Advertising in the 21st Century

KEY QUESTIONS:
● In what way is media interwoven into the fabric of 21st century Americans’ daily lives?
● What, if anything, should be done about the ever-growing presence of advertising in Americans’ lives?

I. Changes in Advertising
   a. Unlike in the early part of the 20th century, advertising today is no longer limited to print, display, radio and tv.
   b. As media has expanded, advertisers have taken advantage of the wealth of new media opportunities at their disposal.
   c. Advertising has changed considerably in the past 30 years. Today, advertising is pervasive and embedded in all aspects of American culture.
      i. Advertising budgets in the U.S. have risen from $190 million in 1974 to $_________________________ in 2013.
      ii. That works out to about $_________ for every man, woman and child in the United States!

II. 21st Century Advertising
   a. In recent years, skyrocketing ad budgets have resulted in airwaves so clogged with ads that it gets harder and harder to attract consumers’ attention.
   b. In this ad-cