Second World War years in both the UK and the US.

In the UK, amateur actor Richard Massingham set up Public Relationship Films Ltd in 1938 as a specialist agency for producing short educational films for the public. In the films, he typically played a bumbling character who was slightly stupider than average, and often explained the message of the film through demonstrating the risks if it was ignored. Films' topics included how to cross the road, how to prevent the spread of diseases, how to swim and how to drive without causing the road to be unsafe for other users. During the war, he was commissioned by the Ministry of Information to produce films for the war effort. Massingham began to produce longer films, for both private companies and the Government, after the War.

In the US, the Ad Council (initially called the War Advertising Council) was set up in 1941, when America entered World War II. It began implementing on a massive scale the idea of using advertising to influence American society on a range of fronts. Their first campaigns focused on the country's needs during World War II, such as encouraging the American public to invest their savings in government bonds.

After the War, PSAs were used to educate the public on a broader range of important is-

sues. In the UK, they were produced for the Central Office of Information (COI), and again by private contractors, which were usually small film companies, such as Richard Taylor Cartoons. They were supplied to broadcasters free of charge for them to use whenever they wished. Their usefulness as a cost-free means to fill the gaps in fixed-duration commercial breaks left by unsold advertising airtime led to their being used regularly and extensively in the 60s, 70s and much of the 80s, and consequently, within both the COI and broadcasting companies they were typically known as “fillers”. They are still being produced, although the vastly reduced need for broadcasters to turn to third-party filler material to deal with unused airtime during breaks or junctions means they are now only seen rarely.

In the US, the Ad Council expanded its focus to address issues such as forest fires, blood donations and highway safety.

## Characteristics

### USA

The most common topics of PSAs are health and safety, such as the multimedia *Emergency Preparedness & Safety Tips On Air and Online* (talk radio/blog) campaign. A typical PSA is part of a public awareness campaign to inform or educate the public about an issue such as obesity or compulsive gambling. The range of possible topics has expanded over time.

From time to time a charitable organization enlists the support of a celebrity for a PSA; examples include actress Kathryn Erbe telling people to be green and Crips gang leader Stanley Williams speaking from prison to urge youth not to join gangs. Some PSAs tell people to adopt animals instead of buying them. Protecting our Earth, also known as being green, is another example of a current PSA topic.

Some television shows featuring very special episodes made PSAs after the episodes. For example, *Law & Order: Special Victims Unit* talked about child abduction in one episode, so it had a PSA about child abduction. Another example is when the original *Law & Order* did an episode about drunk driving, which had a PSA about drunk driving.

One of the earliest television public service announcements came in the form of Smokey Bear.

During the 1980s, a large number of American cartoon shows contained PSA's at the end of their shows. These may or may not have been relevant to the episode itself. Three of the most widely known are the closing moral segments at the end of *He-Man and the Masters of the Universe*, the “Knowing is Half the Battle” epilogues in *G.I. Joe: A Real American Hero* and the “Sonic Sez” segments from *Adventures of Sonic the Hedgehog*.

Some television PSAs have topics such as on not watching so much television, or not taking fictional shows literally; or about television, movie, or video game ratings. Public service advertising has become a significant force in changing public attitudes on topics such as drinking and driving, crime abatement and various health/safety issues.

While stations have never been mandated by the FCC to use a prescribed number of PSAs, they are required to prove they broadcast in the public interest and PSAs are one of the ways they meet that requirement as part of serving as a “public trustee.” Many television affiliates and cable networks employ PSA directors who review all the PSAs provided by nonprofit organizations and choose which ones to schedule.

## UK

Public Information Films produced by the Britain’s COI covered a wide range of subjects, most related to safety, but also on other subjects, including animal cruelty, environment, crime prevention and voting.

Advertisements produced by companies and private groups, such as the NSPCC’s *Cartoon Boy*, and British Gas’s commercials about gas leaks are considered by fans as a form of non-Governmental PIFs.

## In other Countries

China’s first PSAs in 1978 were about saving water and was broadcast on Guiyang television. In Hong Kong, terrestrial television networks have been required since National Day, 2004, to preface their main evening news broadcasts with a minute-long announcement in the public interest which plays the Chinese National Anthem in Mandarin over various patriotic montages.

## Festivals and Contests

IAA Responsibility Awards is an annual international festival of public service announcements, held by the *International Advertising Association* since 2008.

## Virtual Advertising

Virtual Advertising is the use of digital technology to insert virtual advertising images into a live or pre-recorded television show, often in Sports events. This technique is often used to allow broadcasters to replace real advertising panels (existing on the playfield) with virtual images on the screen when broadcasting the same event in other regions which are not concerned with the local advertising; a Spanish football game will be broadcast in Mexico with Mexican advertising images. The viewer has the impression that the advertising image he/she sees on screen is the one in the reality.

## Rights

The advertising in the playfields is, in most of the countries, property of the Club. The advertising rights broadcast on the screen are property of the broadcasters or the TV

channel. This means that *second right holders* can benefit from selling this virtual advertising. The number of TV viewers is also higher than the people in the stadium, generating more visibility to the advertised marks and more income to the broadcasters.

## Technology

The technology used in virtual insertions often uses automated processes such as: automatic detection of playfield limits, automatic detection of cuts, recognition of playfield surface, etc.

An operator is usually dedicated to the visual control of the effect but new systems allow to use the instant replay operator.

## Applications

### Live Events

Virtual advertisements can be effectively integrated into live television in real-time. For example, Fox Sports Net places a virtual advertisement on the glass behind the goaltender that can only be seen on television. In baseball Major League Baseball places virtual advertisements on a back-board behind the batter which can be targeted differently in local markets or countries. During the World Series MLB International broadcasts the World Series with different advertisements on a per market basis, showing a different ad in the US, Canadian, Latin American and Japanese markets.

### Virtual Product Placement

The technology that enabled video tracking for virtual advertising has been used for the past decade to create virtual product placements in television shows hours, days, or years after they have been produced. This presents several benefits including the possibility of preserving an advertisement-free master copy of the show in order to generate revenue as product placements are added in the future. Advertisements can be targeted to regional markets and updated over time to ensure maximum efficiency of advertising money.

### Virtual Advertising Systems

- Broadcast Virtual Virtual Advertising software and services
- ORAD AdVision Virtual advertising media platform
- The BrandMagic Virtual Advertising systems and services
- Epsio from EVS Broadcast Equipment
- Supponor DBRLive Virtual Advertising for sporting events

## Interactive Advertising

Interactive advertising uses online or offline interactive media to communicate with consumers and to promote products, brands, services, and public service announcements, corporate or political groups.

In the inaugural issue of the *Journal of Interactive Advertising*, editors Li and Leck-enby (2000) defined interactive advertising as the “paid and unpaid presentation and promotion of products, services and ideas by an identified sponsor through mediated means involving mutual action between consumers and producers.” This is most commonly performed through the internet; often through the use of an ad server that can deliver a variety of interactive advertising units.

### Interactive Advertising Objectives

The goals of interactive advertising are usually akin to the traditional objectives of advertising, i.e. to sell a product. This in turn means that many of the traditional elements of advertising impact and effectiveness remain relevant, even within the scope of interactive media. However, according to the *Journal of Interactive Advertising* 2001, interactive advertising also has some properties that expand the range of potential objectives and that improve advertising effectiveness. Interactive advertising also has the potential to decrease the losses associated with poorly coordinated advertising, to reduce the difficulties commonly encountered in clearly communicating an advertising message and to help overcome new product hurdles.

### Advantages of interactive advertising

- Interactive advertising allows consumers to interpret advertisements in unique ways and understandings, and sheds light on the increasing significance of the consumer’s role in determining the value of marketing campaigns in modern society.
- Interactive advertising encourages consumers to actively engage in the marketing communications themselves to input feedback, neglect irrelevant elements, and absorb content that appeals to them.
- As consumerism becomes more prominent within the global economy and social interactions become more significant in establishing healthy long-term relationships with consumers, interactive advertising also grows in importance because it triggers greater motivation for social interaction between potential consumers and suppliers.

### Disadvantages of Interactive Advertising

- Whilst interactive advertising may be highly appealing to a prepared audience, it

is difficult, costly and time-consuming to prepare, especially for target markets that have yet to be properly identified and analyzed.

- Interactive advertising has greater benefits in industries where creativity helps to capture the attention of buyers. In some markets however, there is little room for this, and excessive use of creativity can become a form of noise that disrupts the conveying of intended messages to consumers

## **Elements of Interactive Advertising**

There are many different facets to interactive advertising, including varying methods and types. Using many different types of cognitive tools and advert presentations, organizations can enhance the impact of their campaigns with this type of advertising. According to Thorson (1996), all advertisements can be classified into one of five basic categories, including: product/service, public service announcement, issue, corporate and political. Advert types also interact with the user's motives to influence outcomes, or consumer responses, reinforcing the need for Interactive Advertising as a means of persuading potential consumers and target audiences.

Using the Internet as the main medium for interactive advertising to study the methods, types and outcomes, we can then sound out the different user or advertiser controlled aspects.

## **User Generated/Controlled Aspects**

Functions, Internet motives and mode are the main factors of user controlled aspects. In fact, a number of researchers and practitioners argue that consumers have more control on the Internet than do advertisers (Roehm & Haugtvedt, 1999). Some have gone so far as to argue that interactive marketing and advertising techniques will not work unless practitioners "step into the shoes" of and approach the Internet from the consumer's vantage point (Cross & Smith, 1997).

## **Advertiser Controlled Aspects**

Various aspects of Internet advertising are under the control of the advertiser. Most of these variables include structural elements, such as ad types, formats and features. This does not mean that consumers never control the structure of the interactive ads. Banner Ads, sponsorship, hyperlinks and non-carrier websites are examples of advertiser controlled interactive advertising.

## **In-game Advertising**

In-game advertising (IGA) refers to advertising in computer and video games. IGA differs from advergames, which refers to a game specifically made to advertise a

product. The IGA industry is large and growing.

In-game advertising generated \$34 million in 2004, \$56 million in 2005, \$80 million in 2006, and \$295 million in 2007. In 2009, spending on IGA was estimated to reach \$699 million USD, \$1 billion by 2014 and according to Forbes is anticipated to grow to \$7.2 billion by 2016.

The earliest known IGA was the 1978 computer game *Adventureland*, which inserted a self-promotional advertisement for its next game, *Pirate Adventure*. The earliest known commercial IGA occurred in 1991 when a spot for Penguin biscuits appeared in James Pond - RoboCod.

IGA can be integrated into the game either through a display in the background, such as an in-game billboard or a commercial during the pause created when a game loads, or highly integrated within the game so that the advertised product is necessary to complete part of the game or is featured prominently within cutscenes. Due to the custom programming required, dynamic advertising is usually presented in the background; static advertisements can appear as either. One of the advantages of IGA over traditional advertisements is that consumers are less likely to multitask with other media while playing a game, however, some attention is still divided between the gameplay, controls, and the advertisement.

### **Static In-game Advertising**

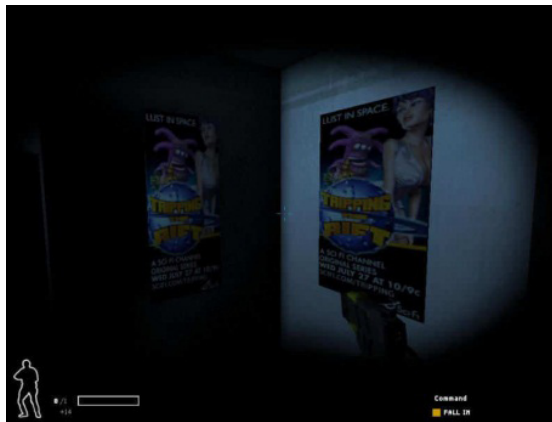
Similar to product placement in the film industry, static IGAs cannot be changed after they are programmed directly into the game (unless it's completely online). However, unlike product placement in traditional media, IGA allows gamers to interact with the virtual product. For example, Splinter Cell has required the use of in-game Sony Ericsson phones to catch terrorists. Unlike static IGAs, dynamic IGAs are not limited to a developer and publisher determined pre-programmed size or location and allow the advertiser to customize the advertisement display.

A number of games utilize billboard-like advertisements or product placement to create a realistic gaming environment. For example, many sports games incorporate these advertisements to simulate the heavy advertising within professional sports. Similarly, many games employ brand-name products such as guns and cars as in-game status symbols. These brand references may not be advertisements and are instead placed in the game purely for plot or design reasons. However, trademark owners sometimes object to unlicensed references to their trademarks.

### **Dynamic in-Game Advertising**

Increasing Internet connectivity and bandwidth has increased the use of dynamic IGA, which allows the game manufacturer or its advertisement vendor to deliver

advertisements remotely, update advertisements after the game is launched, and target advertisements based on time or geography. This approach combines the customization of web banners with the functionality of traditional billboards and posters as most in-game advertisements do not link to a website outside the game. Dynamic IGAs allow the game manufacturer or its advertisement delivery service to track advertisements in real time and capture viewing data such as screen time, type of advertisement, and viewing angle. This information may be used to improve future advertisement campaigns and to correct copy problems or make a current advertisement more appealing to players.



A poster campaign for *Tripping the Rift* in *SWAT 4*.

Dynamic advertising campaigns allow IGA to be part of a time-sensitive advertisement campaign because they do not need to be designed months or years before the game is finished. Dynamic advertisements can be purchased after a game is released to the general public are featured in a developer determined in-game location. For example, in October 2008, billboard advertisements were purchased in 10 swing states by then-US Democratic Presidential candidate Barack Obama in numerous Xbox games.

## Advertising in Online-only Games

### Freemium and Free-to-play

Freemium and free-to-play games are typically playable online and provide a free basic game with options for players to purchase advanced features or additional items. They operate under the theory that a gamer will pay for additional in-game features after investing enough time in the game. In freemium games like *Farmville*, these transactions are typically one-time payments for specific in-game goods (micro-transactions). Free-to-play games like *Age of Conan* instead try to induce players to enter into a pay-to-play relationship for premium content. While typically generating income through these other revenue sources, freemium and free-to-play games often feature advertisements as well via splash advertisements or advertiser sponsorships of virtual-good giveaways as additional income.

## Pay-to-play

Pay-to-play games charge players to access the game content. Depending on the game environment, some pay-to-play games feature IGA. For example, *City of Heroes* and *Anarchy Online* both use dynamic IGA in an urban game setting to mimic real world stimuli. In contrast, fantasy games such as *EverQuest II* and *World of Warcraft* may not include IGA when real-world advertisements do not fit contextually. Blizzard has previously remarked that it would not consider using IGA within *World of Warcraft*; conversely, SOE experimented briefly with an in-game command-line function allowing players to order food delivery from Pizza Hut in *EverQuest II*.

Virtual worlds and MMORPGs may host persistent online advertisements by allowing marketers to purchase virtual real estate. Aside from establishing a brand presence, companies can use it to test future real-world locations. For example, Starwood Hotels & Resorts Worldwide established the aloft hotels within Second Life prior to the completion of its real-world counterpart.

## Advertising Industry Reaction to IGA

The advertising industry has generally embraced IGA and advergaming as effective ways to reach 16 to 34-year-old males. IGA is seen as an important means of gaining access to a generation of young males who use gaming as their relaxation activity instead of watching television. Advertisers may also appreciate IGA's economic returns; a 2010 Nielsen Company study showed that IGA had a return on investment of \$3.11 per dollar spent. In 2007, Nielsen Media Research branched out into the IGA space by announcing a video games ratings service, GamePlay Metrics, to serve in-game advertisers and measure IGA effectiveness.

Several advertising agencies or ad networks specialize in IGA, and even more traditional advertising agencies have experimented with IGA. However, many advertisers do not embrace video games as a viable advertising medium because of the continuing difficulties in measuring IGA's effectiveness despite the implementation of GamePlay Metrics, uncertainty about how many viewers the game will reach, and the long development cycle inherent in video games.

## Reducing Advertiser Risk

Viewer numbers are hard to estimate because it is difficult to gauge the popularity of a game before its release; however, advertiser risk can be partially mitigated through benchmark-based advertisement payments on game units sold or a refund agreement if a certain number of game sales are not reached. This may not, however, protect the advertiser from an unwanted association with a poorly performing game or advertisement.

It is also difficult to plan in-game advertisements because game development generally takes longer than the development and implementation of an advertising campaign;

typically, most static advertisements must be disclosed to the developers at least eighteen months before a game is released. This timing discrepancy can be solved through use of dynamic advertisements, which are available for purchase at any time in-game space is available, but this choice constrains the advertisement to the in-game predetermined spaces and sizes and does not allow for highly integrated static ads.

## Game Industry Reaction

Game publishers have mixed feelings about IGA. IGA can create new revenue streams; in some cases publishers' profits have increased by an extra \$1–2 per game unit sold (in addition to the typical \$5–6 profit per unit). Some mobile phone games have replaced charging fees to gamers with IGA, and it is an important source of income for browser-based and other Internet games that do not feature micro-transactions or pay-to-play. Some publishers see IGA as a way to offset growing game development costs, while others believe IGA will allow them to experiment with gameplay by reducing the financial risks associated with game development.

However, not all publishers have found IGA successful. In 2008, Sony Corporation expressed doubts about advertisement-funded games because of limited advertiser dollars and gamers' skepticism of IGA, although Sony completed an IGA deal 5 months later. However, in 2010, an Electronic Arts representative remarked, "We actually aren't getting much from ad revenue at all. The in-game advertisement business hasn't grown as fast as people expected it to."

Another issue publishers and developers must deal with is integrating IGA into games without alienating or frustrating players. The general goal of IGA is to insert advertising that gets noticed while not interrupting the player's enjoyment of the game. Developers need some creative control of the IGA to ensure it fits the virtual setting, which can be an issue because advertisers usually want to project a certain image and protect their brand image. Game companies worry that they may be forced to change the game as requested by advertisers if IGA becomes a predominate revenue source, and face a possible backlash from consumers. In some games it may be easier to rely on revenue from sales of virtual goods, as they may provide a more reliable and greater stream of income than advertising while having the advantage of being directly incorporated into the game experience and being under the complete creative control of the developer.

## Gamer Reaction

Gamer reaction to IGA has also been mixed. A 2009 study by an advertising company found that 80% of consumers correctly recalled an advertiser and 56% had a more favorable impression of the advertiser because it allowed them to play a free game. However, companies have found that gamers do not want distracting advertisements when they have already paid the retail price and/or a monthly subscription fee. Gamers have shown a distaste for advertisements that distract them while they are trying to enjoy

themselves. A small, 100 participant, 2010 study suggested that gamers may be more likely to favorably respond to advertisements and products which are congruent with the game environment.

Gamers may feel that IGA is invasive and in some cases have dubbed IGA-supported software as spyware. Some gamers choose to remove advertisements from the game experience, either by paying more for an advertisement-free copy or disabling the advertisements through exploits.

In-game advertising can also lead to negative reviews for a video game, as occurred in 2013 with Maxis' promotion of a heavily-branded Nissan Leaf charging station as downloadable content in SimCity. Maxis claimed "Plopping down the station will add happiness to nearby buildings. It will not take power, water, or workers away from your city."

## Effectiveness

Several academic researchers have attempted to understand how effective IGA is. The effectiveness of such advertising is debated by several scholars. Yang et al. found some types of recognition were low among college students, although players did retain word fragments in sports games. Grace and Coyle found that 35% of players could recall advertised brands in a controlled study of car racing games. Lee and Faber found that the primary factors for player-retention of IGA are location of brand messages in the game, game involvement, and prior game-playing experience.

## Barn Advertisement

A barn advertisement is an outdoor advertisement painted onto the exterior of a roadside barn. Advertisers take advantage of the barns' prominence in rural landscapes, paying their owners for the right to paint and maintain logos and slogans on them. Painters of barn advertisements and other murals are known as "wall dogs". Once a common form of billboard advertising in the Midwestern and Southeastern United States during the early- to mid-20th century, barn advertisements have faded into obscurity, as many of these rural ghost signs fall into disrepair, along with the structures that bear them.



A Mail Pouch Barn in southern Ohio



A Rock City barn in Sevier County, Tennessee

## Advertisers

Common barn advertisers include local roadside attractions, restaurants, and chewing tobacco manufacturers.

The Bloch Brothers Tobacco Company is credited with popularizing the medium. The company began advertising their products on the sides of buildings in 1890. By 1925, they had moved to advertising on Mail Pouch Barns. At the program's height in the early 1960s, some 20,000 barns in 22 states displayed Mail Pouch advertising, with the greatest number in Ohio. Most of the barns were painted by Harley Warrick. Competitors such as Red Man and Hillside Tobacco also painted barns in smaller numbers.

In the early 1940s, Clark Byers painted barns and their roofs for Rock City near Chattanooga, Tennessee, often with messages promising travelers the chance to see seven states from atop Lookout Mountain. Over 900 barn roofs in 19 states were painted to advertise the attraction.

More recently, Bob Evans Restaurants painted barns in Indiana and Illinois in a style identical to their billboards, until 2001. The restaurant chain later painted some barns with the Italian tricolor to advertise its pasta dishes. Frisch's Big Boy also advertised on barns at one point.

From 1997 to 2002, the Ohio Bicentennial Committee commissioned Scott Hagan to paint 101 barns, including one in each county, with the committee's logo and colors. One was destroyed by a tornado shortly after its painting and was replaced. A few have since been torn down or repainted. The painted barns celebrated the state's 200th anniversary in 2003. Each barn took about 18 hours of labor and 7 US gallons (26 l; 5.8 imp gal) of paint. Enthusiasts traveled from across the state to watch Hagan paint the barns. An estimated one million people saw at least one of the barns.

Since 2009, Hagan has also been commissioned to paint barns with anti-tobacco and breast cancer awareness messages in West Virginia.

## Regulation

In 1965, Congress passed the Highway Beautification Act, which regulated and in some cases removed billboards from the sides of federally funded highways. Barn advertisements were also affected by this legislation, leading owners to paint over them, until public outcry led to a 1974 amendment that specifically exempted them as “folk heritage barns”. The National Historic Barn Preservation Act of 2001 protects barns 50 years or older from demolition and funds education programs about these structures.

## Method

The advertisements are sketched then painted freehand, with the painter standing on a scaffolding platform.

## Bus Advertising

In bus advertising, buses and their related infrastructure is a medium commonly used by advertisers to reach the public with their message. Usually, this takes the form of promoting commercial brands, but can also be used for public campaign messages. Buses may also be used as part of a political or promotional campaign, or as a tool in a commercial enterprise.



A bus with a full side surface advert.

## History

A mule-drawn streetcar at Lafayette Square along St. Charles Avenue in New Orleans in the early 1890s. The front apron of the streetcar displays an advertisement for a performance of *Trovatore!* at the French Opera House.

Bus advertising descends from similar methods used on streetcars in the early 20th century.



## Infrastructure

Adverts are placed in bus shelters. These can be static posters, or back illuminated displays, or rolling displays allowing many messages on one shelter. Technology has also been used to create interactive adverts.

Adverts may also be installed on associated street furniture such as the backs of benches at stops.

## Tickets

Often, the paper bus ticket is used as an advertising space. The ticket rolls for the ticket machines are pre-printed on the rear with a particular company's advert.

## Bus Interiors

A common location for adverts is inside the bus. Adverts are attached to the corners between the walls and ceiling overhead to catch the eye of passengers, in the same manner as used in rapid transit systems.

Increasingly, companies are using interior television systems to advertise. The most common technology is the LCD-TFT systems in different resolutions: 18,5" (also side-by-side panels 18,5" + 18,5"), 21,5" and stretched monitors in 29,4". The LCD-TFT were originally installed to show route information to passengers (next-stop, path, maps, intersection with other routes etc.), then additional public information (messages from bus company, the Public Administration, etc.) and entertainment, which is known with the neologism infotainment. And nowadays it is very common to use this space for both, public information and show advertising, becoming the system not only in a public service but also a regular income for the different players involved in the public transport (bus operators, system integrators of the different technologies in the bus, Public Administration, etc.).

## Bus Exteriors



A bus with a full rear surface advert, and a side panel advert fitted in special guides



A BEST Bus with advertisements on its body. The bus is supplied free of cost in exchange for advertising rights.

## Panels

Adverts are often placed as basic rectangular motifs on the side or front of a bus. These may be applied directly to the bus. Additionally, adverts may be printed on placards known as boards, which are slotted into special guide fittings attached to the side of the bus.

## Partial and Full Adverts

Occasionally, the entire surface of a bus is turned into an advertisement. This can be a whole side or rear of a bus, or a scheme applied to the entire exterior, known as an 'all-over advert' bus.

A variety of formats are available to marketers, although the most commonly used media formats are:

- T-sides
- Supersides

- Streetliners
- Rears & Mega Rears (Bus backs)
- Full Wraps

There are different options available to these formats in London because of the city's iconic, Double-decker bus.

Advertisers looking to promote a message can also make use of these formats which include:

- London Gold Frame
- Route Master

Depending on the size of the bus and its location, further creative can consist of:

- Coving Panels & Bulk Heads
- Super Squares
- Upper Bus Rears

## Technologies

Some panel and full side and all-over adverts were traditionally painted on if the length of application warranted it. This would require a reasonable longevity and cost implication for advertisers, due to the requirement to take buses out of service to apply and remove paint schemes. Frequently changed panel adverts would use replaceable boards.

With the advent of adhesive vinyl technologies, this allowed adverts to be rapidly applied and removed over the top of the buses exterior paint as decals, reducing the cost and time.

The invention of See-through graphics, most commonly applied as a self-adhesive perforated window film, allowed the creation of more elaborate designs that could be applied over windows (although for safety reasons not the front window), moving away from the traditional square box design approach to adverts.

With the advent of partially transparent window coverage techniques, all over adverts have been applied as a full vehicle advertising wrap windows and all. The transition from screen printing to digital printing has seen an increase in the color range and complexity of advert designs.

The latest bus advertising campaign by Adidas for the Brazil World Cup 2014 made use of full wrap and window coverage techniques. Transport for London launched the new

formats as part of its 'year of the bus' celebrations, which commemorates the 60th anniversary of the Routemaster bus and the 100th anniversary of the first mass-produced motorbus.

## Campaign and Promotion Buses

In addition to public transport buses, all-over advert buses are often privately hired specifically for a special promotional use, such as a political campaign or specific product promotions. These will often make use of open top buses to allow the interaction of the campaigners/promoters with the public.

## Legal Issues

In Norway, the use of wrap advertising on buses was prohibited by the road authorities. The reason behind the ban was that in an emergency the windows might need to serve as an emergency exit, and that the advertising would make the window harder to break with the emergency hammer. Gaia Trafikk argued against the ban, pointing out that their tests showed that the thin wrap had no impact on the breakability of the window, but did remove the advertising which covered the windows.

## Wrap Advertising

Wrap advertising or a vehicle wrap describe the marketing practice of completely or partially covering (wrapping a vehicle in an advertisement or livery. The result of this process is essentially a mobile billboard. Wrap advertising can be achieved by painting a vehicle's outer surface, but an increasingly ubiquitous practice in the 21st century involves the use of large vinyl sheets as "decals". The vinyl sheets can later be removed with relative ease, drastically reducing the costs associated with changing advertisements. While vehicles with large, flat surfaces (such as buses and light-rail carriages) are often used, automobiles can also serve as hosts for wrap advertising, despite consisting of more curved surfaces.



A streetcar in Toronto wearing a temporary wrap, advertising CBC Radio 2.

## Description

Using what is known as a “conformable vinyl wrapping” material, a high-quality print or protective clear wrap can be molded to almost any and every part of a vehicle. Typically, conformable material is used because it is the easiest to work with, especially on contoured surfaces. Using the proper adhesives when applying the material to the surface of the car is essential, otherwise the wrap can lead to adhesive failure in a few months after the application.



This train bears GNER’s standard livery rather than an advertisement, but as it was on lease from Eurostar, the livery was applied using vinyl.

Advancements in plastics have led to new types of vinyl designed specifically for wrap advertising, including vinyl sheets that feature bubble-preventing air channels. Microscopic glass beads are used to prevent an adhesive from functioning until the user is ready (the beads allow the material to be repeatedly lifted and reapplied during the wrapping process, without compromising the longevity of the wrap). The vinyl is heated with a heat gun or torch for the purpose of molding the material around objects.

Decals can be made to cover side and rear windows on a vehicle, but for safety reasons, the front windows used by the driver are not covered. The decals on side windows are typically perforated, so that it is still possible for passengers to look outside. This See-through graphic technology originated in the 1980s, with the first dominant patent registered by a British company called Contra Vision. Wrapped advertisements must often be divided into a number of smaller pieces to appropriately cover any movable panels on the vehicle, such as the fuel tank cover, trunk (boot) openings, and other doors.

Wrapping is also sometimes used instead of paint as a less-permanent way of applying its operator’s standard livery. This has become particularly common in the UK where, since the privatisation of British Rail, it has become quite frequent for trains to be transferred from one company to another, requiring many changes of livery. Wrapping can also be used for vehicle customisation, and race cars often get vehicle wraps as they are lighter than paint.

## Effectiveness

Industry analysts, researchers and trade representatives have researched the effectiveness of mobile billboards. 3M and the American Trucking Associations noted 91% of the

target demographic noticed the text and graphics on truck advertising, and the Traffic Audit Bureau noted that on local routes monthly impressions ranged from one to four millions hits. Product Acceptance and Research said 94% of respondents recalled seeing the Mobile Billboard, with 80% recalling the specific advertisement; the billboards resulted in a sales increase of 107%. The Ad Agency RYP & Becker Group completed the 3M Mobile Media Advertising Case Study in 2011 with the following findings: 97% of survey respondents recalled the ad, 98% thought the advertising created a positive image of the advertiser, and 96% thought fleet graphics had greater impact than billboards.

## Other Applications

An addition to their use as mobile billboards and advertising, vinyl vehicle wraps have also been used as an alternative to painting fleet and personal passenger vehicles. This application of vinyl film as a substitute for painting first took place in 1993 in Germany, when vinyl manufacturer KPMF was asked to produce a film that could be used on a large-scale basis in place of painting. Before this time, all taxi companies had been required by law to paint their fleets in a government mandated, drab beige color.

KPMF provided an inexpensive alternative to painting which was desirable, because it allowed companies to upgrade their fleets and bring them into compliance with German law without negatively impacting their resale value. In the past when painted taxis were retired from service, they often had to be discounted or repainted before sale to the general public. With the use of vinyl vehicle wraps, there was no need to repaint them or discount them, because the vinyl could be removed without damaging the paint underneath.

As technology has improved, many private individuals have turned to vinyl wrapping films as an alternative to painting their vehicles. Vinyl wrap films have many advantages over paint such as lower cost, an increased variety of finishes (i.e. carbon fiber, chrome, and wood grain style wraps) as well the fact that they can be used on leased or rented vehicles. Vinyl wraps also have disadvantages when compared to painting, such as the fact that they are more easily damaged than paint and tend to be much less durable when applied to vertical surfaces.

## Issues

A primary issue associated with wrap advertising is the reduction in the ease of visual interpretation of the advertisement. This particular concern has been addressed by the various perforation sizes used in the manufacture of perforated vinyl film. Smaller perforation sizes increase the visibility of the advertisement, and a 70/30 pattern allows for 20% more picture.

Driver visibility is also a concern for vehicle wraps, and vehicle windshields and side windows should never be covered. State and county authorities have devised particular regulations in order to address safety concerns connected to wrap advertising.



Shows how wet buswrap distorts the view from inside through wrapped bus windows to the extent that passengers may be unable to see where they are. The window on the left has a wrap advertisement on the outside whereas the window on the right does not.

The vinyl may wrinkle or separate from the glass on curved windows because the polyester laminates are designed for flat windows.

Washing windows with commercial glass cleaner (e.g. Windex) prior to application is not recommended. Windex or other similar window cleaning agents contain silicone and leave behind a residue similar to wax, preventing vinyl adhesives from sticking, and can cause distortion in the image. If using window cleaners with silicone, it is highly recommended to use 99% isopropyl alcohol to remove residues.

## Legality

A number of municipalities have introduced strict laws in order to mandate against mobile advertisements; this has partially been due to the fact that wrap advertisements are purposefully circulated throughout high-density areas. New York City is a notable example, where any sort of motorized advertisement is outlawed. Mobile billboards have been identified as a contributing factor in the city's already-problematic traffic congestion. In areas such as New York City, non-motorized mobile advertisements ("adbikes") are often employed.

## Parody Advertisement

A parody advertisement is a fictional advertisement for a non-existent product, either done within another advertisement for an actual product, or done simply as parody of advertisements—used either as a way of ridiculing or drawing negative attention towards a real advertisement or such an advertisement's subject, or as a comedic device, such as in a comedy skit or sketch.

## Overview

A parody advertisement should not be confused with a fictional brand name used in a program to avoid giving free advertising to an actual product, or to the use of a fictional

brand name in an actual advertisement used for comparison, which is sometimes done as opposed to comparing the product to an actual competitor. (In some countries, Germany or Norway for example, it is illegal to make disparaging comments about a competitor's product in an advertisement, even if the statements are proven to be true.)

A parody advertisement can be one in which the advertisement appears to *actually be a real ad* for the false product, but then the advertisement is somehow exposed to be a parody and if it is an actual advertisement the actual brand becomes clear. If it is simply a parody it may or may not indicate that it is one.

## Notable Examples

### Candy

During the 1960s and 1970s, the Topps Chewing Gum Company released a product called *Wacky Packages*, in which stickers showing various products were shown in ridiculous scenes, such as

- Hawaiian Punch fruit drink, was parodied as “Hawaiian Punks. Beats you to a fruit-juicy pulp.”
- Eveready Batteries, with its image of a cat having 9 lives, was parodied as “NeveReady Batteries, has 0 lives,” and an image of a dead cat.

### Film

- *Tropic Thunder*: In addition to *Tropic Thunder's* (in)famous fake movie trailers, the film has a parody ad for the fake products ‘Booty Sweat’ energy drink and ‘Bust-A-Nut’ candy bar. As part of the film’s marketing ‘Booty Sweat’ has been made into a real life energy drink.
- *Bamboozled*: Spike Lee’s satire has fake ads for ‘Da Bomb’ malt liquor and a racistly named parody of Tommy Hilfiger. In addition to the appearance in *Bamboozled*, ‘Da Bomb’ makes appearances in three other Spike Lee films, *Clockers*, *Inside Man*, and *Sucker Free City*.
- *Grindhouse*: The film *Grindhouse*, which is essentially the movies *Planet Terror* and *Death Proof* combined, has trailers for a number of fictional films. These include *Machete*, in which the FBI hires a mercenary rather than risk their own agents on a potential suicide mission; *Werewolf Women of the SS* about a group of women who run a nazi death camp; *Don't*, an exploitative horror film; *Thanksgiving*, a slasher film in the genre of the *Halloween* series; and *Hobo With a Shotgun* about a vigilante killer similar to the premise of the film *Death Wish*. The trailer for *Machete* was so well received it has actually been made into a full-length feature film as well as *Hobo with a Shotgun*.

- *RoboCop*: Parody advertisements are seen throughout the RoboCop franchise for products such as the “6000 SUX”, a parody of the low fuel economy of many American-made cars at that time, the game “NUKEM”, a parody of Battleship, and “Magnavolt”, a car security system designed to electrocute and kill would-be carjackers.
- *UHF*: The Weird Al Yankovic film *UHF* has a few fake ads within the film, such as “Spatula City”, a store that sells nothing but spatulas, as well as promos for fake TV shows and movies like “Conan the Librarian” and “Gandhi II”.
- *Crazy People*: The 1990 film *Crazy People* is about an advertising executive who work in a psychiatric hospital with a number of patients to create “truthful” advertisements, often over-the-top and with explicit language, for mostly real-life products and brands.
- The 2013 film *Movie 43* featured a few parody ads such as “iBabe” spots, “Machine Kids” (a mock public service announcement), and a faux Tampax commercial.
- *C.S.A.: The Confederate States of America*: The 2004 mockumentary about the history of how the fictional Confederate States of America rose to power after winning the American Civil War is presented as a documentary airing on Confederate television. As such, the movie has commercial parodies that are racist and are aimed towards white slave-owning families. Many of the products advertised in the film actually existed in the past.

## Television

- The American sketch comedy series *Saturday Night Live* produces fictional commercials on a regular basis, usually shown after the guest host’s monologue as an “introductory commercial”, prior to the beginning of the main show. While many of these ads parody actual TV commercials, they are simple *comedic parodies* of the style of the real advertisement rather than its product.
- Likewise, many subsequent sketch comedy programs have utilized parody advertisements, including *MAD TV*, *In Living Color* and *The Idiot Box*.
- *Short Circuitz*, an MTV sketch comedy show starring Nick Cannon, often featured parodies of popular advertisements. Its accompanying website, [ShortCircuitz.mtv.com](http://ShortCircuitz.mtv.com), allows users to upload their own parody advertisements to compete for a cash prize and a spot on the show.

## Fictional Advertisements for Real Products

- In the 1990s, the most famous series of parody advertisements were those for the Energizer battery. A parody itself of a Duracell battery commercial, in its

initial commercial episode first shown in October 1989, a toy pink rabbit, is being filmed in a commercial. The toy, powered by the battery, escapes the studio and begins a rampage, pounding a drum and rolling through other commercials being made, including those for coffee, wine, a fictional upcoming TV series, long distance service, breakfast cereal, and sinus medication. A total of 120 fictional commercials and 4 real ones (for Twinkies, Purina Cat Chow, Pepsi, and Duracell) in both English and Spanish involving the Energizer Bunny were made.

- In 1991, Eveready Battery Company sued the Adolph Coors Company over an ad for Coors beer it was producing, which showed actor Leslie Nielsen in a full-size rabbit suit pounding a drum, which was parodying Eveready's Energizer Bunny commercials, which themselves are parodies of Duracell advertisements and television program previews. Eveready claimed Coors' ad constituted copyright and trademark infringement. The court ruled that Coors' ad was a valid parody of Eveready's, considering that Mr. Nielsen "is not a toy, and does not run on batteries." *Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440 (N.D. Ill. 1991).
- The GEICO insurance company ran a series of television commercials in which a victim in a disadvantaged situation hears their fate from the antagonist, that they have good news, only the good news is for the antagonist (The antagonist will usually say as the punchline, "I just saved a bunch of money on my car insurance by switching to GEICO"). Some examples involved a fictional congressional hearing where the witness (the victim) is being informed he is subject to criminal penalties while the chairman of the committee (the antagonist) has saved money on his car insurance, a home repair show reminiscent of Bob Vila showing a victim couple with a home badly in need of repair, a fictional news report on a volcanic eruption, and a fictional hair restoration commercial. Another example parodied advertisements for reality TV shows, by showing a couple getting married, and getting disgruntled at living in a tiny house (the punchline: a voiceover saying "The drama may be real, but it won't save you any money on car insurance", followed by the wife asking her spouse in their tiny hot tub "Why haven't you called GEICO?").
- The Coca-Cola company's lemon-lime soft drink Sprite ran a series of ads for other fictional drink products, which had actual or fictional celebrities endorsing the other product, with the implication that the fictional product was inadequate for quenching one's thirst.
- The gimmick of characters from a commercial invading other spoof ads was first used by the British Lager brewers Carling Black Label. The advert featured a wild west outlaw being roped by a posse and dragging them off their horses and into adverts for a love compilation Album and Washing up powder.

- “Poser Mobile” ran an advertising campaign for T-Mobile’s pay-as-you-go cell phone plan featuring a racially diverse group of hip-hop posers. The group of five ambush the cell phone customer and explain that he has to pay hidden charges and fees. One customer in a commercial calls them “clowns”. It is somewhat of a parody on Boost Mobile’s “Where You At?” advertising campaign which features prominent hip-hop artists such as Ludacris, Kanye West, and The Game.

## Magazines and Print

### Mad Magazine

*Mad Magazine* was notorious for regularly running obviously fictional ads for nonexistent products. However, many of these nonexistent products were clearly intended to be parodies of specific well-known brands of real-world products; frequently, the fictional advertisement in *Mad* parodied a specific genuine ad campaign for a recognizable brand-name product. For example, in the 1960s (when cigarettes could still be advertised on television), Kent Cigarettes ran a commercial featuring a series of line drawings illustrating the lyrics of a catchy jingle titled “The Taste of Kent”. *Mad* promptly ran a fake print ad, using drawings which parodied the style of the line art, illustrating verses about lung cancer and emphysema to a lyric that parodied Kent’s jingle, now titled “The Taste of Death”.

According to Frank Jacobs’s biography *The Mad World of William M. Gaines*, *Mad*’s parodies of real advertisements generated so much attention that *Mad* publisher William Gaines received requests from the promotional departments of many real products, asking *Mad* to run parodies of their advertisements. Gaines’s standard reply to such requests: “Come up with a really stupid ad campaign, and we’ll be happy to make fun of it.”

### Hustler

The most serious incident involving a fictional advertisement in a magazine caused a lawsuit which reached all the way to the U.S. Supreme Court, when *Hustler Magazine* ran a parody of a liquor ad which would ask people about their “first time.” In the actual ad, what we are led to believe is that the person is being asked about their first sexual experience, when it turns out the question is about their first time they used the sponsor’s product, a liqueur.

In the parody advertisement in *Hustler*, the Reverend Jerry Falwell is supposedly quoted describing the first time he had sexual intercourse with his mother in an outhouse while intoxicated. Falwell sued *Hustler Magazine* and its publisher Larry Flynt for invasion of privacy, libel and emotional distress. The jury found for the magazine on the issue of libel (the fictional advertisement clearly indicated it was a parody), but awarded

Mr. Falwell \$350,000 in damages for the emotional distress and invasion of privacy claims. The Supreme Court ruled that, since the advertisement was so obviously a parody that no reasonable person could have believed it, Falwell was not libelled and thus is not entitled to damages for emotional distress, and he was not entitled to damages for invasion of privacy because he is a well-known public figure. *Hustler Magazine, Inc. et al. v. Jerry Falwell*, 485 U.S. 46, (1988).

## Other Examples

- The Adbusters Media Foundation's magazine *Adbusters* features advertisement parodies that are intended as sharp commentary on the social implications of either the product or the advertising campaign involved (also known as "Culture Jamming"). One example is a parody of the "Joe Camel" advertising campaign for Camel Cigarettes, with a pseudo Joe Camel in a hospital bed, his head bald and an intravenous drip bottle leading into his arm, with the legend "Joe Chemo" on the faux ad, implying that the many years of smoking cigarettes has left "Joe" with cancer and requiring chemotherapy treatment.
- The Wrigley Company created fictional print ads for Juicy Fruit, such as boy bands, an upcoming fictional movie poster, and a phony handheld game system.
- Games Magazine, a monthly publication featuring game- and puzzle-related material, through the 1980s carried a fake ad feature noted (without page number) in each issue's contents with the tagline, "*Which of the pitches is full of hitches?*" One featured item was an abacus simulator running on PCs made by the nonexistent Nat Soh Software Co. of Hong Kong. The challenge to readers was to scrutinize all of the ads to spot the fake.

## Space Advertising

Space advertising is the use of advertising in outer space or related to space flight. While there have only been a few examples of successful marketing campaigns, there have been several proposals to advertise in space, some even planning to launch giant billboards visible from the Earth. Obtrusive space advertising is the term used for such ventures.

## Attempts

The launch of Soyuz TM-11 in 1990 carried Toyohiro Akiyama, a reporter for the Japanese television network Tokyo Broadcasting System. The network paid for his seat on the flight and its logo was featured prominently on the third stage of the Soyuz-U2

launch vehicle. The launch shroud was emblazoned with logos for Sony, Unicharm, and Otsuka Pharmaceutical.

The 1993 “Space Billboard” by the American company Space Marketing Inc. was a proposal for a 1 km<sup>2</sup> illuminated billboard that would be launched into a low orbit and be visible from Earth. The advertisement would be roughly the same apparent size and brightness as the moon and was to be made from sheets of mylar. It was estimated that it would be impacted by space debris around 10,000 times; this and the inability to attract adequate funding prevented the project from progressing.

The first commercial filmed in space was a milk commercial by the Israeli company Tnuva, which was filmed aboard the space station Mir in 1997.

In an unusual form of fast food advertising, two Pizza Hut marketing ploys have involved spaceflight. In 2001 they were the first to deliver pizzas to outer space when their vacuum-sealed food arrived at the International Space Station, just a year after signing a deal to have a 30-foot (9 m) Pizza Hut logo placed on the side of the unmanned Proton rocket that launched Zvezda module. Kodak then paid to have their logo and a slogan placed onto a material that was to be tested for durability in space on the outside of the International Space Station.

The team White Label Space competing in the Google Lunar X PRIZE plans to raise the money for its Moon mission from space advertising in the form of sponsorship by one or more large global brands.

## Legislation

In 1993, faced with the Space Billboard project, U.S. Congressman Ed Markey introduced a bill that banned all U.S. advertising in space. This was amended by Section 70102 of title 49 of the United States Code to only cover obtrusive advertising, thus allowing sponsorship deals where the logo is placed on the rocket or an astronaut’s clothing. Since May 2005 the Federal Aviation Administration (FAA) has been in charge of enforcing this law.

Russia is the other leading space light country, and has accepted advertising on many of their missions.

## Criticism

Before the legislation was introduced there was a public outcry to reports of obtrusive space advertising plans. The problems caused for astronomy due to light pollution, obstructed vision, and radio noise were quickly cited. The inability to easily avoid the advertisements was another great concern, with them being in sight in all locations outside – all other forms of advertising can be turned off or removed somewhat easily. As large billboards would be visible for large distances it would also be impossible to make them visible to only one country.

## Popular Culture

Large billboards in space have been featured in several science fiction books, films and television series, most notably the animated series *Futurama*. They are usually shown as satire of commercialisation.

In Fredric Brown's 1945 short story, "Pi in the Sky," an inventor rearranges the apparent positions of the stars to form an advertising slogan.

In Robert A. Heinlein's 1951 novella *The Man Who Sold the Moon* the protagonist raises funds for his lunar ambitions by publicly describing means of covering the visible lunar face in advertising and propaganda, and then taking money not to do so.

In Isaac Asimov's 1958 short story *Buy Jupiter*, a group of extraterrestrials broker a deal with the governments of Earth to purchase the planet Jupiter so that they could use it as an advertisement platform to the starships from their worlds that passed by the planet.

A *Red Dwarf* novel features an advertising campaign whereby a ship is sent on a mission by The Coca-Cola Company to cause 128 stars to go supernova in order to visibly spell the words "Coke Adds Life!" across the sky on earth. The message is intended to last five weeks, and be visible even in daylight.

In an episode of Carmen Sandiego's television show, she plans to launch rockets to transform the moon's face into the show's logo.

## In-flight Advertising

In-flight advertising is advertising that targets potential consumers aboard an airline. It includes commercials during in-flight entertainment programming, advertisements in in-flight magazines or on Boarding Passes, ads on seatback tray tables and overhead storage bins, and sales pitches by flight attendants. Ads can be tailored to the traveler's destination, or several of the airlines destinations, promoting local restaurants, hotels, businesses and shopping.

## Evolution

After a long period of slow growth, the volume of traveler-targeted ads is set to positively explode as airlines look to advertising to pump up their bottom lines.

The European discount airline Ryanair uses in-flight advertising on overhead bins, seatbacks, airsick bags, and on the sides of its jets.

The U.S. airline US Airways displays ads on tray tables and on airsickness bag.

In the latest move, a lot of airlines have signed up with companies like Sojern or Ink to have ads published on the boarding passes online customers print on their home computers. The latest one is Cebu Pacific.

## Statistics

According to surveys by QMedia and Triad Consulting Group:

- 85% of long-distance travellers recalled some type of inflight advertising or promotional material. The figures were higher for business class and high frequency passengers.
- 86% of customers are flying in a positive mood, and are hence more likely to be receptive to advertising messages.
- On flights of over an hour, 9 out of 10 airline passengers used their tray for 15 minutes or more. In short flights of an hour or less, the figure stood at 82%
- 92% of airline passengers were still able to recall advertising messages a few hours after arrival.

## Boarding Passes Advertising

Boarding pass advertising relies on the use of targeted advertising technologies. When the passenger checks on-line he has the possibility to click on the various ads and suggestions suggested on the boarding pass. When travelers print their boarding passes, the ads will automatically be printed, too. Fliers can, however, click a box to prevent the ads from being printed.

The ads are used by airlines to increase revenue and for advertisers to target travelers down to their departure city and destination. Sojern was one of the first companies to partner with such airlines as Delta Air Lines to offer boarding pass advertising technology.

## Criticism

In-flight advertising has come under fire for being too intrusive, as it has expanded “to offset rising fuel costs and other operating expenses.” A 2005 article in the *Washington Post* called passengers “captive customers,” accusing airlines of being “aggressive pitchmen for a range of products to passengers at 30,000 feet.” Moreover, targeted advertising used on boarding passes has been cited as a breach of privacy.

## Advertorial

An advertorial is an advertisement in the form of editorial content. The term “advertorial” is a blend (see portmanteau) of the words “advertisement” and “editorial.”

Merriam-Webster dates the origin of the word to 1946.

In printed publications, the advertisement is usually written in the form of an objective article and designed to ostensibly look like a legitimate and independent news story. In television, the advertisement is similar to a short infomercial presentation of products or services. These can either be in the form of a television commercial or as a segment on a talk show or variety show. In radio, these can take the form of a radio commercial or a discussion between the announcer and representative. The concept of internet-based advertorials is linked to native advertising; however, whether the two terms are synonymous is a point of discussion.

## **Publications**

Advertorials differ from traditional advertisements in that they are designed to look like the articles that appear in the publication. Most publications will not accept advertisements that look exactly like stories from the newspaper or magazine they are appearing in. The differences may be subtle, and disclaimers—such as the word “advertisement”—may or may not appear. Sometimes terms describing the advertorial such as a “special promotional feature” or “special advertising section” are used. The tone of the advertorials is usually closer to that of a press release than of an objective news story.

Advertorials can also be printed and presented as an entire newspaper section, inserted the same way within a newspaper as store fliers, comics sections, and other non-editorial content. These sections are usually printed on a smaller type of broadsheet and different newsprint than the actual paper. Many newspapers and magazines will assign staff writers or freelancers to write advertorials, usually without a byline credit. A major difference between regular editorial and advertorial is that clients usually have content approval of advertorials, a luxury usually not provided with regular editorial.

A related practice is the creation of material that looks like traditional media (for instance, a newspaper or magazine) but is actually created by a company to market its products. One familiar example is airline in-flight magazines, which may feature reports about travel destinations to which the airline flies.

In 1996, Parkway Publishing began publishing advertorials for advertisers. Parkway began enlisting clients and created PRPros to function as PR via advertorials with great success. The cottage industry is now widely used and considered very successful. Sheldon Schorr, the president of Parkway, was a leader in the crafting of advertorials and placed hundreds a year in scores of periodicals, especially magazines, utilizing quotes, brand references and trade enhancement, “meant to compliment a company or persons’ brand passively and more affordably than any other form of editorial content with much greater success than a press release”. Historically, advertorials were less frowned upon and newspapers would even “show how magazine advertising is serving the public”.

## Television

Daytime programs featuring light talk designed to draw in mainly a female audience, often use advertorial segments which feature presentations of products, services, and packages by businesses. A representative of a business will have a discussion with a regular host, along with perhaps making a special offer for viewers.

## Australia

In Australia, daytime programs featuring light talk and advertorials have been in television schedules since the late 1960s. One of the first was *Good Morning Melbourne* starring Roy Hampson and Annette Allison which began in 1967 followed by *Good Morning Sydney* in 1978, hosted by Maureen Duvall. They were followed by a national program which began in 1988 on Network Ten called *Good Morning Australia* with Bert Newton. This success of that show prompted the Nine Network to produce similar shows like *In Sydney Today* and *In Melbourne Today*, later merged into *Ernie and Denise*. Since 2002, Kerri-Anne Kennerley has hosted *Mornings with Kerri-Anne*, later shortened to *Kerri-Anne*. The Seven Network followed suit with a show starring Denise Drysdale called *Denise* before the debut of *The Morning Show* in 2007. Network Ten had *9am with David & Kim* from 2006 which was replaced by *The Circle* in 2010.

These programs feature a traditional daytime show format of light talk, health, beauty, fashion and recipe segments along with advertorial segments scattered throughout the show. The advertorials are usually hosted by regular advertorial hosts who interact with business representatives. The main hosts of the show usually do not interact with the advertorial hosts or the business representatives. Advertorials are regulated under the Commercial Television Industry Code of Practice, which has been registered by the Australian Broadcasting Authority.

## United States

In the United States, locally produced daytime television rose in the mid-2000s as local television stations (especially those with the NBC and Fox networks, where NBC gave up the most programming time) saw network time on weekday mornings after 9am returned to local control and saw new national talk shows either fail or not attract the right demographic to a timeslot. Beginning with *Daytime* on Media General station WFLA-TV in Tampa, Florida in the early 2000s, a new format featuring the structure of a traditional locally produced daytime show with the usual format of light talk, health features, beauty tips and recipe segments which was popular up to the early 1990s (when expansion of newscasts became a much less expensive, more dependable form of revenue) came into use. Some of these shows, such as WKBW-TV's *AM Buffalo* in Buffalo, New York, seamlessly made the transition from a traditional local talk show to a paid program with little notice.

This type of program usually features light talk designed to draw in mainly a female audience, and then presentation of products, services, and packages by local businesses; for example a basement waterproofing system might be discussed by the representative of a company in that business with the hosts, along with perhaps a special offer for viewers.

## Radio

On radio, advertorials can feature discussions between an announcer or a DJ and the representative of a business. The discussion may feature testimonials from customers or a personal endorsement from the announcer. The products featured can range from mobile phone/cable/satellite providers, insurance, financing, auto servicing, travel agencies, and upcoming concerts or music releases.

## Australia

The “cash for comment affair” was an Australian scandal that broke in 1999, concerning paid advertising in radio that was presented to the audience in such a way as to sound like editorial commentary.

## Legal Issues

In the United Kingdom, the Advertising Standards Authority requires advertorials to be clearly marked as such. In one case, the Scottish newspaper *The Herald* published a feature titled “Professional Brief” that had been submitted by Glasgow-based French Duncan Chartered Accountants. According to a complaint, it did not clearly indicate that it was a paid advertisement. The newspaper argued that, because it was a “sponsored column” and it was indicated that the opinions expressed were those of the author, it did not have to refer to it as an advertisement. The ASA responded that, because payment was given in exchange for the publication of the columns and because the content was provided by the marketers rather than the newspaper, they considered the columns advertisements and required that they indicate as much.

For magazines in the United States mailed at the publication rate, the Postal Service has regulations as to how to mark editorial and advertising. Domestic Mail Manual states that under 18 USC 1734, “if a valuable consideration is paid, accepted, or promised for the publication of any editorial or other reading matter in a Periodicals publication, that matter must be plainly marked ‘advertisement’ by the publisher. When a single item of paid editorial or other reading matter occupies more than one page, it need only be marked ‘advertisement’ on the first page. The word “advertisement” may be included in a statement that explains why the material is marked ‘advertisement.’ Such a statement must be prominent on the first page of the material and the word ‘advertisement’ in the statement must be in bold or italicized print or otherwise emphasized so that it can be plainly seen. Editors or publishers who print such matter without plainly marking it ‘advertisement’ are subject to a fine of not more than \$500.”

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# Approaches in Advertising

This chapter introduces the reader to contemporary topics in advertising like international tourism advertising and advertising in video games. Advertising in video games can be classified under in-app advertising which can take the form of bribery, in-app purchases for better specs, ad boosts etc. International tourism advertising focuses on the strategies used to promote regions of the world to foreign countries. The chapter serves as a source to understand the major categories related to modern advertising.

## International Tourism Advertising

International Tourism Advertising is tourism-related marketing on the part of a private or public entity directed towards audiences abroad, and might target potential travelers and non-travelers alike. Wholly private firms such as travel agencies, hotel chains, cruise agencies, non-governmental organizations (NGOs) often run their own advertising campaigns to market their existence, mission, or services and/or goods offered to the consumer, and these advertisements seldom carry intentional political messages. On the other hand, advertising distributed by governments themselves, such as through tourism ministries or government-owned private sector enterprises, is sometimes intended to convey more than simply the value of the product, service, or experience; governments can use tourism ads as a channel for communicating directly to the public of other countries because tourism is a common and internationally encouraged industry and the advertising of it is subject to minimal content regulation.

As the global travel market continues to expand with yearly increasing flights among international destinations, advertising efforts on the part of the major actors in this market are also increasing. Advertising campaigns to promote travel to destinations abroad are particularly prevalent in western countries where the general public's expenditures on tourism tend to be consistently high, even in light of the economic recession. Many advertisers, which include both private entities and foreign governments themselves, share the intended goal of increasing their own revenue by popularizing their service (e.g., airline or hotel chain) or destination to boost receipts from travelers; however, some travel campaigns have additional or alternative purposes, such as promoting good public sentiments or improving existing ones towards them among the target audience. Sometimes, states may use the branding of a product or service, itself, as a means of conveying a specific message without explicitly stating the message; this

tactic is often used to soften the implied message itself, thus allowing the brander to sidestep or minimize controversy and/or opposition.

## Types

Tourism advertising can take many forms, utilize a wide array of advertising tactics, and be driven by a scope of private or public intents. *Destination advertising* is designed to make a location itself seem more appealing, while *travel services advertising* seeks to gain an audience's buy-in for the tourism-related service or product. Below are some instances of international tourism advertising overlapping with states' political, economic, and/or social interests.

### Destination Advertising

A great degree of ads promoting foreign countries are produced and distributed by the tourism ministries of those countries, so these ads often serve as vehicles for political statements and/or depictions of the destination country's desired foreign public perception(s). Following are only a few of the many examples of government-produced tourism destination advertising that also serve political or social functions.

#### Bahamas

The Bahamas are commonly considered to be a focal point of leisure and recreational travel in the Caribbean and the island nation advertises itself as such. Television ads and website produced by the government of the Bahamas specifically foster the image of the islands providing a care-free, exciting, culturally rich, and even romantic experience for travelers; a recent slogan for the marketing campaign was "It's better in the Bahamas" to reinforce the contrast between the desired perception as a low-stress getaway and the hectic nature of whatever living environment tourists would be leaving behind. The Bahamas have, however, actually traditionally seen high violent crime rates, so the tourism marketing attempts to focus the audience's attention on the azure water and beaches and draw it away from any negative elements of life there. Managing perceptions is a common part of advertising of many consumer products and services, focusing the audience's mind solely on the desirable aspects of whatever is being sold and away from any possible drawbacks or consequences.

#### India

The common impression of India in the West has long been either negative—including perceptions of widespread poverty, lack of sophisticated hygiene, and violent ethnic and religious clashes—or ambivalent, so the Indian government's Ministry of Tourism began a marketing campaign, "Incredible India," to emphasize the country's rich culture, historic sites, tourist attractions, and general sense of excitement and dynamism to western audiences. Tourism is an extremely lucrative and growing global industry so

it is no surprise that India, a developing nation, is striving to capitalize on that market to boost its economy. In addition, India is also looking to strengthen its international security and diplomatic ties while broadening and deepening its trade relationships, especially with the U.S., so it is in India's interest to promote a positive light for itself among the American and western voting populations in order to garner future international support and aid.

## **Kazakhstan**

After the 2006 release of the Sacha Baron Cohen comedy *Borat*, which depicts a politically incorrect and socially oblivious fictional Kazakhi reporter who travels throughout the United States interviewing and meeting Americans from various walks of life, the government of Kazakhstan was highly offended by the depiction of its less than two-decade-old country and criticized the film and its creator as being defamatory and slanderous. The issue of preserving Kazakhstan's public image in light of the movie was of such high importance that Kazakh President Nursultan Nazarbayev had it listed as a main issue when he traveled to the U.S. in September 2006 to meet with then-President George W. Bush. Coupled with Nazarbayev's visit, according to Kazakhstan embassy spokesman Roman Vassilenko, the Kazakh government staged a large-scale public relations "blitz," including "running four-page ads in *The New York Times* and *U.S. News and World Report* and commercials on CNN and the local ABC affiliate in Washington, D.C.," as well as launching TV ads to promote tourism to Kazakhstan. These travel ads specifically featured cultural and historical features of the country as well as views of its developed infrastructure, specifically to counter the type of impression given by the *Borat* character to the West that Kazakhstan is socially and physically underdeveloped.

## **Mexico**

Recently in 2010 the Tourism Board of Mexico, a public office that aggregates the resources and interests of the federal, state, and municipal governments, launched a tourism advertising campaign in the United States and Canada—Mexico's two North American Free Trade Agreement (NAFTA) partners—geared towards renovating common public political and social perceptions of Mexico, including impressions of poverty, government and law enforcement corruption, petty and organized crime and drug trading, and illegal immigration into the U.S.; the new campaign's purpose is expressly demonstrated by its marketing slogan, "Mexico, the place you thought you knew." The print and television ads feature views of Mexico's beaches, natural wonders, cultural festivities, and historical artifacts like Mayan pyramids and Spanish churches in order to provide a counterbalance to the less preferable popular preconceptions. The Tourism Board's stated goal of the advertising surge is to "generat[e] more than three [positive] impressions per person" among the North American audience. The eventual goal is likely to increase tourism revenue for the country, but, for now, the Tourism Board

is focusing on managing perceptions among the general populations of Mexico's two major neighboring trade partners.

## **Travel Services Advertising**

Additionally, a wide range of foreign airlines and travel-related services which also advertise separately from the destinations, themselves, are owned by their respective governments, such as the Emirates airline (Dubai), Qatar Airways (Qatar), China Airlines (Taiwan/Republic of China), and Air China (People's Republic of China).

## **China Airways and Air China**

China Airlines is the official flag carrier airline of Taiwan. The Taiwanese government refers to its state as the Republic of China and considers itself to be the legitimate, non-Communist leadership-in-exile of all of China since the Communist overthrow in the mid-1950s. The name of the airline carries the message of the long-lasting and ongoing cultural and political conflict between Communist "mainland" China (PRC) and Taiwan, that the Republic of China is the "true" China and that the state commonly referred to as "China" is illegitimate and usurped control of the country from the rightful leadership. Similarly, the PRC counters this message by having named one of its largest international carriers "Air China" to reinforce the PRC's claim to be the legitimate of the "two Chinas." The implicit conflict between the two states is likely lost on the majority of the general public outside the immediate region, such as the United States and Europe, but the strategic use of using advertising and targeting the international community through tourism is apparent on both sides.

## **Emirates**

Through advertising for the Emirates airline, one of the major themes that Dubai promotes is its evolving status as a geographic and economic player in the Middle East. Emirates advertising describes Dubai as "the perfect hub for an expanding global network" and illustrates this claim in the airline's "Centre of the World" television ad. On the other hand, Dubai subtly promotes an official stance of multinationalism and a stated intent to cater to the comfort of travelers from abroad in the Emirates' "Multi-national Cabin Crew" television ad. These positions, among others, are portrayed via visually and audibly appealing commercials which are designed to relate to the target audience(s) and make the ads' messages maximally amenable to global viewers. Emirates additionally adds to its effort to appeal to the West through its sponsorship of the Arsenal Football Club, including constructing the team's new venue, Emirates Stadium, which opened in July 2006 and prominently displays the Emirates branding on the exterior; in this way, any depictions of the stadium will result in de facto advertising and reinforce the public recognition of the Emirates company as one that is associated with western sports and culture. In May 2013 three Arsenal players, Kieran Gibbs, Alex Oxlade-Chamberlain and Carl Jenkinson took an A380 flight sim-

ulator challenge. Swapping their usual airline passenger seats and stepping into the cockpit, the players attempted to land an A380 in Dubai.

Emirates, along with the aviation services company Dnata, is owned by the parent company The Emirates Group which, in turn, is wholly owned by the Government of Dubai. The chairman and CEO of The Emirates Group, HH Sheikh Ahmed Bin Saeed Al Maktoum, is the younger brother of the former ruler of Dubai, HH Sheikh Rashid Bin Saeed Al Maktoum, and uncle of the current ruler, HH Sheikh Mohammed Bin Rashid Al Maktoum. In 1985, Sheikh Ahmed was appointed President of the Dubai Department of Civil Aviation (DCA), the governing body for airline regulation and airport control and operation. The DCA was restructured and expanded in 2007, thus creating the Dubai Civil Aviation Authority (DCAA) which has since been the airline regulatory authority in the Emirate and the Dubai Airports company which owns and operates Dubai's airports, Dubai International and the currently under-construction Dubai World Central – Al Maktoum International. Dubai International (IATA: DXB) is a primary international hub in the Middle East, offering flights to every continent except Antarctica. As of November 2010, DXB is the 6th busiest airport in the world for cargo traffic, and the 14th highest passenger throughput of all international airports.

Sheikh Ahmed currently simultaneously holds the positions of Chairman and CEO of Emirates Airline & Group, which includes the Emirates airline and Dnata air services company, Chairman of the Dubai Airports company, and President of the Dubai Civil Aviation Authority. Because Dubai's government leadership is directly involved and intertwined with private-sector enterprises, including the Emirates airline and many other facets of the tourism industry, the government there necessarily has a vested interest in the public perception of Dubai.

## Advertising in Video Games

Advertising using games is a long-standing practice in the video game industry. Various methods have been used to integrate advertising into video games to advertise products, organizations or viewpoints.

The advergaming sector reached \$207 million in 2007.

Some companies and organizations expressly commission video games to promote a product or service. These games have been referred to as “advergaming” (a portmanteau of “advertising” and “gaming”) a term that was coined in January 2000 by Anthony Giallourakis, and later mentioned by *Wired's* “Jargon Watch” column in 2001. With the growth of the internet, advergaming has proliferated, often becoming the most visited aspect of brand websites and becoming an integrated part of brand media planning in an increasingly fractured media environment. Advergaming theoretically promotes repeated

traffic to websites and reinforce brands. Users choosing to register to be eligible for prizes can help marketers collect customer data. Gamers may also invite their friends to participate, which could assist promotion by word of mouth, or “viral marketing.”

Games for advertising are sometimes classified as a type of serious game, as these games have a strong educational or training purpose other than pure entertainment.

Other methods of advertising in video games include product placement being integrated into in-game environments and companies/organizations sponsoring commercial games or other game-related content.

## Categories

While other categories have been proposed, advertising in video games normally falls into one of three categories which are derived from a historical categorization technique normally applied to traditional media:

### In-game Advertising

Examples of marketing in video games include brand integration, embedded marketing, recruitment tools, edutainment, and traditional in-game advertising.



An Adidas billboard is displayed in the foreground of the 1994 video game *FIFA International Soccer* (also, the electronic board that appears with every goal scored sometimes reads “Panasonic”).

Another video game advertising technique consists of advertising within a game itself. Since the intent of in-game advertising is typically commercial rather than political, some consider such advertisements to make up a category of their own. In-game advertising is similar to subtle advertising in films, where the advertising content is within the “world” of the movie. Thus billboards, storefronts, posters, apparel, vehicles, weapons, fliers, sponsored product placement, and the interplay between the player and these elements in the game allow for a great degree of virtual advertisement. Examples include billboards advertising for (and product placement of) Bawls energy drink in *Fallout: Brotherhood of Steel*, and billboards for Adidas sportswear in *FIFA International Soccer*.

The principal advantage of product placement in in-games advertising is visibility and notoriety. For advertisers an ad may be displayed multiple times and a game may provide an opportunity to ally a product's brand image with the image of the game. Such examples include the use Sobe drink in Tom Clancy's Splinter Cell: Double Agent.

For some players, digital games are one of their primary forms of media consumption. Game playing is considered active media consumption, providing for unique opportunities for advertisers. While product placement in film and television is fairly common, this type of in-game advertising has only recently become common in games. The effectiveness of such advertising is debated by several scholars. Yang *et al.* found some types of recognition were low among college students, although players did retain word fragments in sports games. Grace and Coyle found that 35% of players could recall advertised brands in a controlled study of car racing games.

According to Forbes, In-game advertising is expected to reach \$7.2 Billion in 2016 since it is embedded in the entertainment as opposed to interruptive commercials which are skipped by DVRs or digital ads which can encounter ad-blocking software.

## Advergaming

Examples of advergaming include promotional software.

By employing advergaming, a company typically provides interactive games on its website in the hope that potential customers will be drawn to the game and spend more time on the website, or simply become more product aware. The games themselves usually feature the company's products prominently (often as "powerups" or upgrades). These games may consist of reworked arcade classics or original programming, and they are usually designed for Adobe Flash or similar multimedia software.

The earliest custom video games featuring integrated brand messages were developed in the era before substantial penetration of the World Wide Web and were distributed on floppy disk. These games were typically of a higher quality than the modern flash games and were distributed for free, often bundled with other products from the company advertised for. The first floppy disk advergaming were developed to serve dual purposes—as promotional incentives that drive response and as media that deliver awareness. American Home Foods Chef Boyardee, Coca-Cola, and Samsung brands issued the first-ever floppy-disk advergaming. Other early brands to use the format were Reebok, General Mills, the Gap and Taco Bell which distributed games as "kids' premiums." The first in-box CD-ROM cereal box advergaming were General Mills' *Chex Quest* (promoting the Chex brand) and General Mills' *All-Star baseball* (starring Trix Rabbit and his friends playing baseball against Major League teams and stars).

The subjects advertised for may be commercial, political, or educational in nature. Commercial examples are numerous and include advergaming funded by Pepsi, 7 Up,

NFL, Formula One, and most recently Burger King. Political/military examples of BTL advergames include recruitment tools like *America's Army*, intended to boost recruitment for the United States Army, and *Special Force*, intended to promote Muslim resistance to the state of Israel. Educational advergaming is closely related to the Serious games initiative and falls under either Edumarket gaming or edutainment. Examples include *Food Force* (made by the United Nations' World Food Program) and *Urban Jungle*, an educational traffic simulation.

### Through the Line (TTL) Advertising

Examples of TTL advertising in games include “link-chases,” ARGs, and viral marketing.

A rare form of advertising in video games, TTL marketing in games involve the use of URL hyperlinks within the game designed to induce the player to visit a webpage which then contains BTL advertisements. The technique used to tempt the player into visiting the intended URL varies from game to game. In games like *Pikmin 2*, the player is given a cryptic message with an accompanying URL designed to pique the curiosity of the player. In games such as *Enter the Matrix*, *Year Zero*, *I Love Bees*, and *Lost Experience*, URLs make up a part of the background of the game such that certain plot details can only be learned by following the link given in the game. The knowledge of such plot details are typically not required to complete the game, but make for a fuller story for fans. Websites of this nature often lead players on to other links which again lead to further links, thus earning these games the label “link-chases.” The tradeoff for TTL advertisers is that though use of the internet to find out extra things about a game might be enjoyable, gamers will not enjoy being given too much of a run-around with too obtrusive advertising to obtain important details about the game. In another form, the URL might be part of a stage where a player can see it but it does not affect the plot. For example, in *Super Monkey Ball 2*, there is a stage where you can see clearly written on an obstacle a URL and the stage's name is even the word URL.

### Industry Statistics

- According to the Entertainment Software Association, 42% of gamers say they play online games one or more hours per week.

### Legislative Issues

A recent bill was proposed to the senate about using information that is used through advergaming or other online advertisement to market to children. Some games ask children to fill out a survey of the name, gender and age. This bill would prevent these companies from using this information to change the game to target a certain age bracket. Wall Street Journal states that the Do Not Track Kids Act of 2011 as new legislation,

among other things, would prohibit companies from using or providing to third parties personal information of those under 18 for “targeted marketing purposes.” Senator Barton says, “We have reached a troubling point in the state of business when companies that conduct business online are so eager to make a buck, they resort to targeting our children,” said Senator Barton.

The University of Bath’s Institute for Policy Research and School of Management carried out research into ‘advergame’ use in marketing to children in the United Kingdom and used the findings of its research to call for ‘urgent government action to protect children from the subconscious effects of advergames’. The University’s research suggested that children as old as 15 did not recognise that advergames were adverts and their food choices were influenced without their conscious awareness.

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# Advertising Campaign: An Overview

A series of marketing messages with a central theme or a single idea integrated together is referred to as an advertising campaign. This chapter informs the reader about the five key points of an advertising campaign- integrated marketing communications, media channels, positioning, the communications process diagram and touch points. An overview of campaign advertising, augmented reality and the role of family in advertising campaign have been dealt with in this chapter.

## Advertising Campaign

An advertising campaign is a series of advertisement messages that share a single idea and theme which make up an integrated marketing communication (IMC). Advertising campaigns appear in different media channels across a specific time frame that often need to be clearly defined. Modern advertising campaigns often combine multiple online and offline channels such as online social media, TV, OOH media, branded packaging, etc.

A critical part of making an advertising campaign is determining a *campaign theme* as it sets the tone for the individual advertisements and other forms of marketing communications that will be used. The campaign theme is the central message that will be communicated in the promotional activities. The campaign themes are usually developed with the intention of being used for a substantial period but many of them are short-lived due to factors such as being ineffective or market conditions and / or competition in the marketplace and marketing mix.

Advertising campaigns are developed to achieve a particular goal or a set of goals. Such goals typically include establishing a brand, raising brand awareness, increasing the rate of conversions/sales. The degree of success or failure at reaching these goals is measured with analytic tools. For instance, Google Analytics offers a set of instruments for reviewing and evaluation of online campaigns. There are 5 key points at which an advertising campaign must consider to ensure an effective campaign. These points are, integrated marketing communications, media channels, positioning, the communications process diagram and touch points.

## Integrated Marketing Communication: (IMC)

Integrated marketing communication (IMC) is a concept approach used by majority of organisations to develop a strategic plan on how they are going to broadcast their

marketing and advertising campaigns. Nowadays there has been a shift in the way marketers and advertisers interact with their consumers and now see it as a conversation between Advertising/ Marketing teams and consumers. IMC has emerged as a key strategy for organisations to manage customer experiences in the digital age. The more traditional advertising practices such as newspapers, billboards and magazines are still used, but fail to have the same effect now as they did in previous years.

Advantages of using IMC are that it has the ability to communicate the same message down several channels to create brand awareness. IMC is the most cost effective solution when compared to mass media advertising to interact with target consumers on a personal level. IMC also benefits small businesses, as they are able to submerge their consumers with communication of various kinds in a way that pushes them through the research and buying stages creating a relationship and dialogue with their new customer. Popular and obvious examples of IMC put into action are the likes of direct marketing to the consumer that the organisation already has a knowledge that the person is interested in the brand by gathering personal information about them from when they previously shopped there and then sending mail, emails, texts and other direct communication with the person. In store sales promotions are tactics such as '30% off' sales or offering loyalty cards to consumers to build a relationship. Television and radio advertisement are also a form of advertising strategy derived from IMC. All of the components of IMC play an important role and a company may or may not choose to implement any of the integration strategies

## **Media Channels**

Media channels are also known as marketing channels and act as the binding substance used by an advertising campaign to create a connection with the target consumer. Traditional methods of communication with the consumer include newspapers, magazines, Radio, television, billboards, telephone, post and door to door sales to name a few traditional methods. Some of these traditional methods are still very effective for some industries and not so for others. For instance advertising in a newspaper to target consumers in the age range of 15-25 does not have a very effective result, as this target market is unlikely to be flicking through their local newspaper.

With advancements in Internet technology, internet communication is becoming a promising marketing tool. These tools include websites, blogs, social media, email, mobile, and search engines as a few examples. It is important for an advertising campaign to carefully select channels based on where their target consumer spends time to ensure market and advertising efforts are maximised. Having said this word of mouth continues to be effective for most businesses.

## **Modern Day Implications To The Advantages & Disadvantages Of Traditional Media Channels**

In the rapidly changing marketing and advertising environment, exposure to certain

consumer groups and target audiences through traditional media channels has blurred. These traditional media channels are defined as print, broadcast, out-of-home and direct mail. The introduction of various new modern-day media channels has altered their traditional advantages and disadvantages. It is imperative to the effectiveness of the Integrated Marketing Communication (IMC) strategy that exposure to certain demographics, consumer groups and target audiences is anticipated to provide clarity, consistency, and maximum communications impact.

Print media is mainly defined as newspapers and magazines. With the transition in last decade [2006 – 2016] to digital information on phones, computers and tablets, the demographic that still are exposed to traditional print media is going to be older. It is also estimated that there will be a reduction of print material in coming years. This has to be taken into account by the advertisers and in some cases they could use this to their advantage. Newspapers advantages would be that it is low cost, timely, reader controls exposure and has moderate coverage to the older generations in western society. Disadvantages would obviously be the aging demographic, short life, clutter and low attention-getting capabilities. Magazines are similar in some cases but have defined differences as they are a niche product increasing segmentation potential; they also have high informational content and longevity. Disadvantages are they are visual only, lack of flexibility and a long lead time for advertisement placement.

Traditional broadcast media's primary platforms are television and radio. These are still relatively prominent in modern-day society, but with the emergence of online content such as YouTube, Instagram and Vine it would difficult to anticipate where the market is headed in the next decade. Televisions advantages are that it has mass coverage, high reach, quality reputation, low post per exposure and impacts human senses. Disadvantages would be that it has low selectivity, short message life and high production costs. Alternatively, radio offers flexibility, high frequency and low advertising & production costs. Disadvantages to radio are that its audio only, low attention-getting and short message.

Out-of-home (OOH) media a broad marketing concept that is no longer relegated to large, static billboards on the side of motorways. More current and innovative approaches to OOH media range from street furniture to aerial blimps. Due to the constant and contemporary nature of the outdoors there will always be new ways in which a campaign can revitalize this media channel. Advantages would be the accessibility and reach, geographic flexibility and relatively low cost. Disadvantages to OOH media are that it has a short life, difficult to measure / control and it can convey poor brand image.

Direct mail is classified as messages sent directly to consumers through the mail delivery service. One of the more 'dated' media channels and in the modern day has very little advantages, other than it is highly selective and has high information content. Disadvantages are that it promotes a poor brand image – junk mail and that it has a high cost to contact ratio.

## Target Market

When an organisation begins to construct their advertising campaign they need to research all aspects of their target market/ target consumer. The target consumer is the person or group of people who are most likely to buy from an organisation. A target consumer can be categorized by several key characteristics; Gender, age, occupation, material status, geographical location, behavioural, level of income and education to name the main factors.

Gender is simply whether a person is male or female. Age is usually broken up into bracketed intervals of ten or so years, for example a person's age between 15–25 years old. By understanding which age bracket the target market falls into the advertisers can position their efforts accordingly. Occupation is also known as profession and refers to what a person does for a living; this could be a particular job, student, unemployed etc. A person's material status defines whether they are married or unmarried. Geographical location is a broad term specifying a particular area or place within a given country, state/ city, suburb or street as some examples. Income refers to how much money a person is earning annually which can help identify how much money they have left over after expenses to potentially spend on a brand. The final factor to explain is education, whether a person went to school or not, what school they attended, what standard of education they have, diplomas, certificates, graduate, degrees, masters, PhD's or other forms of defining educational factors. Knowing this information can help an advertiser understand their target market's level of thinking to help adapt the advertising campaign to be understood by the given target consumer/s.

For a business to successfully find the appropriate Target Market for their products or services, it is important that they segment the market to better decide which customers to target. This is best done when the market is segmented into the four following areas: geographic, demographic, psychographic and behavioural.

Geographic segmentation involves the market being divided into different nations, regions, states, counties, cities, or neighbourhoods. Segmenting the Target market geographically is effective as different areas have different needs, which can be affected by weather, fashion, etc.

Demographic segmentation separates the market into groups according to age, gender, family size, income, occupation, education, religion, nationality, and race. It is important to note that this is the easiest and least expensive way to segment the market, as the research has already been done.

Psychographic segmentation is the process of markets being divided into groups based on social class, personality characteristics, and values.

Behavioural segmentation “divides a market into groups based on consumer knowledge, attitude, use, or response to a product” (Krause, T. 2007). This is believed to be

the best starting point, when a business is building a market segment. The behavioural segment is important because it focuses on why consumers consume products. For example, during Father's day and Mother's day, flowers were promoted due to the heavy demand of flowers during these holidays.

Defining the target market helps businesses and individuals design a marketing campaign. This in turns helps businesses/ individuals avoid waste and get their advertisements to likely customers. While attempting to find the correct target market it is important to focus on specific groups of individuals that will benefit from your product. By marketing to specific groups of individuals that specifically relate to the product, businesses and individuals will more quickly and efficiently find those who will purchase the product. Businesses and individuals that monitor their existing data (customer and sales data) will find it easier to define their target market, and surveying existing customers will assist in finding more customers. Avoiding inefficiencies when finding a target market is equally as important. Wasting time and money advertising to a large group of potentially customers is inefficient if only a handful become customers. A focused plan that reaches a tiny audience can work out well if they're already interested in what you're selling. Over time target markets can change. People interested today might not be interested tomorrow, and those not interested in the present time, might become interested over time. Analysing sales data and customer information helps businesses and individuals understand when their target market is increasing or decreasing.

There are many advantages that are associated with finding your Target Market. One advantage is the "ability to offer the right product" (Suttle, R. 2016) through knowing the age and needs of the customer willing to purchase the item. Another advantage of Target Marketing assists businesses in understanding what price the customer will pay for the products or service. Businesses are also more efficient and effective at advertising their product, because they "reach the right consumers with messages that are more applicable" (Suttle, R. 2016).

However, there are several disadvantages that can be associated with Target Marketing. Firstly, finding your Target Market is expensive. Often businesses conduct primary research to find whom their Target Market is, which usually involves hiring a research agency, which can cost "tens of thousands of dollars" (Suttle, R. 2016). Finding ones Target Market is also time-consuming, as it often "requires a considerable amount of time to identify a target audience" (Suttle, R. 2016). Also focusing on finding your Target Market can make you overlook other customers that are interested in your product. Businesses/ Individuals may find that their 'average customer' might not include those that fall just outside of the average customers "demographics" (Suttle, R. 2016), which will limit the sale of their products. The last disadvantage to note is the ethical ramifications that are associated with Target Marketing. An example of this would be a "beer company that may target less educated, poorer people with larger-sized bottles" (Suttle, R. 2016).

## Positioning

In advertising various brands compete to overtake the perceptual mapping in a consumers mind. Everyday we as consumers view advertising and rank particular brands compared to their competitors. A person positions particular brands competing in similar markets based on factors that are important to them. For example, a person may compare brands of cars based on how sporty they think they look, affordability, practicality and classiness. How one person perceives a brand is different to another but is largely left to the advertising campaign to manipulate and create the perception that they want you to envision.

Positioning is an important marketing concept that businesses implement to market their products or services. The positioning concept focuses on creating an image that will best attract the intended audience. Businesses that implement the positioning concept focus on promotion, price, placement and product. When the positioning concept is effective and productive it elevates the marketing efforts made by a business, and assists the buyer in purchasing the product.

For the positioning concept to be effective one must focus on the concepts of promotion, price, place and product.

There are three basic objectives of promotion, which include: presenting product information to targeted business customers and consumers, increase demand among the target market, and differentiating a product and creating a brand identity. Tools that can be used to achieve these objectives are advertising, public relations, personal selling, direct marketing, and sales promotion.

Price of an object is crucial in the concept of positioning. Adjusting or decreasing the product price has a profound impact on the sales of the product, and should complement the other parts of the positioning concept. The price needs to ensure survival, increase profit, generate survival, gain market shares, and establish an appropriate image.

Placement is the process of making a service or product available to a consumer or business user. The placement of a product needs to be accessible by the consumer by direct means or using indirect means with intermediaries.

Positioning a product is essential in the positioning concept. It is the process marketers use to communicate their products' attributes to the intended target market. In order for products to be successful businesses must focus on the customer needs, competitive pressures, available communication channels and carefully crafted key messages.

Product Positioning presents several advantages in the advertising campaign, and to the businesses/ individuals that implement it. Positioning connects with superior aspects of a product and matches "them with consumers more effectively than competitors" (Jaideep, S. 2016). Positioning can also help businesses or individuals

realise the consumer's expectations of the product/s they are willing to purchase from them. Positioning a product reinforces the companies name, product and brand. It also makes the brand popular and strengthens customer loyalty. Product benefits to customers are better advertised through positioning the product, which results in more interest and attention of consumers. This also attracts different types of consumers as products posse's different benefits that attract different groups of consumers, for example: a shoe that is advertised for playing sports, going for walks, hiking and casual wear will attract different groups of consumers. Another advantage of positioning is the competitive strength it gives to businesses/ individuals and their products, introducing new products successfully to the market and communicating new and varied features that are added to a product later on.

### **Communication Process Diagram**

The Communication of processes diagram refers to the order of operation an advertising campaign pieces together the flow of communication between a given organisation and the consumer. The diagram usually flows left to right (unless shown in a circular array) starting with the source. An advertising campaign uses the communication process diagram to ensure all the appropriate steps of communication are being taken in order.

The source is the person or organisation that has a message they want to share with potential consumers. An example of this is Vodafone wanting to tell their consumers and new consumers of a new monthly plan.

The diagram then moves on to encoding which consists of the organisation putting messages, thoughts and ideas into a symbolic form that be interpreted by the target consumer using symbols or words.

The third stage in the diagram is channel message. This occurs when the information or meaning the source wants to convoy, is put into a form to easily be transmitted to the targeted audience. This also includes the method that communication gets from the source to the receiver. Examples of this is Vodafone advertising on TV, bus stops and university campuses as students may be the intended consumer for the new plan.

Decoding is the processes that the viewer interprets the message that the source sent. Obviously it is up to the source to ensure that the message encoded well enough so that it is received as intended.

The receiver is also known as the viewer or potential consumer. This is the person who interprets the source message through channeling whether they are the intended target audience or not. Every day we interpret different advertisements even if we are not the target audience for that advertisement.

In between these steps there are external factors acting as distractions, these factors are called noise. Noise distorts the way the message gets to the intended target audience.

These distractions are from all other forms of advertising and communication from every other person or organisation. Examples of noise are State of mind, unfamiliar language, unclear message, Values, Attitudes, Perceptions, Culture and Knowledge of similar products or services to name a few forms of noise.

Finally there is the response or feedback. This is the receiver's reaction to the communication of message and the way they understood it. Feedback relates to the way sales react as well as the interest or questions that arise in relation to the message put out.

## **Touch Points**

When considering touch points in an advertising campaign a brand looks Multisensory touch points. These touch points help the brand to develop a point of contact between themselves and the consumer. Modern day advancements in various forms of technology have made it easier for consumers to engage with brands in numerous ways. The most successful touch points are those that create value in the consumer and brands relationship. Common examples of touch points include social media links, QR codes, person handing out flyers about a particular brand, billboards, web sites and various other methods that connect the brand and consumer.

Multi sensory touch points are subconscious yet helps use to recognise brands through characteristic identified through human sensors. These characteristics could be shape, colour, textures, sounds, smell or tastes associated with a given brand. It is important for an advertising campaign to consider sensory cues into their campaign as market places continue to become increasingly competitive and crowded. Anyone of the given sensory characteristics may remind a person of the brand they best associate with. A prime example of this is Red Bull who use the colour, shapes and size of their cans to best relate their product to success and winning. A taller can looks like the 1st place podium when placed next to competitors, the design looks like the finish flag in racing representing winning. The opportunity for an advertising campaign to succeed is significantly increased with the use of multi sensory touch points used as a point of difference between brands.

## **Guerrilla Marketing**

Guerrilla marketing is an advertising strategy which increases brand exposure through the use of unconventional campaigns which initiate social discussion and "buzz". This can often be achieved with lower budgets than conventional advertising methods, allowing small and medium-sized businesses the chance to compete against larger competitors. Through unconventional methods, inventiveness and creativity, guerrilla marketing leaves the receiver with a long lasting impression of the brand as most guerrilla marketing campaigns target the receivers at a personal level, taking them by surprise and may incorporate an element of shock. Guerrilla marketing is typically executed exclusively in public places, including streets, parks, shopping centres etc., to ensure maximum audience resulting in further discussion on social media.

Guerrilla marketing is the term used for several types of marketing categories including street marketing, ambient marketing, presence marketing, alternative marketing, experimental marketing, grassroots marketing, wild posting, guerrilla projection advertising, undercover marketing and astroturfing.

Jay Conrad Levinson coined the term *Guerrilla Marketing* with his 1984 book of the same name. Through the enhancement of technology and common use of internet and mobile phones, marketing communication has become more affordable and guerrilla marketing is on the rise, allowing the spread of newsworthy guerrilla campaigns.

When establishing a guerrilla marketing strategy, there are seven elements to a clear and logical approach. Firstly, write a statement that identifies the purpose of the strategy. Secondly define how the purpose will be achieved concentrating on the key advantages. Next Levinson (1989) suggests writing a descriptive summary on the target market or consumers. The fourth element is to establish a statement that itemizes the marketing tools and methods planning to be used in the strategy (for example, radio advertising during 6.30am – 9am on weekday mornings or window displays that are regularly updated). The fifth step is to create a statement which positions the brand/product/company in the market. Define the brands characteristics and give it an identity is the sixth element. Lastly, clearly identify a budget which will be put solely towards marketing going forward.

For a successful overall guerrilla marketing campaign, combine the above steps with seven winning actions. These seven principles are commitment – stick to the marketing plan without changing it; investment – appreciate that marketing is an investment, consistency – ensure the marketing message and strategy remains consistent across all forms of, confidence – show confidence in the commitment to the guerrilla marketing strategy, patience – time and dedication to the strategy, assortment – incorporate different methods of advertising and marketing for optimum results, and subsequent – build customer loyalty and retention though follow up marketing post-sale.

Levinson suggests guerrilla marketing tactics were initiated to enable small businesses with limited financial resources to gain an upper hand on the corporate giants who had unlimited budgets and resources at their disposal. Large companies cottoned on to the success of guerrilla marketing and have had hundreds of effective attention grabbing campaigns using the strategies originally designed for smaller businesses with minimal marketing budgets.

Non-traditional, unconventional and shocking campaigns are highly successful in obtaining media coverage and therefore brand awareness, albeit good or bad media attention. However, like most marketing strategies a bad campaign can backfire and damage profits and sales. Undercover marketing and astroturfing are two type of guerrilla marketing that are deemed as risky and can be detrimental to the company.

“Advertising can be dated back to 4000 BC where Egyptians used papyrus to make sales messages and wall posters. Traditional advertising and marketing slowly developed

over the centuries but never bloomed until early 1900s” (“What Is Guerrilla Marketing?”, 2010). Guerrilla marketing are relatively simple, use tactics to advertise on a very small budget. It is to make a campaign that is “shocking, funny, unique, outrageous, clever and creative that people can’t stop talking about it” (Uk essays, 2016). Guerrilla marketing is different when compared to traditional marketing tactics (Staff, 2016). “Guerrilla marketing means going after conventional goals of profits, sales and growth but doing it by using unconventional means, such as expanding offerings during gloomy economic days to inspire customers to increase the size of each purchase” (Staff, 2016). Guerrilla marketing also suggest that that rather investing money, it is better to “invest time, energy, imagination and knowledge” (Staff, 2016) instead. Guerrilla marketing puts profit as their main priority not sales as their main focal point, this is done to urge the growth of geometrically by enlarging the size of each transactions. This all done through one of the most powerful marketing weapons around, the telephone. Research shows that it will always increases profits and sales. The term “guerrilla first appeared during the war of independence in Spain and Portugal at the beginning of the 19th century it can be translated as battle” (Uk essays, 2016). Even thou guerrilla marketing was aimed for small business; this did not stop bigger business from adopting the same ideology. “Larger business has been using unconventional marketing to complement their advertising campaigns, even then some marketers argue that when bigger business utilize guerrilla marketing tactics, it isn’t true guerrilla” (“What Is Guerrilla Marketing?”, 2010). The reason being that larger companies have bigger budgets and usually their brands well established. In some cases, it is far riskier for a larger business to do guerrilla marketing tactics. Which can cause problem when their stunts become a flop when compared to smaller business, as they do not run as much risk, as most people will just write it off as another failed stunt. Many methods in guerrilla marketing consist of “graffiti (or reverse graffiti, where a dirty wall is selectively cleaned), interactive displays, intercept encounters in public spaces, flash mobs, or various PR stunts are often used” (“Guerrilla Marketing | What is Guerrilla Marketing?” 2016).

Small business use social media as a form of marketing. This Is due to that social media in the 21st century is phenomenon. “Collecting billions of people around the world through a series of status updates, tweets, and other rich media” (“Guerrilla Marketing Strategies for Small Businesses”, 2013). Social media is a powerful tool in the world of business. Guerrilla marketing strategies and tactics are a great and cost effective way to generate” awareness for your business, products and services. To maximize full potential in your marketing efforts, it’s to blend them with a powerful and robust online marking strategy with a marketing automation software” (“Guerrilla Marketing Strategies for Small Businesses”, 2013). Which can boost small businesses. Guerrilla tactics consist of instruments that have effects on the efforts. Some instruments are usually there to maximize the surprise effect and some of these instruments mainly cutting advertising costs.” Guerrilla marketing is a way of increasing the number of individuals exposed to the advertising with the cost of campaign. The instrument of diffusion helps to each a wide audience, which causes none or little cost because consumers (viral

marketing) or the media (guerrilla PR) pass on the advertising message” (“Guerrilla Marketing: The Nature of the Concept and Propositions for Further Research”, 2016). Guerrilla campaigns usually implement a free ride approach, this means that to cut their costs and increase the number of recipients simultaneously to maximize the low cost effect. For example, they will try to benefit from placing advertisements on big events e.g. sporting events. Guerrilla marketing was regarded to target existing customers rather than new ones, aiming to increase their engagement with a product and/or brand. “When selecting audiences for a guerrilla message, a group that is already engaged with the product at some level is the best target; they will be quicker to recognize and respond to creative tactics, and more likely to share the experience with their friends, as social media has become a major feature of the market landscape, guerrilla marketing has shown to be particularly effective online. Consumers who regularly use social media are more likely to share their interactions with guerrilla marketing, and creative advertising can quickly go viral” (“Guerrilla Marketing | What is Guerrilla Marketing?”, 2016).

## Campaign Advertising

In politics, campaign advertising is the use of an advertising campaign through the media to influence political debate, and ultimately, voters. These ads are designed by political consultants and political campaign staff. Many countries restrict the use of broadcast media to broadcast political messaging. In the EU, many countries do not permit paid-for TV or radio advertising for fear that wealthy groups will gain control of airtime making fair play impossible and distort the political debate in the process. In both the United Kingdom and Ireland, paid advertisements are forbidden, though political parties are allowed a small number of party political broadcasts in the run up to election time. The United States has a very free market for broadcast political messaging. Canada allows paid-for political broadcasts but requires equitable access to the airwaves. Campaigns can include several different media (depending on local law). The time span over which political campaign advertising is possible varies greatly from country to country, with campaigns in the United States lasting a year or more to places like the UK and Ireland where advertising is restricted by law to just a short period of weeks before the election. Social media has become very important in political messaging, making it possible to message larger groups of constituents with very little physical effort or expense, but the totality of messaging through these channels is often out of the hands of campaign managers.

### History

Political advertising has changed drastically over the last several decades. In the 1948 presidential campaign, Harry S. Truman was proud of his accomplishment of shaking

approximately 500,000 hands and covering 31,000 miles of ground across the nation. But that accomplishment was soon to pale in comparison when in 1952, the next presidential election saw a major change in how candidates reached their potential audiences. With the advent of television, war hero and presidential candidate Dwight D. Eisenhower, created forty twenty-second television spot commercials entitled, “Eisenhower Answers America” where he answered questions from “ordinary” citizens in an attempt to appear accessible to “the common man.” These questions were filmed in one day using visitors to Radio City Music Hall, who were filmed gazing up at Eisenhower as he answered questions about the Korean War, government corruption, and the state of the economy. He didn’t have to shake a half a million hands or travel the country extensively. He won the trust of the American people with his direct approach and subsequently the Presidential election. His vice president was Richard M. Nixon.

In 1960, Vice President Nixon used a formal television address in his presidential campaign, designed to answer questions about The Cold War and government corruption, and to show Americans that he was the stronger, more experienced candidate. On the other side of the fence, Catholic born John F. Kennedy created approximately 200 commercials during his campaign, but there were two that made Nixon’s efforts futile. The first was a thirty-minute commercial created from a speech he delivered in Houston, where he called for religious tolerance in response to criticism that Catholicism was incompatible with a run for the Oval Office. The second and more memorable was the first Kennedy-Nixon debate. In the first of four televised debates, Kennedy appeared tanned and confident in opposition to Nixon, who looked pale and uncomfortable in front of the camera. Seventy-five million viewers watched the debates, and although Nixon was initially thought to be the natural successor to Eisenhower, the election results proved otherwise, and Kennedy was ultimately declared the winner.

In 1964, aggressive advertising paved the way for a landslide Johnson victory. One of the first negative and maybe the most controversial commercial, perhaps of all time, was an advertisement dubbed “The Daisy Girl.” The commercial showed a young girl picking the petals off a daisy. After she finishes counting, a voice off camera begins a countdown to a nuclear explosion. The ad ends with an appeal to vote Johnson, “because the stakes are too high for you to stay home.” The commercial used fear and guilt, an effective advertising principle, to make people take action to protect the next generation. The ad ran for under a minute and only aired once, but due to the right wing, pro-war views of the Republican candidate, it resulted in a 44 to 6 state victory for Lyndon B. Johnson.

Over the next decade, America saw the rise of the televised political attack ad. Richard M. Nixon was especially proficient at this form of advertising, and his commercials proved to be very successful in his reelection campaign of 1972, where he won handily with a 49 to 1 state victory. George McGovern ran a campaign free of political attack ads until the very end of his campaign, when he tried to attack Nixon after he realized he was dipping lower in the polls. His attempt proved to be too late, but his neutral style

of attack ads against Nixon, featuring white text scrolling across a black background, became what is now seen as a fairly common method used in political and product advertising.

Attack ads continued to become the norm in political advertising. Ronald Reagan used them against Jimmy Carter in 1980, and it was also the first time that a family member was also used to attack the opposing candidate. One particular advertisement showed Reagan's wife Nancy accusing Carter of a weak foreign policy. This campaign also saw the rise of campaign finance issues when Reagan used political action committees to solicit funds on his behalf. However, in his reelection bid in 1984, we saw the beginning of a different form of political advertising; one with a much more positive flow and a stronger, more powerful message. With the country in a relatively prosperous state, advertisements in support of Reagan evoked an emotional bond between the country and its president. Visions of Americans going about their daily lives with relative ease were compiled to convince America that voting against Reagan was a vote against prosperity. The positive and emotionally provocative ads proved more successful than negative attack ads. He was so highly successful that he won against Walter Mondale with a 49 to 1 state victory.

In the following election, attack ads returned with a renewed vigor. In 1988, George H.W. Bush used campaign ads that ridiculed his opponent, making him appear soft on crime. He contrasted these negative ads, with the emotional style commercial used by Ronald Reagan, to capitalize on his connection to the former president. Again borrowing from Reagan's campaign practices he used free publicity as often as possible, making sure he was photographed in various situations that were likely to be aired in the evening news. Although Michael Dukakis tried to discredit the Bush campaign in many ways, he was ultimately unsuccessful, losing to the former Vice President by thirty states.

## **Regulation of Campaign Advertising**

### **United States of America**

While there have been some increases in regulation of campaign finance in the United States, there is generally little regulation of political advertising content. The Bipartisan Campaign Reform Act of 2002 addressed the issue of "soft money" or money contributed through political action committees, raised the legal limits of hard money that could be raised for any candidate, and set limits on what funds could be spent on election broadcasts, but it did not mandate verifiability in political campaign advertising. As of this time, there is no pending legislation addressing this issue.

Currently the Federal Communications Commission requires that the contracts for political ads shown on broadcast stations be posted online, but the agency is considering a proposal to expand that disclosure requirement to other platforms, including radio and cable.

## European Union

In most EU Member States campaign advertising is heavily regulated.

In some Member States, the United Kingdom and Ireland for example, party political advertisements on broadcast media (known as Party Political Broadcasts) are restricted to specific circumstances such as political party conferences and a limited time period before a General Election. In the latter instance political parties are allowed specific time slots on the broadcast media in which the advert may be aired. These are limited in time, offered to all registered parties and must be aired at times during the schedules that have similar levels of viewership. Furthermore, a moratorium on all election coverage is mandated on the day of the ballot.

Some Member States regulate the posting of election posters at both national and municipal level. In Ireland there are restrictions on the erection of election posters which mandate the time period after an election by which time the poster must be removed, with fines as a potential sanction. Some local councils have voted to ban the placement of election posters, citing the cost of removal and the waste generated.

Many municipalities in France restrict the placement of election posters to specific areas, often erecting stands specifically for that purpose.

## Turkey

Campaign advertisement for all elections is heavily regulated in Turkey through The 1961 Law on Basic Provisions on Elections and Voter Registers (Law on Basic Provisions). The Turkish Constitution reformed under Coup d'état regime in 1982, contains a number of restrictions to fundamental civil and political rights directly affecting the conduct of elections. The Law on Presidential Elections (LPE), adopted in January 2012, (following the constitutional referendum in 2007 that changed the indirect presidential election system to a direct election of the president by popular vote with an absolute majority of valid votes) regulates aspects of the new presidential election system. It was adopted in an expedited manner with limited debate and no public consultation nor support of opposition parties. OSCE stated in their election report that LPE and Law on Basic Provisions are not harmonized and LPE lacks clarity.

## Regulation of political advertising

### European Union

In contrast to advertising in the print, radio and internet media, many Member States of the European Union have consistently restricted advertising on broadcast media which are aimed at political ends, both party political advertising and political advocacy by non-partisan groups. These restrictions have been justified on the basis that the ban offers a level playing field in which money interests cannot gain an unfair advantage in

the political discourse of a Member State. The broadcast media has been singled out due to its historical reach and influence.

Outright bans on advertising engaged in political advocacy have been referred to the European Court of Human Rights which has held that such restrictions may be a breach of Article 10 of the European Convention on Human Rights. but the Court has held that restrictions on political advertising can be justified in certain circumstances, provided they were proportionate to the public interest they aimed to protect. Certain Member States including the United Kingdom, Ireland and Switzerland have repeatedly refused to remove their blanket bans. An attempted television ad campaign by the Association against Industrial Animal Production (VGT) which drew a comparison between battery farming and the Holocaust was persistently refused in line with Swiss law, and was the subject of two ECtHR cases, the second case resulting from the persistent refusal by Switzerland to modify its laws on political advertising. However, in a similar UK case involving Animal Rights advertising, the Court upheld the UK ban on political advertising on several grounds. It held the UK had consulted widely before legislating, the court recognized the legitimacy of limiting political advertising on television, acknowledging the argument that there was a “risk of distortion” of public debate by wealthy groups having unequal access to advertising, and accepted that the ban was not a ban on free speech given that other methods of communication were available. The court thus recognized that television advertising is especially powerful and thus wealthy groups could block out the valid arguments of less wealthy groups and thus distort public debate.

## India

campaigning is done through medias,newspapers and radios.By ruling of The Cable Television Network Rules of 1994, political advertisements were prohibited. However, a Supreme Court ruling in 2004 dictated that one may apply for an advertisement to be displayed on TV, but it must be approved by a committee created by the Chief Electoral Officer; the committee consists of The Joint Chief Electoral Officer, a Returning Officer, and one expert. Additionally, the committee will only consider advertisements from registered political parties or groups or organizations whose headquarter are in the National Capital Territory of Delhi. This model was also spread to other states; they are to have a committee consisting of a Joint Chief Electoral Officer, a Returning Officer, and one expert. Just as with Delhi, the other territories are to consider applications from registered political parties or groups or organizations whose headquarter are in the territory. In all cases, the Returning Officer is the one who considers applications for advertisements. Additionally, there is a committee within every state, designated by The Chief Electoral Officer, to handle and complaints. This committee consists of The Chief Electoral Officer, an observer, and an expert. In addition to these 2004 decisions, it was decided in 2007 that these procedures would be extended national parties for the elections in the states of Gujarat and Himachal Pradesh.

The parties are not permitted to take funds from corporate houses and the funds of the parties are non-taxable. The election commission which conducts the election sets out the rules and regulations for every election and enforces these rules as well. For example, all political parties have to stop campaigning forty eight hours before the election. Similarly politicians facing criminal charges are often disqualified and communal content in speeches are also not permitted.

## Japan

Japan distinguishes between party advertisements and candidate advertisements. There are few restrictions on political advertisements made by parties. One restriction is that party advertisements cannot mention specific candidates. Candidate advertisements have greater limitations and are paid for by the government. Candidates are not allowed to purchase their own advertisements. The number and type of candidate advertisements are also limited, including the size of newspaper advertisements, and length of television and radio advertisements. Japanese election law discourages negative campaign advertising directed at other candidates, parties, or political organizations. Campaign advertisements can only be broadcast during the two week official campaign period and are closely monitored for violations of election law.

## Australia

Australia has five advertising campaign principles. First, campaigns should be relevant to government responsibilities. Secondly, campaign materials in advertising should be presented in an objective, fair and accessible manner and be designed to meet the objectives of the campaign. Facts presented should be accurate and verifiable. The third principle states that campaign materials should be objective and not directed at promoting party interests. Campaign materials must not mention the party in government by name, or directly attack or scorn the views, policies, or actions of others. Fourth, campaigns should be justified and undertaken in an efficient, effective and relevant manner. The last principle states that campaigns must comply with legal requirements and procurement policies and procedures. This is particularly important in respecting laws with broadcasting and media. When broadcasting political advertisements during an election period, the broadcaster must give all parties contesting the election a reasonable opportunity to have election matter broadcast during the election period. This does not need to be done for free. Sponsors or current affair programs must be identified during political advertising. While Australia does not exactly have a right to free speech, they have an implied freedom of political communication. There are regulations on the format and presentation of political advertising, but little regulation on the content.

## Iran

Iran's democratically elected president, Hassan Rouhani, is the current leader of Iran's quasi-theocratic government. The country is made up of mainly Shiite Muslims and a

small minority of Sunni Muslims. The history of censorship in Iranian political advertising and campaign tactics has followed the ebb and flow of the country's religiously conservative state, dating back to the birth of the Islamic regime during the Iranian Revolution of 1979. One of the most recent examples of this censorship dates back to 2007, when Iran's "fundamentalist-based parliament" passed legislation that severely restricted the content and presentation of political advertising. The restrictions limited candidates in the presidential election from displaying posters, especially with their own image on them, and greatly limited the use of other publicity tools in an effort to urge candidates to give their messages through government organizations. Critics suggest that this limitation of advertising venue and medium was an attempt by the state to keep standing politicians in office and limit the information available on new candidates. Outside reports from more recent elections and campaigns claim actions such as physical attacks on journalists and campaign heads by unknown parties and the modification of campaign websites and documentaries by state agencies.

## **Argentina**

Argentina passed regulations on the allocation of television and radio campaigns in preparation for the 2013 primary and legislative elections. The regulation divides programming into 4 blocks throughout the day and allocates a certain percentage of time during the slots for campaign advertisement. For television during the blocks from 7-11am and from 4-8pm, 30% percent of the time will be allocated to campaign advertisement. For the slots from 11am-4pm and 8pm-1am, 20% percent of the time will be allocated for campaign advertisement. For radio the percentage of allocation during these 4 time blocks is flipped, 11am-4pm and 8pm-1am receiving 30% of the time for campaign advertisement, and 20% for the 7-11am and 4-8pm time blocks.

## **South Africa**

Independent Communication Authority of South Africa (ICASA) established in 2000 is the regulatory body of broadcast political advertisements. It also serves to protect the message of the political advertisement from the broadcasting service. ICASA's regulations dictate the nature and acceptable content for aired political advertisements. Political party advertisements may only be authorized to be broadcast during the period of elections. A broadcasting service that airs a licensed ad must clearly state that this is in fact a political advertisement. The commercial cannot be longer than 1 minute in duration and cannot exceed 8 time slots within the designated period of elections. There is a required screening process of all political advertisements before being national redistributed. Failure to comply with these restrictions will result in maximum fine of one million Rand.

## **Russia**

Russia, as well as many other countries, does not have a legal definition of "political advertising". Current Russian legislation regulates the form of political advertising

such as election campaigns. This form involves activities to disseminate information about political forces and candidates to influence voting behaviour. Election campaign is defined as paid by a candidate, an electoral association, or other person acting in the interest of the candidate messages and materials, which encourage citizens to make the proposed action.

Political advertising in a broad sense is not regulated by a special law and follows the general rules governing freedom of speech, freedom of information, and freedom of association. Lack of legal definition of political advertising leads to the ambiguity of its understanding, which generates conflict situations in legal relations of advertising.

Moreover, this kind of advertising in Russia has evolved relatively recently, because from 1917 to 1991 there was only one political force in the country, which had no political opponents, and used ideological propaganda as the primary means of political communication.

## Canada

According to the Canadian Radio-television and Telecommunications Commission, the key role of broadcasters is to inform potential voters on issues, political parties and candidates during an election period. This means ensuring equitable airtime for all candidates on each broadcast network. 6.5 hours of prime programing should be available for the purchase by all parties. On-air personalities running as a candidate in a provincial or federal election are required halt any on-air duties as soon as his or her candidacy is announced or the election is called. According to Elections Ontario, there are restrictions regarding when political advertising may be aired and restrictions on the rates broadcasters and publishing facilities can charge for said advertising.

## Effects of political advertising

Direct effects of political campaign advertising include informing voters about candidates' positions and affecting the "preferences and participatory ethos of the electorate". Studies show that voting results are affected by voters' characteristics and the type of ad to which they are exposed.



President Reagan giving Campaign speech in Austin, Texas, 1984

Both positive and negative advertisement have been proven to play different roles in regards to candidate evaluation. Positive ads, which usually start at the beginning of a campaign aim at introducing or reintroducing a candidate through reinforcing his or her positive image and qualities. Whereas a strictly political advertisement would inform the viewer, positive campaign ads become an ongoing discussion of character - people understand more than simply just political identity. In an analysis of the dynamics that exist in campaign advertising, Jim Granato and M.C. Sunny Wong argue that "Not only do voters associate a candidate with a particular party and its policies, but they also assess character and competence of a candidate." Instead of simply representing a candidate by their issues, a candidate is almost created as a character on the screen. These campaigns become affirmations of competency; they give the viewer a multi-faceted understanding of who the candidate is and who the candidate is trying to portray themselves as.

Negative or attack ads have been studied for their effects on memory and ability to shape attitude towards candidates. Both variables are measured to determine the effectiveness of negative ads, which tend to be well remembered. The limitation of this technique is that it can sometimes be highly counterproductive as ads turn out to harm the attacking candidate.

One other effect of political campaign advertising includes greater attitude polarization among voters. In fact one study conducted by Gina Garramone on the effects of political advertising on the political process shows that "by discerning clear differences between candidates, voters may be more likely to strongly like one candidate while strongly disliking the other." This typically leads to higher levels of confidence within voters choices and can widen the degree of participation in the electoral process.

## Chile

One of the most historically effective and unprecedented uses of campaign advertising took place in Chile in the year 1988. Chile's president, General Augusto Pinochet, who was notorious for ordering the torture and killing of political enemies, decided to issue a referendum in which the Chilean people could vote "yes" or "no" on the continuation of his regime. Overconfident in the idea that the majority of Chileans viewed him as a benevolent leader, Pinochet allowed his opposition fifteen minutes of airtime on the national television station each day for the twenty-seven days preceding the October 5 referendum. A creative team composed of Eugenio García, Francisco Celedón, and other members of Chile's Christian Democratic Party undertook the effort to air a hard-hitting and impactful political ad campaign against Pinochet. This campaign differed from many others in that it lacked a candidate or central ideology around which to base itself. However, instead of using negative attack ads, the campaign's creators decided to imbue their advertisements with a sense of joy, or "alegría." The campaign was overwhelmingly successful; 7.2

million votes were cast, with 3.96 million opposing the Pinochet regime. Pinochet stepped down peacefully in the year 1990, passing on leadership to a democratic civilian government. The results for this election were believed to have large-scale effects for worldwide democracy.

## List of Election Advertising Techniques

- Attack ad
- Bumper sticker
- Campaign button
- Canvassing
- Direct marketing
- Election promise
- Get out the vote
- Lawn sign
- Negative campaigning
- Opposition research
- Personalized audio messaging
- PIG
- Posters
- Push poll

## Family in Advertising

Since the industrial revolution, the image of the family in advertising has become a prominent symbol in advertising and is utilized in marketing campaigns to increase profits. While some sociologists argue that these advertisements are ways in which behavior and attitudes towards society are influenced, others merely argue that the image of family in advertising mirrors reality and therefore holds only a representative or symbolic role. Regardless, different members of the family are portrayed in different ways within advertising and such portrayals often reflect the traditional roles of each member during the time in history in which the advertisement is presented.



An image of a family represented on a Coca-Cola Billboard.

## History

The family symbol in advertising may be observable before the industrial revolution, but it was not until after the industrial revolution that advertising boomed and the use of family images in advertising became prevalent. The industrial revolution changed advertising from informative flyers marking the availability of goods in 17th and 18th century Europe, whose audience were those within physical propinquity, to multimillion-dollar campaigns that attempted to instantly connect and persuade peoples from across the world. After the industrial revolution, large companies emerged as mass-producers, products became branded, and customers began establishing brand loyalties. Thus, persuading customers to purchase one brand rather than another became vital to advertising. An advertisement was responsible for making products and services salient in order to earn consumer attention in competitive industrial markets. During this period, not only did the immensity of the advertising industry drastically change, but so did its marketing strategies as it began to incorporate images and specify an audience. This change from largely informative to largely persuasive strategies and from general to specific audiences explains the increase in presence and usage of symbols, representations, and stereotypes in advertising—including those of the family.

Different societies and cultures have used family symbols in advertising to varying extents of success. Because family life stresses in-group benefits, preferences, and successes over those of the individual, collectivist societies tend to use more family symbols in advertising than individualist societies. For example, Korea, which is reputedly collectivistic, has more success with family advertisements than the United States, which is reputedly individualistic.

The modern post-industrial era in advertising was one of reaffirming widely held social values, such as heterosexuality and the middle-class, while neglecting alternative values or lifestyles. The advertising industry was conservative and did not deviate from images that were socially acceptable. Some countries, such as Japan, continue to present the family stereotypically, especially in their television advertisements. In the past decade, however, many advertising agencies have begun to more accurately capture reality and the diversity of lifestyles and family types of consumers.

## Function

'Family' is a popular symbol in commercial advertising that is commonly used to persuade audiences into consuming one's business' goods or services over a competitors. Consequently, the symbol of family as used in advertisements is *functional* – it both increases profit and builds a positive reputation among customers.

The family symbol functions on three levels of persuasion: social, psychological, and personal.

Social persuasion appeals to one's role in a group and corresponding expectations; it appeals to reference groups, social class, culture, and subculture. The family symbol is socially persuasive in that it appeals to one's role within the family and their corresponding expectations.

One does not only feel a social or external pressure to fulfill roles and expectations of being a good parent, sibling, or child, however. There is a distinctly emotional and internal pressure to be 'good' due to psychological attachments in spousal, sibling and/or parent-children relationships. Psychological persuasion in advertisements appeals to one's motives, attitudes and personalities. The family symbol is psychologically persuasive in that it appeals to the emotional attachments between spouses, siblings, or parent-child relationships. To continue the above example, the mother not only wants to purchase a product that purportedly limits irritation or harm for her child due to her social role and expectations, but also because she feels an emotional attachment to her child. The attempt to activate the emotions of audiences and to psychologically persuade is popular among advertisements. Family affects us significantly on this psychological level – the level at which advertisements are most effective.

Personal persuasion appeals to one's demographic identity or consumer behaviors. The family symbol is personally persuasive because families make buying decisions together as a unit. Furthermore, one person in a family may make the majority of the buying decisions. To target that person in advertising, referencing their location within the family and their responsibility to make purchasing decisions for the family, will be more profitable than targeting others. For an example of personal persuasion, the McDonald's corporation in India has had great marketing success in designating themselves as the "McDonalds Family Restaurant".

## Sociological Interpretations

Advertisements are used to attract customers to a business' products or services. In doing so, they are also making statements regarding race, social class, gender, values, and family. They not only *describe* these social categories, they *prescribe* behaviors or show one how it is that they should act in accordance with social ideals or norms. According to Belk and Pollay, "not only do [advertisements] show us the ideal life, they

instruct us [on] how to live.” Through targeting specific groups of people for products and services, advertisements both reflect changes of social norms and are changers of social norms regarding acceptable behavior. Some argue that the image of family only plays a symbolic role by reflecting the current cultural values. Advertisements may not only reflect changes in social norms, but also be asserting that such behavior is acceptable. As a result, sociologists have challenged the public to study ads containing images of the family not just as marketing messages but also as vehicles for behavior and attitudes towards society.

Advertisements, specifically ones that show the family, commentate on the transition from modernity to postmodernity. This transition is the transition of middle class nuclear families where heterosexuality is the norm to the recognition and acceptance of a variety of different family types, an embracing of societal polysexuality and plurality; it is furthermore the transition from mass culture to the prevalence of sub-cultures and multiculturalism. Literary critic Fredric Jameson says that “our advertising...is fed by postmodernism in all the arts, and is inconceivable without it.”

## **Family Members in Advertising**

### **Wives**

In general, advertisements tend to reflect the popular attitudes surrounding the appropriate gender roles of the time. For example, in the 1920s, when such a tiny proportion of wives were working for economic gain outside of their homes, it was rare to see wives portrayed within advertising in a role in which they were working for monetary gain. Instead, women were primarily portrayed doing household tasks. The exceptions to this rule came about in times of economic hardship when wives were thrown into the labor force to ensure a families’ economic survival. One of these times was the Great Depression during the 1930s. Since then, as housekeeping becomes less and less important of a family role, the amount of advertisements portraying women solely as performing household tasks have been on the decline.

### **Husbands**

Just as the image of the wife in advertising has reflected the general views of the appropriate roles of a wife, images of the husband also reflect the cultural values surrounding what role was believed a husband should be engaged in. For example, over time, it is common find images of the husband as performing work outside of the home and taking care of the family finances. It has been noted that this role has been especially prevalent during 1920, 1936, and 1970. On the other hand, one is not likely to find an advertisement depicting husbands engaged in household chores, except when they are depicted as particularly bad at performing the housework. In addition, it has been noted that over time, the portrayal of husbands and wives in an intimate, romantic relationship has been on the rise.

## Mothers and Fathers

Throughout history, mothers have been portrayed as the primary physical caregivers of children. Physical caregiving includes tasks such as breast-feeding and changing diapers. Some theorize that this has to do with the idea of women as having a natural instinct towards motherhood. Fathers, on the other hand, have been more likely to be portrayed in play activities with their children and are often more likely to be shown interacting with sons than daughters.



A German advertisement for HacoVon, 1920

Similar to the decline over time in wives as being portrayed solely as housekeepers, the portrayal of mothers as the primary physical care takers of children has been on the decline. Instead, there has been an increase in the portrayal of mothers as facilitating recreational activities with their offspring.

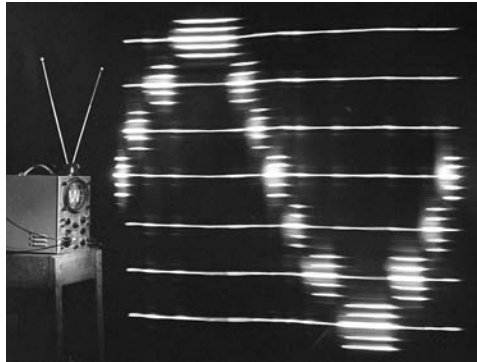
## Other Family Members

Much like fathers are depicted primarily in recreational activities with their children, other male members of the family, including sons and male grandchildren, are portrayed in play activities the majority of the time. Interestingly, young female members of the family are depicted similarly in play activities, but nevertheless tend to be more likely shown in activities related to chores and child-care. In addition, the image of the grandparent has been largely nonexistent in advertising.

It is important to also note that images of the family depend upon the specific source in which the image is found and the type of audience that the source aims to reach. For example, in a women's magazine such as *Good Housekeeping*, one can expect to find women in the family portrayed solely as domestic housewives.

## Augmented Reality

Augmented reality (AR) is a live direct or indirect view of a physical, real-world environment whose elements are *augmented* (or supplemented) by computer-generated sensory input such as sound, video, graphics or GPS data. It is related to a more general concept called mediated reality, in which a view of reality is modified (possibly even diminished rather than augmented) by a computer. As a result, the technology functions by enhancing one's current perception of reality. By contrast, virtual reality replaces the real world with a simulated one. Augmentation is conventionally in real-time and in semantic context with environmental elements, such as sports scores on TV during a match. With the help of advanced AR technology (e.g. adding computer vision and object recognition) the information about the surrounding real world of the user becomes interactive and digitally manipulable. Information about the environment and its objects is overlaid on the real world. This information can be virtual or real, e.g. seeing other real sensed or measured information such as electromagnetic radio waves overlaid in exact alignment with where they actually are in space.



*Early example of AR: Overlaying electromagnetic radio waves onto visual reality. Sequential Wave Imprinting Machine imprints visual images onto the human eye's retina or photographic film.*

### Technology

#### Hardware

Hardware components for augmented reality are: processor, display, sensors and input devices. Modern mobile computing devices like smartphones and tablet computers contain these elements which often include a camera and MEMS sensors such as accelerometer, GPS, and solid state compass, making them suitable AR platforms.

#### Display

Various technologies are used in Augmented Reality rendering including optical projection systems, monitors, hand held devices, and display systems worn on the human body.

## Head-mounted

A head-mounted display (HMD) is a display device paired to the forehead such as a harness or helmet. HMDs place images of both the physical world and virtual objects over the user's field of view. Modern HMDs often employ sensors for six degrees of freedom monitoring that allow the system to align virtual information to the physical world and adjust accordingly with the user's head movements. HMDs can provide users immersive, mobile and collaborative AR experiences.



Meta 2 Headset

In January 2015, Meta launched a \$1 project led by Horizons Ventures, Tim Draper, Alexis Ohanian, BOE Optoelectronics and Garry Tan. On February 17, 2016, Meta announced their second-generation product at TED, Meta 2. The Meta 2 head-mounted display headset uses a sensory array for hand interactions and positional tracking, visual field view of 90 degrees (diagonal), and resolution display of 2560 x 1440 (20 pixels per degree), which is considered the largest field view (FOV) currently available.

## Eyeglasses

AR displays can be rendered on devices resembling eyeglasses. Versions include eyewear that employ cameras to intercept the real world view and re-display its augmented view through the eye pieces and devices in which the AR imagery is projected through or reflected off the surfaces of the eyewear lens pieces.



Microsoft HoloLens

Near eye augmented reality devices can be used as portable head-up displays as they can show data, information, and images while the user views the real world. Many definitions of augmented reality only define it as overlaying the information. This is basically what a head-up display does; however, practically speaking, augmented reality is expected to include tracking between the superimposed information, data, and images and some portion of the real world.

CrowdOptic, an existing app for smartphones, applies algorithms and triangulation techniques to photo metadata including GPS position, compass heading, and a time stamp to arrive at a relative significance value for photo objects. CrowdOptic technology can be used by Google Glass users to learn where to look at a given point in time.

In January 2015, Microsoft introduced HoloLens, which is an independent smartglasses unit. Brian Blau, Research Director of Consumer Technology and Markets at Gartner, said that “Out of all the head-mounted displays that I’ve tried in the past couple of decades, the HoloLens was the best in its class.”. First impressions and opinions have been generally that HoloLens is a superior device to the Google Glass, and manages to do several things “right” in which Glass failed.

## Contact Lenses

Contact lenses that display AR imaging are in development. These bionic contact lenses might contain the elements for display embedded into the lens including integrated circuitry, LEDs and an antenna for wireless communication. The first contact lens display was reported in 1999 and subsequently, 11 years later in 2010/2011 Another version of contact lenses, in development for the U.S. Military, is designed to function with AR spectacles, allowing soldiers to focus on close-to-the-eye AR images on the spectacles and distant real world objects at the same time. The futuristic short film *Sight* features contact lens-like augmented reality devices.

## Virtual Retinal Display

A virtual retinal display (VRD) is a personal display device under development at the University of Washington’s Human Interface Technology Laboratory. With this technology, a display is scanned directly onto the retina of a viewer’s eye. The viewer sees what appears to be a conventional display floating in space in front of them.

## EyeTap

The EyeTap (also known as Generation-2 Glass) captures rays of light that would otherwise pass through the center of a lens of an eye of the wearer, and substitutes synthetic computer-controlled light for each ray of real light. The Generation-4 Glass (Laser EyeTap) is similar to the VRD (i.e. it uses a computer controlled laser light source) except that it also has infinite depth of focus and causes the eye itself to, in effect, function

as both a camera and a display, by way of exact alignment with the eye, and resynthesis (in laser light) of rays of light entering the eye.

## Handheld

Handheld displays employ a small display that fits in a user's hand. All handheld AR solutions to date opt for video see-through. Initially handheld AR employed fiducial markers, and later GPS units and MEMS sensors such as digital compasses and six degrees of freedom accelerometer-gyroscope. Today SLAM markerless trackers such as PTAM are starting to come into use. Handheld display AR promises to be the first commercial success for AR technologies. The two main advantages of handheld AR is the portable nature of handheld devices and ubiquitous nature of camera phones. The disadvantages are the physical constraints of the user having to hold the handheld device out in front of them at all times as well as distorting effect of classically wide-angled mobile phone cameras when compared to the real world as viewed through the eye.

## Spatial

Spatial Augmented Reality (SAR) augments real world objects and scenes without the use of special displays such as monitors, head mounted displays or hand-held devices. SAR makes use of digital projectors to display graphical information onto physical objects. The key difference in SAR is that the display is separated from the users of the system. Because the displays are not associated with each user, SAR scales naturally up to groups of users, thus allowing for collocated collaboration between users.

Examples include shader lamps, mobile projectors, virtual tables, and smart projectors. Shader lamps mimic and augment reality by projecting imagery onto neutral objects, providing the opportunity to enhance the object's appearance with materials of a simple unit- a projector, camera, and sensor.

Other applications include table and wall projections. One innovation, the Extended Virtual Table, separates the virtual from the real by including beam-splitter mirrors attached to the ceiling at an adjustable angle. Virtual showcases, which employ beam-splitter mirrors together with multiple graphics displays, provide an interactive means of simultaneously engaging with the virtual and the real. Many more implementations and configurations make spatial augmented reality display an increasingly attractive interactive alternative.

A SAR system can display on any number of surfaces of an indoor setting at once. SAR supports both a graphical visualisation and passive haptic sensation for the end users. Users are able to touch physical objects in a process that provides passive haptic sensation.

## Tracking

Modern mobile augmented-reality systems use one or more of the following tracking technologies: digital cameras and/or other optical sensors, accelerometers, GPS,

gyroscopes, solid state compasses, RFID and wireless sensors. These technologies offer varying levels of accuracy and precision. Most important is the position and orientation of the user's head. Tracking the user's hand(s) or a handheld input device can provide a 6DOF interaction technique.

## **Input Devices**

Techniques include speech recognition systems that translate a user's spoken words into computer instructions and gesture recognition systems that can interpret a user's body movements by visual detection or from sensors embedded in a peripheral device such as a wand, stylus, pointer, glove or other body wear. Some of the products which are trying to serve as a controller of AR Headsets include Wave by Seebright Inc. and Nimble by Intugine Technologies.

## **Computer**

The computer analyzes the sensed visual and other data to synthesize and position augmentations.

## **Software and Algorithms**

A key measure of AR systems is how realistically they integrate augmentations with the real world. The software must derive real world coordinates, independent from the camera, from camera images. That process is called image registration which uses different methods of computer vision, mostly related to video tracking. Many computer vision methods of augmented reality are inherited from visual odometry. Usually those methods consist of two parts.

First detect interest points, or fiducial markers, or optical flow in the camera images. First stage can use feature detection methods like corner detection, blob detection, edge detection or thresholding and/or other image processing methods. The second stage restores a real world coordinate system from the data obtained in the first stage. Some methods assume objects with known geometry (or fiducial markers) present in the scene. In some of those cases the scene 3D structure should be precalculated beforehand. If part of the scene is unknown simultaneous localization and mapping (SLAM) can map relative positions. If no information about scene geometry is available, structure from motion methods like bundle adjustment are used. Mathematical methods used in the second stage include projective (epipolar) geometry, geometric algebra, rotation representation with exponential map, kalman and particle filters, nonlinear optimization, robust statistics.

Augmented Reality Markup Language (ARML) is a data standard developed within the Open Geospatial Consortium (OGC), which consists of an XML grammar to describe the location and appearance of virtual objects in the scene, as well as ECMAScript bindings to allow dynamic access to properties of virtual objects.

To enable rapid development of Augmented Reality Application, some software development kits (SDK) have emerged. A few SDK such as CloudRidAR leverage cloud computing for performance improvement. Some of the well known AR SDKs are offered by Vuforia, ARToolKit, Catchoom CraftAR Mobinett AR, Wikitude, Blippar Layar, and Meta.

## Applications

Augmented reality has many applications. First used for military, industrial, and medical applications, it has also been applied to commercial and entertainment areas.

## Literature

In 2011, there were works using AR poetry made by ni\_ka from the Sekai Camera in Japan, Tokyo. The rose of these works come from Paul Celan, “Die Niemandrose”, and express the mourning of 3.11, 2011 Tōhoku earthquake and tsunami.

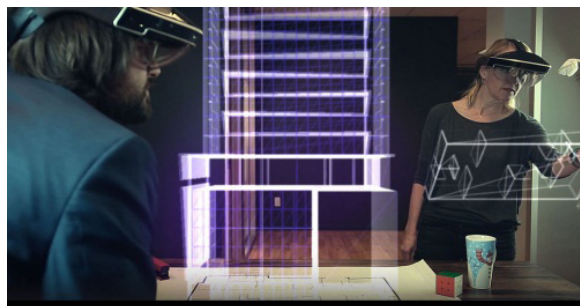
## Archaeology

AR can be used to aid archaeological research, by augmenting archaeological features onto the modern landscape, enabling archaeologists to formulate conclusions about site placement and configuration.

Another application given to AR in this field is the possibility for users to rebuild ruins, buildings, landscapes or even ancient characters as they formerly existed.

## Architecture

AR can aid in visualizing building projects. Computer-generated images of a structure can be superimposed into a real life local view of a property before the physical building is constructed there; this was demonstrated publicly by Trimble Navigation in 2004. AR can also be employed within an architect’s work space, rendering into their view animated 3D visualizations of their 2D drawings. Architecture sight-seeing can be enhanced with AR applications allowing users viewing a building’s exterior to virtually see through its walls, viewing its interior objects and layout.



Meta 2 used for collaborative design

## Visual Art

AR technology has helped disabled individuals create visual art by using eye tracking to translate a user's eye movements into drawings on a screen. An item such as a commemorative coin can be designed so that when scanned by an AR-enabled device it displays additional objects and layers of information that were not visible in a real world view of it. In 2013, L'Oreal used CrowdOptic technology to create an augmented reality at the seventh annual Luminato Festival in Toronto, Canada.

AR in visual art opens the possibility of multidimensional experiences and interpretations of reality. Augmenting people, objects, and landscapes is becoming an art form in itself. In 2011, artist Amir Bardaran's *Frenchising the Mona Lisa* infiltrates Da Vinci's painting using an AR mobile application called Junaio. Aim a Junaio loaded smartphone camera at any image of the Mona Lisa and watch as Leonardo's subject places a scarf made of a French flag around her head. The AR app allows the user to train his or her smartphone on Da Vinci's *Mona Lisa* and watch the mysterious Italian lady loosen her hair and wrap a French flag around her in the form a (currently banned) Islamic *hijab*.

## Greeting Cards

AR technology has been used in conjunction with greeting cards. They can be implemented with digital content which users are able to discover by viewing the illustrations with certain mobile applications or devices using augmented reality technology. The digital content could be 2D & 3D animations, standard video and 3D objects with which the users can interact.

In 2015, the Bulgarian startup iGreet developed its own AR technology and used it to make the first premade "live" greeting card. It looks like traditional paper card, but contains hidden digital content which only appears when users scan the greeting card with the iGreet app.

## Commerce

AR can enhance product previews such as allowing a customer to view what's inside a product's packaging without opening it. AR can also be used as an aid in selecting products from a catalog or through a kiosk. Scanned images of products can activate views of additional content such as customization options and additional images of the product in its use. AR is used to integrate print and video marketing. Printed marketing material can be designed with certain "trigger" images that, when scanned by an AR enabled device using image recognition, activate a video version of the promotional material. A major difference between Augmented Reality and straight forward image recognition is that you can overlay multiple media at the same time in the view screen, such as social media share buttons, in-page video even audio and 3D objects. Traditional print only publications are using Augmented Reality to connect many different types of media.

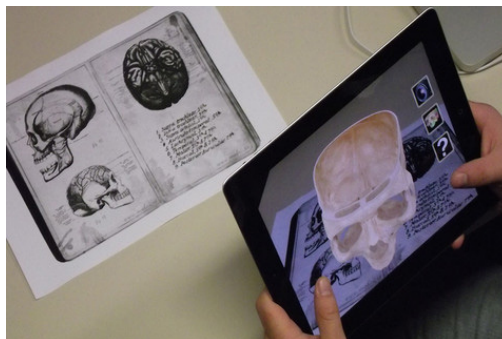


## Construction

With the continual improvements to GPS accuracy, businesses are able to use augmented reality to visualize georeferenced models of construction sites, underground structures, cables and pipes using mobile devices. Augmented reality is applied to present new projects, to solve on-site construction challenges, and to enhance promotional materials. Examples include the Daqri Smart Helmet, an Android-powered hard hat used to create augmented reality for the industrial worker, including visual instructions, real time alerts, and 3D mapping.

Following the Christchurch earthquake, the University of Canterbury released CityViewAR, which enabled city planners and engineers to visualize buildings that had been destroyed. Not only did this provide planners with tools to reference the previous cityscape, but it also served as a reminder to the magnitude of the devastation caused, as entire buildings had been demolished.

## Education



App iSkull, an augmented human skull for education (iOS OS)

Augmented reality applications can complement a standard curriculum. Text, graphics, video and audio can be superimposed into a student's real time environment. Textbooks, flashcards and other educational reading material can contain embedded "markers" that, when scanned by an AR device, produce supplementary information to the student rendered in a multimedia format. Students can participate interactively with

computer generated simulations of historical events, exploring and learning details of each significant area of the event site. On higher education, there are some applications that can be used. For instance, Construct3D, a Studierstube system, allows students to learn mechanical engineering concepts, math or geometry. This is an active learning process in which students learn to learn with technology. AR can aid students in understanding chemistry by allowing them to visualize the spatial structure of a molecule and interact with a virtual model of it that appears, in a camera image, positioned at a marker held in their hand. It can also enable students of physiology to visualize different systems of the human body in three dimensions. Augmented reality technology also permits learning via remote collaboration, in which students and instructors not at the same physical location can share a common virtual learning environment populated by virtual objects and learning materials and interact with another within that setting.

This resource could also be of advantage in Primary School. Children can learn through experiences, and visuals can be used to help them learn. For instance, they can learn new knowledge about astronomy, which can be difficult to understand, and children might better understand the solar system when using AR devices and being able to see it in 3D. Further, learners could change the illustrations in their science books by using this resource. For teaching anatomy, teachers could visualize bones and organs using augmented reality to display them on the body of a person.

Mobile apps using augmented reality are emerging in the classroom. The mix of real life and virtual reality displayed by the apps using the mobile phone's camera allows information to be manipulated and seen like never before. Many such apps have been designed to create a highly engaging environment and transform the learning experience. Examples of the mobile apps that leverage augmented reality to aid learning, include SkyView for studying astronomy, and AR Circuits for building simple electric circuits.

## Emergency Management/Search and Rescue



LandForm+ is a geographic augmented reality system used for search and rescue, and emergency management.

Augmented reality systems are used in public safety situations – from super storms to suspects at large. Two interesting articles from *Emergency Management* magazine discuss the power of the technology for emergency management. The first is “Augmented Reality--Emerging Technology for Emergency Management” by Gerald Baron. Per

Adam Crowe: “Technologies like augmented reality (ex: Google Glass) and the growing expectation of the public will continue to force professional emergency managers to radically shift when, where, and how technology is deployed before, during, and after disasters.”

Another example, a search aircraft is looking for a lost hiker in rugged mountain terrain. Augmented reality systems provide aerial camera operators with a geographic awareness of forest road names and locations blended with the camera video. As a result, the camera operator is better able to search for the hiker knowing the geographic context of the camera image. Once found, the operator can more efficiently direct rescuers to the hiker’s location.

## Everyday

Since the 1970s and early 1980s, Steve Mann has been developing technologies meant for everyday use i.e. “horizontal” across all applications rather than a specific “vertical” market. Examples include Mann’s “EyeTap Digital Eye Glass”, a general-purpose seeing aid that does dynamic-range management (HDR vision) and overlays, underlays, simultaneous augmentation and diminishment (e.g. diminishing the electric arc while looking at a welding torch).



30 years of Augmented Reality in everyday life.

## Video Games

Augmented reality allows video game players to experience digital game play in a real world environment. Companies and platforms like Niantic and LyteShot emerged as augmented reality gaming creators. Niantic is notable for releasing the record-breaking *Pokémon Go* game.



Lyteshot in action

## Industrial Design

AR can help industrial designers experience a product's design and operation before completion. Volkswagen uses AR for comparing calculated and actual crash test imagery. AR can be used to visualize and modify a car body structure and engine layout. AR can also be used to compare digital mock-ups with physical mock-ups for finding discrepancies between them.

## Medical

Since 2005, a device that films subcutaneous veins, processes and projects the image of the veins onto the skin has been used to locate veins. This device is called a near-infrared vein finder.

Augmented Reality can provide the surgeon with information, which are otherwise hidden, such as showing the heartbeat rate, the blood pressure, the state of the patient's organ, etc. AR can be used to let a doctor look inside a patient by combining one source of images such as an X-ray with another such as video.

Examples include a virtual X-ray view based on prior tomography or on real time images from ultrasound and confocal microscopy probes, visualizing the position of a tumor in the video of an endoscope, or radiation exposure risks from X-ray imaging devices. AR can enhance viewing a fetus inside a mother's womb. It has been used for cockroach phobia treatment. Patients wearing augmented reality glasses can be reminded to take medications.

## Beauty

In 2014 the company L'Oreal Paris started developing a smartphone and tablet application called "Makeup Genius", which lets users try out make-up and beauty styles utilizing the front-facing camera of the endpoint and its display.

## Spatial Immersion and Interaction

Augmented reality applications, running on handheld devices utilized as virtual reality headsets, can also digitalize human presence in space and provide a computer generated model of them, in a virtual space where they can interact and perform various actions. Such capabilities are demonstrated by "Project Anywhere" developed by a post-graduate student at ETH Zurich, which was dubbed as an "out-of-body experience".

## Military

In combat, AR can serve as a networked communication system that renders useful battlefield data onto a soldier's goggles in real time. From the soldier's viewpoint, people and various objects can be marked with special indicators to warn of potential dangers.



Researchers at USAF Research Lab (Calhoun, Draper et al.) found an approximately two-fold increase in the speed at which UAV sensor operators found points of interest using this technology. This ability to maintain geographic awareness quantitatively enhances mission efficiency. The system is in use on the US Army RQ-7 Shadow and the MQ-1C Gray Eagle Unmanned Aerial Systems.

## Navigation

LandForm video map overlay marking runways, road, and buildings during 1999 helicopter flight test



Augmented reality map on iPhone

AR can augment the effectiveness of navigation devices. Information can be displayed on an automobile's windshield indicating destination directions and meter, weather, terrain, road conditions and traffic information as well as alerts to potential hazards in their path. Aboard maritime vessels, AR can allow bridge watch-standers to continuously monitor important information such as a ship's heading and speed while moving throughout the bridge or performing other tasks.

The NASA X-38 was flown using a Hybrid Synthetic Vision system that overlaid map data on video to provide enhanced navigation for the spacecraft during flight tests from 1998 to 2002. It used the LandForm software and was useful for times of limited visibility, including an instance when the video camera window frosted over leaving astronauts to rely on the map overlays. The LandForm software was also test flown at the Army Yuma Proving Ground in 1999. In the photo at right one can see the map markers indicating runways, air traffic control tower, taxiways, and hangars overlaid on the video.

## Office Workplace

AR can help facilitate collaboration among distributed team members in a work force via conferences with real and virtual participants. AR tasks can include brainstorming

and discussion meetings utilizing common visualization via touch screen tables, interactive digital whiteboards, shared design spaces, and distributed control rooms.

## **Sports and Entertainment**

AR has become common in sports telecasting. Sports and entertainment venues are provided with see-through and overlay augmentation through tracked camera feeds for enhanced viewing by the audience. Examples include the yellow “first down” line seen in television broadcasts of American football games showing the line the offensive team must cross to receive a first down. AR is also used in association with football and other sporting events to show commercial advertisements overlaid onto the view of the playing area. Sections of rugby fields and cricket pitches also display sponsored images. Swimming telecasts often add a line across the lanes to indicate the position of the current record holder as a race proceeds to allow viewers to compare the current race to the best performance. Other examples include hockey puck tracking and annotations of racing car performance and snooker ball trajectories.

AR can enhance concert and theater performances. For example, artists can allow listeners to augment their listening experience by adding their performance to that of other bands/groups of users.

The gaming industry has benefited a lot from the development of this technology. A number of games have been developed for prepared indoor environments. Early AR games also include AR air hockey, collaborative combat against virtual enemies, and an AR-enhanced pool games. A significant number of games incorporate AR in them and the introduction of the smartphone has made a bigger impact.

## **Task Support**

Complex tasks such as assembly, maintenance, and surgery can be simplified by inserting additional information into the field of view. For example, labels can be displayed on parts of a system to clarify operating instructions for a mechanic who is performing maintenance on the system. Assembly lines gain many benefits from the usage of AR. In addition to Boeing, BMW and Volkswagen are known for incorporating this technology in their assembly line to improve their manufacturing and assembly processes. Big machines are difficult to maintain because of the multiple layers or structures they have. With the use of AR the workers can complete their job in a much easier way because AR permits them to look through the machine as if it was with x-ray, pointing them to the problem right away.

## **Television**

Weather visualizations were the first application of augmented reality to television. It has now become common in weathercasting to display full motion video of images

captured in real-time from multiple cameras and other imaging devices. Coupled with 3D graphics symbols and mapped to a common virtual geo-space model, these animated visualizations constitute the first true application of AR to TV.

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Augmented reality is starting to allow Next Generation TV viewers to interact with the programs they are watching. They can place objects into an existing program and interact with these objects, such as moving them around. Avatars of real persons in real time who are also watching the same program.

## **Tourism and Sightseeing**

Augmented reality applications can enhance a user’s experience when traveling by providing real time informational displays regarding a location and its features, including comments made by previous visitors of the site. AR applications allow tourists to experience simulations of historical events, places and objects by rendering them into their current view of a landscape. AR applications can also present location information by audio, announcing features of interest at a particular site as they become visible to the user.

## **Translation**

AR systems can interpret foreign text on signs and menus and, in a user’s augmented view, re-display the text in the user’s language. Spoken words of a foreign language can be translated and displayed in a user’s view as printed subtitles.

## **Marketing**

Usage of AR is increasing in the field of marketing. Games like *Pokémon Go* have helped businesses increase their number of footfalls to their shops. For clothing, accessory, and makeup companies, AR presents a new way to show customers what it will be like to use or wear their products. Virtual dressing rooms are a recent trend in e-commerce.

## Privacy Concerns

The concept of modern augmented reality depends on the ability of the device to record and analyze the environment in real time. Because of this, there are potential legal concerns over privacy. While the First Amendment to the United States Constitution allows for such recording in the name of public interest, the constant recording of an AR device makes it difficult to do so without also recording outside of the public domain. Legal complications would be found in areas where a right to certain amount of privacy is expected or where copyrighted media are displayed. In terms of individual privacy, there exists the ease of access to information that one should not readily possess about a given person. This is accomplished through facial recognition technology. Assuming that AR automatically passes information about persons that the user sees, there could be anything seen from social media, criminal record, and marital status.

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# Understanding Advertising Regulation and False Advertising

Advertising is a large and dynamic field involving various people and organizations. In order to protect the interest of the consumers, to safeguard creativity and to regulate the content and influence of advertising, there are several regulations in place. A section also discusses the topic of false advertising and the various ways that it is carried out. This chapter discusses some of the major and important regulations in the advertising field namely, consumer protection and false advertising.

## Consumer Protection

Consumer protection is a group of laws and organizations designed to ensure the rights of consumers as well as fair trade, competition and accurate information in the marketplace. The laws are designed to prevent businesses that engage in fraud or specified unfair practices from gaining an advantage over competitors. They may also provide additional protection for those most vulnerable in society. Consumer protection laws are a form of government regulation that aim to protect the rights of consumers. For example, a government may require businesses to disclose detailed information about products—particularly in areas where safety or public health is an issue, such as food. Consumer protection is linked to the idea of consumer rights, and to the formation of consumer organizations, which help consumers make better choices in the marketplace and get help with consumer complaints.

Other organizations that promote consumer protection include government organizations and self-regulating business organizations such as consumer protection agencies and organizations, the Federal Trade Commission, ombudsmen, Better Business Bureaus, etc.

A consumer is defined as someone who acquires goods or services for direct use or ownership rather than for resale or use in production and manufacturing.

Consumer interests can also be protected by promoting competition in the markets which directly and indirectly serve consumers, consistent with economic efficiency, but this topic is treated in competition law.

Consumer protection can also be asserted via non-government organizations and individuals as consumer activism.

## Consumer Law

Consumer protection law or consumer law is considered an area of law that regulates private law relationships between individual consumers and the businesses that sell those goods and services. Consumer protection covers a wide range of topics, including but not necessarily limited to product liability, privacy rights, unfair business practices, fraud, misrepresentation, and other consumer/business interactions.

It's a way of preventing fraud and scams from service and sales contracts, bill collector regulation, pricing, utility turnoffs, consolidation, personal loans that may lead to bankruptcy.

The following lists consumer legislation at the nation-state level. In the EU member states Germany and the United Kingdom there is also the applicability of law at the EU level to be considered; this applies on the basis of subsidiarity.

### Australia

In Australia, the corresponding agency is the Australian Competition and Consumer Commission or the individual State Consumer Affairs agencies. The Australian Securities and Investments Commission has responsibility for consumer protection regulation of financial services and products. However, in practice it does so through privately run EDR schemes such as the Financial Ombudsman Service (Australia).

### Germany

Germany as a member state of the European Union is bound by the consumer protection directives of the European Union; residents may be directly bound by EU regulations. A minister of the federal cabinet is responsible for consumer rights and protection (*Verbraucherschutzminister*). In the current cabinet of Angela Merkel, this is Heiko Maas.

When issuing public warnings about products and services, the issuing authority has to take into account that this affects the supplier's constitutionally protected economic liberty, see Bundesverwaltungsgericht (Federal Administrative Court) Case 3 C 34.84, 71 BVerwGE 183).

### India

In India The Consumer protection act, 1986 is governing consumer protection. Under this law, Separate Consumer Dispute Redress Forums have been set up throughout India in each and every district in which a consumer [complaint can be filed by both the consumer of a goods as well as of the services] can file his complaint on a simple paper with nominal court fees and his complaint will be decided by the Presiding Officer of the District Level. Appeal could be filed to the State Consumer Disputes Redress

Commissions and after that to the National Consumer Disputes Redressal Commission (NCDRC). The procedures in these tribunals are relatively less formal and more people friendly and they also take less time to decide upon a consumer dispute when compared to the years long time taken by the traditional Indian judiciary. In recent years, many effective judgment have been passed by some state and National Consumer Forums. The Contract Act of 1982 act lays down the conditions in which promises made by parties to a contract will be legally binding on each other. It also lays down the remedies available to aggregate party if the other party fails to honour his promise. The Sale of Goods Act of 1930 act provides some safeguards to buyers of goods if goods purchased do not fulfill the express or implied conditions and warranties. The Agriculture Produce Act of 1937 act provides grade standards for agricultural commodities and live stock products. It specifies the conditions which govern the use of standards and lays down the procedure for grading, marking and packaging of agricultural produce. The quality mark provided under the act (Troy Kidige) is known as AGMARK-Agricultural Marketing.

## **Taiwan**

Modern Taiwanese law has been heavily influenced by European civil law systems, particularly German and Swiss law. The Civil Code in Taiwan contains five books: General Principles, Obligations, Rights over Things, Family, and Succession. The second book of the Code, the Book of Obligations, provided the basis from which consumers could bring products liability actions prior to the enactment of the CPL.

The Consumer Protection Law (CPL) in Taiwan, as promulgated on January 11, 1994 and effective on January 13, 1993, specifically protects the interests and safety of customers using the products or services provided by business operators. The Consumer Protection Commission of Executive Yuan serves as an ombudsman supervising, coordinating, reporting any unsafe products/services and periodically reviewing the legislation.

According to the Pacific Rim Law & Policy Association and the American Chamber of Commerce, in a 1997 critical study, the law has been criticized by stating that “although many agree that the intent of the CPL is fair, the CPL’s various problems, such as ambiguous terminology, favoritism towards consumer protection groups, and the compensation liability defense, must be addressed before the CPL becomes a truly effective piece of legislation that will protect consumers”

## **United Kingdom**

The United Kingdom, as a member state of the European Union, is bound by the consumer protection directives of the European Union; residents may be directly bound by EU regulations. Specifics of the division of labour between the EU and the UK are detailed here. Domestic (UK) laws originated within the ambit of contract and tort but,

with the influence of EU law, it is emerging as an independent area of law. In many circumstances, where domestic law is in question, the matter judicially treated as tort, contract, restitution or even criminal law.

Consumer Protection issues are dealt with when complaints are made to the Director-General of Fair Trade. The Office of Fair Trading will then investigate, impose an injunction or take the matter to litigation. However, consumers cannot directly complain to the OFT. Complaints need to be made to the Citizens Advice Consumer Service (which has taken over from Consumer Direct) who will provide legal advice to complainants, or re-direct the individual complaint to Trading Standards for investigation. Due to restrictions within the Enterprise Act 2002, individual complainants are unable to be told whether their case is being investigated or not. In very rare cases, Consumer Direct may direct a very large number of complaints to the OFT to be considered as a systemic complaint. The OFT can also be engaged by consumer groups e.g. The Consumers Association or the statutory consumer protection body – Consumer Focus – via a super complaint. The OFT rarely prosecute companies, however, preferring a light touch regulation approach. Consumer complaints against companies are not published, but investigation work, undertakings and enforcements are located at. Many of the consumer protection laws e.g. Distance Selling Regulations 2000 or Unfair Terms in Consumer Contracts Regulations 1999 (15 years ago) are actually UK implementations of EU directives. The OFT is one of the bodies responsible for enforcing these rules. This leads to a problem in that these examples of legislation are clearly designed to deal with individual complaints but the OFT will only deal with systemic complaints and will ignore individual complainants redirecting them back to Consumer Direct.

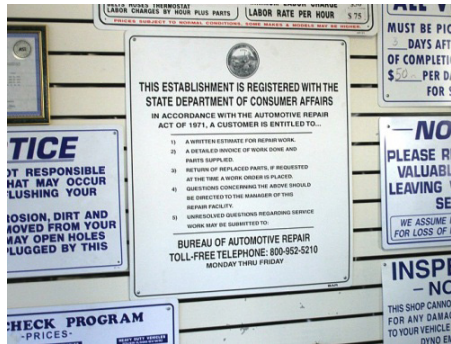
The Office of Fair Trading also acts as the UK's official consumer and competition watchdog, with a remit to make markets work well for consumers, and at a local, municipal level by Trading Standards departments. General consumer advice can be obtained from the Citizens Advice Consumer Service or via a local branch of the Citizen's Advice Bureau.

## **United States**

In the United States a variety of laws at both the federal and state levels regulate consumer affairs. Among them are the federal Federal Food, Drug, and Cosmetic Act, Fair Debt Collection Practices Act, the Fair Credit Reporting Act, Truth in Lending Act, Fair Credit Billing Act, and the Gramm-Leach-Bliley Act. Federal consumer protection laws are mainly enforced by the Federal Trade Commission, the Consumer Financial Protection Bureau, the Food and Drug Administration, and the U.S. Department of Justice.

At the state level, many states have adopted the Uniform Deceptive Trade Practices Act including, but not limited to, Delaware, Illinois, Maine, and Nebraska. The deceptive trade practices prohibited by the Uniform Act can be roughly subdivided into conduct involving either a) unfair or fraudulent business practice and b) untrue or misleading

advertising. The Uniform Act contains a private remedy with attorneys fees for prevailing parties where the losing party “willfully engaged in the trade practice knowing it to be deceptive”. Uniform Act §3(b). Missouri has a similar statute called the Merchandising Practices Act. This statute allows local prosecutors or the Attorney General to press charges against people who knowingly use deceptive business practices in a consumer transaction and authorizes consumers to hire a private attorney to bring an action seeking their actual damages, punitive damages, and attorney’s fees.



Consumer protection laws often mandate the posting of notices, such as this one which appears in all automotive repair shops in California

Also, the majority of states have a Department of Consumer Affairs devoted to regulating certain industries and protecting consumers who use goods and services from those industries. For example, in California, the California Department of Consumer Affairs regulates about 2.3 million professionals in over 230 different professions, through its forty regulatory entities. In addition, California encourages its consumers to act as private attorneys general through the liberal provisions of its Consumers Legal Remedies Act,

California has the strongest consumer protection laws of any US state, partly because of rigorous advocacy and lobbying by groups such as Utility Consumers’ Action Network, Consumer Federation of California and Privacy Rights Clearinghouse.

Other states have been the leaders in specific aspects of consumer protection. For example, Florida, Delaware and Minnesota have legislated requirements that contracts be written at reasonable readability levels as a large proportion of contracts cannot be understood by most consumers who sign them.

## Constitutional Laws

47 national constitutions currently in force include some sort of consumer right. The Constitute project lists the text of each of these provisions here. Kenya’s provision, for example, suggests that citizens have the right to (1) goods and services of “reasonable quality.” (2) information about the product, and (3) protection of their health and safety in the use of the product. The Kenyan rule also stipulates that citizens would have legal recourse in the case of injury or product defects.

## United Kingdom

- Supply of Goods (Implied Terms) Act 1973
- Unfair Contract Terms Act 1977
- Supply of Goods and Services Act 1982
- Consumer Protection Act 1987
- Unfair Terms in Consumer Contracts Regulations 1999
- Consumer Protection (Distance Selling) Regulations 2000
- Electronic Commerce Regulations 2002
- Enterprise Act 2002
- Sale and Supply of Goods to Consumers Regulations 2002/3045
- General Product Safety Regulations 2005

## United States

- Consumer Product Safety Act – gives the Consumer Product Safety Commission the power to develop safety standards and pursue recalls for products
- Federal Trade Commission Act – created the Federal Trade Commission (FTC) to prevent unfair competition, deceptive acts, regulate trade, etc.

## Privacy Laws

- United States National Do Not Call Registry – allows US consumers to limit telemarketing calls they receive.

## Food and Drug

- Pure Food and Drug Act – led to the creation of the U.S. Food and Drug Administration (FDA) to regulate foods, drugs, and more.

## Communications

- Communications Act of 1934 – created the Federal Communications Commission (FCC) to regulate all radio and interstate cable, phone, and satellite communications.

## Banking

- Fair Credit Reporting Act (FRCA) – regulates the collection, dissemination, and use of consumer credit information

- Fair Debt Collection Practices Act (FDCPA) – eliminates abusive consumer practices, ensure fairness, etc.
- Truth in Lending Act (TILA) – requires clear disclosure of key terms of the lending arrangement and all costs.

### **Real Estate**

- Real Estate Settlement Procedures Act (RESPA) – prohibits kickbacks and requires lenders to provide a good faith estimate of costs

### **Health Insurance**

- Health Insurance Portability and Accountability Act (HIPAA) – provides consumer protection for health information

### **Digital Media**

- Digital Millennium Copyright Act – prohibits production or sale of devices or services intended to circumvent copyright measures.
- Digital Media Consumers' Rights Act (proposed) – would repeal the Digital Millennium Copyright Act

### **Australia**

- The Australian Consumer Law
- Division 2 of Part 2 of the Australian Securities and Investments Commission Act 2001 in relation to financial services and products

## **False Advertising**

False advertising is the use of misleading, false and unproven information to advertise products to consumers. One form of false advertising is to claim that a product has some type of health benefit or contains vitamins or minerals that it in fact does not. Many governments around the world use regulations to control deceptive, misleading or untrue advertising, and the wide variety of sophisticated techniques used. A false advertisement can further be classified as deceptive if the advertiser deliberately misleads the consumer, as opposed to making an honest mistake.

### **Types of Deception**

#### **Photo Retouching**

Often used in cosmetic and weight loss commercials. These adverts portray false and

unobtainable results to the consumer and give a false impression of the product's true capabilities. If retouching is not discovered or fixed a company can be at a competitive advantage with consumers purchasing their seemingly more effective product, thus leaving competitors at a loss.

Advertisers for weight loss products may also employ athletes who are recovering from injuries for "before and after" demonstrations.

### **Omitting Information**

An add may omit or skim over important. The ad's claims may be technically true, but the ad does not include information that a reasonable person would consider relevant. For example, TV advertisements for prescription drugs may technically fulfill a regulatory requirement by displaying side-effects in a small font at the end of the ad, or have a "speed-talker" list them. This practice was prevalent in the United States in the recent past.

### **Hidden Fees and Surcharges**

Hidden fees can be a way for companies to trick the unwary consumer into paying excess fees (for example tax, shipping fees, insurance etc.) on a product that was advertised at a specific price as a way to increase profit without raising the price on the actual item.

A common form of hidden fees and surcharges is "fine print" in advertising. Another way to hide fees that is commonly used is to not include "shipping fees" into the price of goods online. This makes an item look cheaper than it is once the shipping cost is added.

### **Manipulation of Measurement Units and Standards**

Manipulation of measurement units and standards can be described as a seller deceiving customers by informing them with facts that either are not true or are using a standard or standards that wouldn't be widely used or understood which results in the customer being misinformed or confused.

### **Fillers and Oversized Packaging**

Some products are sold with fillers, which increase the legal weight of the product with something that costs the producer very little compared to what the consumer thinks that he or she is buying. Food is an example of this, where meat is injected with broth or even brine (up to 15%), or TV dinners are filled with gravy or other sauce instead of meat. Malt and cocoa butter have been used as filler in peanut butter. There are also non-meat fillers which may look starchy in their makeup; they are high in carbohydrate and low in nutritional value. One example is known as a cereal binder and usually contains some combination of flours and oatmeal.

Some products may have a large container where most of the space is empty, leading the consumer to believe that the total amount of food is greater than it actually is.

### Puffing

Puffing is the act of exaggerating a products worth through the use of meaningless unsubstantiated terms, based on opinion rather than fact. Examples of this include many superlatives and statements such as “greatest of all time”, “best in town” and “out of this world” or a restaurant claiming it had “the world’s best tasting food”.

Typically puffing is not an illegal form of false advertising and can be looked at as a humorous way to grab and attract the attention of the consumer. Puffing may be able to be used as a defense against charges of deceptive advertising when it is formatted as an opinion rather than a fact.

However, it can also be used as a defense for misleading or deceptive advertising. For example, claims like ‘Top Quality’ can have regulatory and legal consequences and can be looked at as illegal misrepresentation, if not supported through the products capabilities.

### Manipulation of Terms

Many terms have imprecise meanings. Depending on the jurisdiction, “organic” food may not have a clear legal definition, and “Light” food has been variously used to mean low in calories, sugars, carbohydrates, salt, texture, viscosity, or even light in color. Labels such as “all-natural” are frequently used but are essentially meaningless in a legal sense.

**Controlled test on 102 people shows 1/2 AS MANY COLDS FOR LISTERINE USERS**

**Gargle twice daily—keep well—stay on the job**

**EFFECTIVE BECAUSE SAFE**

Listerine advertisement, 1932. The FTC found that the claim of these advertisements, reduced likelihood of catching cold, was false.

Statements and terms like ‘recyclable,’ ‘biodegradable’ and ‘environmentally friendly’ need to be evaluated by reliable scientific evidence.

Tobacco companies, for many years, used terms like “low tar”, “light”, “ultra-light” or “mild” in order to imply that products with such labels had less detrimental effects on health, but in recent years the United States banned manufacturers from labeling tobacco products with these terms.

When the US United Egg Producers’ used a “Animal Care Certified” logo on egg cartons, the Better Business Bureau argued that it misled consumers by conveying a higher sense of animal care than was actually the case.

In 2010, Kellogg’s popular Rice Krispies cereal claimed that the cereal can improve a child’s immunity. The company was forced to discontinue all advertising stating such claims. In 2015 the same company advertised their Kashi product as “all natural”, when it contained a variety of synthetic and artificial ingredients. Kashi paid \$5 million to resolve the issue.

### **Incomplete Comparison**

“Better” means one item is superior to another in some way, while “best” means it is superior to all others in some way. However, advertisers frequently fail to list the way in each they are being compared (price, size, quality, etc.) and, in the case of “better”, to what they are comparing (a competitor’s product, an earlier version of their own product, or nothing at all). So, without defining how they are using the terms “better” or “best”, the terms become meaningless. An ad which claims “Our cold medicine is better” could be just saying it is an improvement over taking nothing at all. Another often-seen example of this ploy is “better than the leading brand” often with some statistic attached, while the leading brand is often left undefined.

### **Inconsistent Comparison**

In an inconsistent comparison, an item is compared with many others, but only compared with each on the attributes where it wins, leaving the false impression that it is the best of all products, in all ways. One variation on this theme is web sites which also list some competitor prices for any given search, but do not list those competitors which beat their price (or the web site might compare their own sale prices with the regular prices offered by their competitors).

### **Misleading Illustrations**

One common example is that of serving suggestion pictures on food product boxes, which show additional ingredients beyond those included in the package. Although the “serving suggestion” disclaimer is a legal requirement of an illustration which includes items not included in the purchase, if a customer fails to notice or understand this caption, they may incorrectly assume that all depicted items are all included.

In some advertised images of hamburgers every ingredient is visible from the side being depicted in the advertisement, giving the impression that they are larger than they really are. Products which are sold unassembled or unfinished may also have a picture of the finished product, without a corresponding picture of what the customer is actually buying.

Commercials for certain video games include trailers that are essentially CGI short-films - with graphics of a much higher caliber than the actual game.

## **False Coloring**

“The color of food packaging is considered to be extremely important in the marketing world” (Blackbird, Fox & Tornetta, 2013) as people see colour before they absorb anything else. Consumers buy items based on the colour they’ve seen it on the advertisement and they have a perception of what the packaging colours should also look like. However, when it comes to buying food, usually consumers can only judge the product based on the packaging and usually consumers judge products based on colour.

When used to make people think food is riper, fresher, or otherwise healthier than it really is, food coloring can be a form of deception. When combined with added sugar or corn syrup, bright colors give the subconscious impression of healthy, ripe fruit, full of antioxidants and phytochemicals.

One variation is packaging which obscures the true color of the foods contained within, such as red mesh bags containing yellow oranges or grapefruit, which then appear to be a ripe orange or red. Regularly stirring minced meat on sale at a deli can also make the meat on the surface stay red, implying that it is fresh, while it would quickly oxidize and brown, showing its true age, if left unstirred.

## **Angel Dusting**

Angel dusting is a process where an ingredient which would be beneficial, in a reasonable quantity, is instead added in an insignificant quantity which will have no consumer benefit, so they can make the claim that it contains that ingredient, and mislead the consumer into expecting that they will gain the benefit. For example, a cereal may claim it contains “12 essential vitamins and minerals,” but the amounts of each may be only 1% or less of the Reference Daily Intake, providing virtually no benefit to nutrition.

## **“Chemical Free”**

Many products come with some form of the statement “chemical free!” or “no chemicals!”. As everything on Earth, save a few elementary particles formed by radioactive decay or present in minute quantities from solar wind and sunlight, is made of chemicals, it is in-fact impossible to have a chemical free product. The intention of this message is often to indicate the product contains no exceptionally harmful chemicals, but as the word chemical itself has a stigma, it is often used without clarification.

## Bait-and-Switch

Bait and switch is a deceptive form of advertising or marketing tactic generally used to lure in customers into the store. A company will advertise their product at a very cheap and enticing price which will attract the customers. Once they do, the store/company will then try to sell something that is more expensive and valuable than what they originally advertised. Regardless of the fact that only a small percentage of the shoppers will actually buy the more expensive product, the advertiser using the bait remains to gain profit.

Bait advertising is also commonly used in other contexts. For example, in online job advertisements by deceiving the potential candidate about working conditions, pay, or different variables. Airlines may be guilty of “baiting” their potential clients with a bargain, then increase the cost or change the notice to be that of a considerably more costly flight.

Businesses are asked to remember a few guidelines to avoid charges of misleading or deceptive conduct:

- Reasonable timeframe, reasonable quantities - Businesses must supply publicized merchandise or services at the promoted cost for a sensible or expressed timeframe and in sensible or expressed amounts. There is no exact meaning of what is implied by a ‘sensible timeframe’ or ‘sensible amounts’.
- Qualifying statements - General qualifying statements, for example, ‘in store and online now’ could at present still leave a business open to charges of bait advertising if sensible amounts of the publicized item are not accessible.
- Advertising deadlines - Companies need to have good grounds to trust that the merchandise will be accessible
- Rain checks - When, through no shortcoming of its own, a business can’t supply merchandise or services as promoted companies ought to have a framework set up to supply or acquire the supply of the merchandise or benefits at the promoted cost as quickly as time permits.
- Online claims - If a company is an online-based company, it is essential for them to keep everything on their website updated to avoid misleading customers.

In some countries bait advertising can result in severe penalties.

## Guarantee without a Remedy Specified

If a company does not say what they will do if the product fails to meet expectations, then they are free to do very little. This is due to a legal technicality that states that a contract cannot be enforced unless it provides a basis not only for determining a breach but also for giving a remedy in the event of a breach.

## “No Risk”

Advertisers frequently claim there is no risk to trying their product, when clearly there is. For example, they may charge the customer’s credit card for the product, offering a full refund if not satisfied. However, the risks of such an offer are numerous. Customers may not get the product at all, they may be billed for things they did not want, they may need to call the company to authorize a return and be unable to do so, they may not be refunded the shipping and handling costs, or they may be responsible for the return shipping.

Similarly, a ‘free trial’ is an advertising manoeuvre to have consumers become hands-on with the products or services before purchase, without any money spent but a free trial in exchange for credit cards details cannot be stated as a free trial, as there is a component of expenditure.

## Acceptance by Default

This refers to a contract or agreement where no response is interpreted as a positive response in favor of the business. An example of this is where a customer must explicitly “opt-out” of a particular feature or service, or be charged for that feature or service. Another example is where a subscription automatically renews unless the customer explicitly requests it to stop.

## Regulation and Enforcement

### United States

In the United States, the federal government regulates advertising through the Federal Trade Commission (FTC), and additionally enables private litigation through various statutes, most significantly the Lanham Act (trademark and unfair competition).

The goal is prevention rather than punishment, reflecting the purpose of civil law in setting things right rather than that of criminal law. The typical sanction is to order the advertiser to stop its illegal acts, or to include disclosure of additional information that serves to avoid the chance of deception. Corrective advertising may be mandated, but there are no fines or prison time except for the infrequent instances when an advertiser refuses to stop despite being ordered to do so.

In 2013 and 2014, the United States Supreme Court reviewed two false advertising cases: *Static Control v. Lexmark* (who has standing to sue under the Lanham Act for false advertising) and *POM Wonderful LLC v. Coca-Cola Co.*

State governments have a variety of unfair competition laws, which regulate false advertising, trademarks, and related issues. Many are very similar to that of the FTC, and in many cases copied so closely that they are known as “Little FTC Acts.”

In California, one such statute is the Unfair Competition Law (UCL). The UCL “borrows heavily from section 5 of the Federal Trade Commission Act” but has developed its own body of case law.

## United Kingdom

Advertising in the UK is managed under the Consumer Protection from Unfair Trading Regulations 2008 (CPR), effectively the successor to the Trade Descriptions Act 1968. It is designed to implement the Unfair Commercial Practices Directive, part of a common set of European minimum standards for consumer protection and legally bind advertisers in England, Scotland, Wales and parts of Ireland. These regulations focus on *business to consumer* interactions. These are modelled by a table used for assessing unfairness, evaluations being made against four tests expressed in the regulations that indicate deceptive advertising:

- *Contrary to the requirements of professional diligence*
- *False or deceptive practice in relation to a specific list of key factors*
- *Omission of material information (unclear or untimely information)*
- *Aggressive practice by harassment, coercion or undue influence*

These factors of deceptive advertising are critically analysed as they may crucially impair a consumer’s ability to make an informed decision, thereby limiting their freedom of choice.

This system resembles American practice as reflected by the FTC in terms of disallowing false and deceptive messaging, prohibition of unfair and unethical commercial practices and omitting important information, but it differs in *monitoring aggressive sales practices* (regulation seven) which included high-pressure sales practices that go beyond persuasion. Harassment and coercion are not defined but rather interpreted as any undue physical and psychological pressure (in advertising).

Even if proven cases of false advertising do not inevitably result in civil or criminal repercussions: the Office of Fair Trading states *in the instance of false advertising, companies are not always faced with civil and criminal repercussions, it is based on the seriousness of the infringement* and each case is analysed individually, allowing the standards authority to promote compliance with regards to their enforcement policies, priorities and available resources. Another area of departure from American practice relates to a *general prohibition on the use of competitors’ logotypes, trademarks or similar copy to that used in a competitor’s own advertising by another, particularly when making a comparison.*

Under CPR legislation, there are different standards authorities for each country:

- In England and Wales, standards offences are handled by the Local Authority Trading Standards Services (TSS)
- In Northern Ireland by the Department of Enterprise, Trade and Investment

- In Scotland, offences are evaluated by, and potentially prosecuted through, the Crown Office and the Procurator Fiscal Service on behalf of the Lord Advocate.

## New Zealand

In New Zealand, the Fair Trading Act 1986 aims to promote fair competition and trading in the country. The act prohibits certain conduct in trade, provides for the disclosure of information available to the consumer relating to the supply of goods and services and promotes product safety. Although the Act does not require businesses to provide all information to consumers in every circumstance, businesses are obliged to ensure the information they do provide is accurate, and important information is not kept from consumers.

A range of selling methods that intend to mislead the consumer are illegal under the Fair Trading Act: The Act also applies to certain activities whether or not the parties are 'in trade' – such as employment advertising, pyramid selling, and the supply of products covered by product safety and consumer information standards.

Both consumers and businesses alike can rely on and take their own legal action under the Act. Consumers may contact the trader and utilize their rights which have been stated in the Act to make headway with the trader. If the issues are not resolved, the consumer or anyone else can take actions under the Act. The Commerce Commission is also empowered to take enforcement action and will do so when allegations are sufficiently serious to meet its enforcement criteria.

Additionally, there are currently five consumer information standards:

- Country of Origin (Clothing and Footwear) Labeling – Regulations 1992
- Fibre Content Labeling - Regulations 2000
- Used Motor Vehicles - Regulations 2008
- Water Efficiency - Regulations 2010

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# Advertising Research: A Comprehensive Study

To help advertise better, marketing tool of advertising research is used. There are two types of research- customized and syndicated. This chapter explains both these types of advertising research and also discusses the various steps involved in advertising research like copy testing and ad tracking. The topics discussed in the chapter are of great importance to broaden the existing knowledge on advertising.

Advertising research is a specialized form of marketing research conducted to improve the efficiency of advertising.

## History

The highlighted events of the history of advertising research include:

1879 - N. W. Ayer conducts custom research in an attempt to win the advertising business of Nichols-Shepard Co., a manufacturer of agricultural machinery.

1895 - Harlow Gale of the University of Minnesota mails questionnaires to gather opinions about advertising from the public.

1900s - George B. Waldron conducts qualitative research for Mahin's Advertising Agency.

1910s - 1911 can be considered the year marketing research becomes an industry. That year, J. George Frederick leaves his position as editor of *Printer's Ink* to begin his research company, the Business Bourse with clients such as General Electric and the Texas Co. Also in 1911, Kellogg's ad manager, R. O. Eastman creates the Association of National Advertisers which is now known as the Association of National Advertising Managers. The group's first project is a postcard questionnaire to determine magazine readership. The results introduce the concept of duplication of circulation. In 1916, R. O. Eastman starts his own company, the Eastman Research Bureau which boasts clients such as *Cosmopolitan*, *Christian Herald*, and General Electric.

1920s - In 1922, Dr. Daniel Starch tests reader recognition levels of magazine and newspaper advertisements and editorial content. In 1923, Dr. George Gallup begins measuring advertising readership.

1930s - In 1936, Dr. George Gallup validates his survey methodology by using the same tools polling voters during public elections. This allows him to successfully compare and validate his study's results against the election's results.

1940s - Post World War II, the U.S. sees a large increase in the number of market research companies.

1950s - Market researchers focus on improving methods and measures. In their search for a single-number statistic to capture the overall performance of the advertising creative, Day-After-Recall (DAR) is created.

1960s - Qualitative focus groups gain in popularity. In addition, some advertisers call for more rigorous measurement of the in-market effectiveness of advertising in order to provide better accountability for the large amounts being spent on advertising. In response, Seymour Smith and Associates, using Advertising Research Foundation data as a jumping-off point, develops the Communicus System, a comprehensive approach to isolating the in-market impact of advertising across media.

1970s - Computers emerge as business tools, allowing researchers to conduct large-scale data manipulations. (Honomichl p. 175) Multiple studies prove DAR (Recall) scores do not predict sales. The measure, persuasion, also known as motivation, is validated as a predictor of sales. The measure known as "breakthrough" is re-examined by researchers who make a distinction between the attention-getting power of the creative execution (attention) and how well "branded" the ad is (brand linkage). Herbert Krugman seeks to measure non-verbal measures biologically by tracking brain wave activities as respondents watch commercials. (Krugman) Others experiment with galvanic skin response, voice pitch analysis, and eye-tracking.

1980s - Researchers begin to view commercials as a "structured flow of experience" rather than a single unit to be rated on the whole, creating moment-by-moment systems such as the dial-a-meter.

1990s - Ameritest Research creates Picture Sorts to provide accurate non-verbal measurements in a moment-by-moment system. Picture Sorts results are graphed to visually represent commercial viewers' moment-by-moment image recognition (Flow of Attention), positive and negative feelings (Flow of Emotion), and brand values (Flow of Meaning). Trends in in-market tracking include a greater focus on the multimedia nature of entire advertising campaigns.

2000s - Global advertisers seek an integrated marketing research system that will work worldwide so they can compare results across countries. For a look at trends predicted for advertising research in the 21st century, see Seven Trends for the Future. Dr. Robert Heath publishes the seminal and controversial monograph "The Hidden Power of Advertising" which challenged the traditional models used in advertising research and shows how most advertising is processed at an emotional level (not a rational level).

His monograph leads to re-examination of in-market research approaches that compare the behaviors of those who have seen advertising versus those who have not, such as the Communicus System, and the development of brand new pretesting systems such as the OTX AdCEP system.

## Types

There are two types of research, customized and syndicated. Customized research is conducted for a specific client to address that client's needs. Only that client has access to the results of the research. Syndicated research is a single research study conducted by a research company with its results available, for sale, to multiple companies. Pre-market research can be conducted to optimize advertisements for any medium: radio, television, print (magazine, newspaper or direct mail), outdoor billboard (highway, bus, or train), or Internet. Different methods would be applied to gather the necessary data appropriately. Post-testing is conducted after the advertising, either a single ad or an entire multimedia campaign has been run in-market. The focus is on what the advertising has done for the brand, for example increasing brand awareness, trial, frequency of purchasing.

## Pre-testing

Pre-testing, also known as copy testing, is a specialized field of marketing research that determines an ad's effectiveness based on consumer responses, feedback, and behavior.

## Campaign Pre-testing

A new area of pre-testing driven by the realization that what works on TV does not necessarily translate in other media. Greater budgets allocated to digital media in particular have driven the need for campaign pre-testing. The addition of a media planning tool to this testing approach allows advertisers to test the whole campaign, creative and media, and measures the synergies expected with an integrated campaign.

## Post-testing

Post-testing/Tracking studies provide either periodic or continuous in-market research monitoring a brand's performance, including brand awareness, brand preference, product usage and attitudes. Some post-testing approaches simply track changes over time, while others use various methods to quantify the specific changes produced by advertising—either the campaign as a whole or by the different media utilized.

Overall, advertisers use post-testing to plan future advertising campaigns, so the approaches that provide the most detailed information on the accomplishments of the campaign are most valued. The two types of campaign post-testing that have achieved the greatest use among major advertisers include continuous tracking, in which changes

in advertising spending are correlated with changes in brand awareness, and longitudinal studies, in which the same group of respondents are tracked over time. With the longitudinal approach, it is possible to go beyond brand awareness, and to isolate the campaign's impact on specific behavioral and perceptual dimensions, and to isolate campaign impact by media.

## Terminology

- Advertising
- Awareness
- Brand preference
- Shockvertising

## Copy Testing

Copy testing is a specialized field of marketing research that determines an advertisement's effectiveness based on consumer responses, feedback, and behavior. Also known as pre-testing, it might address all media channels including television, print, radio, outdoor signage, internet, and social media.

Automated Copy Testing is a specialized type of digital marketing specifically related to digital advertising. This involves using software to deploy copy variations of digital advertisements to a live environment and collecting data from real users. These automated copy tests will generally use a Z-test to determine the statistical significance of results. If a specific ad variation outperforms the baseline in the copy test, to a desired level of statistical significance, this new copy variation should be used by the marketer.

## Features

In 1982, a consortium of 21 leading advertising agencies — including N. W. Ayer, D'Arcey, Grey, McCann Erickson, Needham Harper & Steers, Ogilvy & Mather, J. Walter Thompson, and Young & Rubicam — released a public document laying out the PACT (Positioning Advertising Copy Testing) Principles that constitute a good copy testing system. PACT states a good copy testing system must meet the following criteria:

1. Provides measurements which are relevant to the objectives of the advertising.
2. Requires agreement about how the results will be used in advance of each specific test.
3. Provides multiple measurements, because single measurements are generally inadequate to assess the performance of an advertisement.

4. Based on a model of human response to communications – the reception of a stimulus, the comprehension of the stimulus, and the response to the stimulus.
5. Allows for consideration of whether the advertising stimulus should be exposed more than once.
6. Recognizes that the more finished a piece of copy is, the more soundly it can be evaluated and requires, as a minimum, that alternative executions be tested in the same degree of finish.
7. Provides controls to avoid the biasing effects of the exposure context.
8. Takes into account basic considerations of sample definition.
9. Demonstrates reliability and validity.

## Types of Copy Testing Measurements

### Recall

The predominant copy testing measure of the 1950s and 1960s, Burke's Day-After Recall (DAR) was interpreted to measure an ad's ability to "break through" into the mind of the consumer and register a message from the brand in long-term memory (Honomichl). Once this measure was adopted by Procter and Gamble, it became a research staple (Honomichl).

In the 70s, 80s, and 90s, validation efforts found no link between recall scores and actual sales (Adams & Blair; Blair; Blair & Kuse; Blair & Rabuck; Jones; Jones & Blair; MASB; Mondello; Stewart). For example, Procter and Gamble reviewed 10 year's worth of split-cable tests (100 total) and found no significant relationship between recall scores and sales (Young, pp. 3–30). In addition, Wharton University's Leonard Lodish conducted an even more extensive review of test market results and also failed to find a relationship between recall and sales (Lodish pp. 125–139).

The 1970s also saw a re-examination of the "breakthrough" measure. As a result, an important distinction was made between the attention-getting power of the creative execution and how well "branded" the ad was. Thus, the separate measures of attention and branding were born (Young, p. 12).

### Persuasion

In the 1970s and 1980s, after DAR was determined to be a poor predictor of sales, the research industry began to depend on a measure of persuasion as an accurate predictor of sales. This shift was led, in part, by researcher Horace Schwerin who pointed out, "the obvious truth is that a claim can be well remembered but completely unimportant to the prospective buyer of the product – the solution the marketer offers is

addressed to the wrong need” (Honomichl). As with DAR, it was Procter and Gamble’s acceptance of the ARS Persuasion measure (also known as brand preference) that made it an industry standard. Recall scores were still provided in copy testing reports with the understanding that persuasion was the measure that mattered (Honomichl).

Harold Ross of Mapes & Ross found that persuasion was a better predictor of sales than recall (Ross), and the predictive validity of ARS Persuasion to sales has been reported in several refereed publications (Adams & Blair; Jones & Blair; MASB; Mondello ).

## Diagnostic

The main purpose of diagnostic measures is optimization. Understanding diagnostic measures can help advertisers identify creative opportunities to improve executions.

## Non-Verbal

Non-verbal measures were developed in response to the belief that much of a commercial’s effects – e.g. the emotional impact – may be difficult for respondents to put into words or scale on verbal rating statements. In fact, many believe the commercial’s effects may be operating below the level of consciousness. According to researcher Chuck Young, “There is something in the lovely sounds of our favorite music that we cannot verbalize – and it moves us in ways we cannot express”.

In the 1970s, researchers sought to measure these non-verbal measures biologically by tracking brain wave activities as respondents watched commercials (Krugman). Others experimented with galvanic skin response, voice pitch analysis, and eye-tracking. These efforts were not popularly adopted, in part because of the limitations of the technology as well as the poor cost-effectiveness of what was widely perceived as academic, not actionable research.

In the early 1980s the shift in analytical perspective from thinking of a commercial as the fundamental unit of measurement to be rated in its entirety, to thinking of it as a structured flow of experience, gave rise to experimentation with moment-by-moment systems. The most popular of these was the dial-a-meter response which required respondents to turn a meter, in degrees, toward one end of a scale or another to reflect their opinion of what was on screen at that moment.

More recently, research companies have started to use psychological tests, such as the Stroop effect, to measure the emotional impact of copy. These techniques exploit the notion that viewers do not know why they react to a product, image, or ad in a certain way (or that they reacted at all) because such reactions occur outside of awareness, through changes in networks of thoughts, ideas, and images.

## Copy Testing in Political Elections

Copy testing is utilized in an array of fields ranging from commercial development to presidential elections. In 2007, CNN employed this form of market testing throughout the primary and general election. Professor Rita Kirk and Dan Schill from Southern Methodist University worked with CNN to gauge voters reaction to debates between presidential hopefuls. (<http://www.cnn.com/2011/POLITICS/06/14/dial.testing/index.html>)

## Ad Tracking

Ad tracking, also known as post-testing or ad effectiveness tracking, is in-market research that monitors a brand's performance including brand and advertising awareness, product trial and usage, and attitudes about the brand versus their competition.

Depending on the speed of the purchase cycle in the category, tracking can be done continuously (a few interviews every week) or it can be "pulsed," with interviews conducted in widely spaced waves (ex. every three or six months). Interviews can either be conducted with separate, matched samples of consumers, or with a single (longitudinal) panel that is interviewed over time.

Since the researcher has information on when the ads launched, the length of each advertising flight, the money spent, and when the interviews were conducted, the results of ad tracking can provide information on the effects of advertising.

## Purpose

The purpose of ad tracking is generally to provide a measure of the combined effect of the media weight or spending level, the effectiveness of the media buy or targeting, and the quality of the advertising executions or creative.

Advertisers use the results of ad tracking to estimate the return on investment (ROI) of advertising, and to refine advertising plans. Sometimes, tracking data are used to provide inputs to Marketing Mix Models which marketing science statisticians build to estimate the role of advertising, as compared to pricing, distribution and other marketplace variables on sales of the brand.

## Methodology

Today, most ad tracking studies are conducted via the Internet. Some ad tracking studies are conducted continuously and others are conducted at specific points in time (typically before the advertising appears in market, and then again after the advertising has been running for some period of time). The two approaches use different types of analyses, although both start by measuring advertising awareness. Typically, the respondent is either shown a brief portion of a commercial or a few memorable still images

from the TV ad. Other media typically are cued using either branded or de-branded visual of the ad. Then, respondents answer three significant questions.

1. Do you recognize this ad? (recognition measure)
2. Please type in the sponsor of this ad. (unaided awareness measure)
3. Please choose from the following list, the sponsor of this ad. (aided awareness measure)

The continuous tracking design analyzes advertising awareness over time, in relation to ad spending; separately, this design tracks brand awareness, and then develops indices of effectiveness based on the strength of the correlations between ad spending and brand awareness.

The most popular alternate approach to the continuous tracking design is the Communicants System longitudinal design, in which the same people are interviewed at two points in time. Changes in brand measures (for example, brand purchasing and future purchase intentions) exhibited among those who have seen the advertising are compared to the changes in brand measures that occurred among those unaware of advertising. By means of this method, the researchers can isolate those marketplace changes that were produced by advertising versus those that would have occurred without advertising.

## Internet Tracking

There are several different tools to effectively track online ads: banner ads, ppc ads, pop-up ads, and other types. Several online advertising companies such as Google offer their own ad tracking service in order to effectively use their service to generate a positive ROI. Third-party ad tracking services are commonly used by affiliate marketers. Affiliate marketers are frequently unable to have access to the order page and therefore are unable to use a 3rd-party tool. Many different companies have created tools to effectively track their commissions in order to optimize their profit potential. The information provided will show the marketer which advertising methods are generating income and which are not. This information will allow the marketer to effectively allocate his budget in the best possible way.

## Measures

Here is a list of some of the data a post-test might provide:

- Top of mind awareness
- Unaided brand awareness
- Aided brand awareness
- Brand fit

- Brand image ratings
- Brand trial
- Repeat purchase
- Frequency of use
- Purchase intent
- Price perceptions
- Unaided advertising awareness
- Aided advertising awareness
- Unaided advertising message recall
- Aided advertising message recall
- Aided commercial recall
- Ad wear out
- Promotion awareness and usage
- Market segment characteristics
- Media habits
- Lifestyle/Psychographics
- Demographics

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We would like to thank the editorial team for lending their expertise to make the book truly unique. They have played a crucial role in the development of this book. Without their invaluable contributions this book wouldn't have been possible. They have made vital efforts to compile up to date information on the varied aspects of this subject to make this book a valuable addition to the collection of many professionals and students.

This book was conceptualized with the vision of imparting up-to-date and integrated information in this field. To ensure the same, a matchless editorial board was set up. Every individual on the board went through rigorous rounds of assessment to prove their worth. After which they invested a large part of their time researching and compiling the most relevant data for our readers.

The editorial board has been involved in producing this book since its inception. They have spent rigorous hours researching and exploring the diverse topics which have resulted in the successful publishing of this book. They have passed on their knowledge of decades through this book. To expedite this challenging task, the publisher supported the team at every step. A small team of assistant editors was also appointed to further simplify the editing procedure and attain best results for the readers.

Apart from the editorial board, the designing team has also invested a significant amount of their time in understanding the subject and creating the most relevant covers. They scrutinized every image to scout for the most suitable representation of the subject and create an appropriate cover for the book.

The publishing team has been an ardent support to the editorial, designing and production team. Their endless efforts to recruit the best for this project, has resulted in the accomplishment of this book. They are a veteran in the field of academics and their pool of knowledge is as vast as their experience in printing. Their expertise and guidance has proved useful at every step. Their uncompromising quality standards have made this book an exceptional effort. Their encouragement from time to time has been an inspiration for everyone.

The publisher and the editorial board hope that this book will prove to be a valuable piece of knowledge for students, practitioners and scholars across the globe.

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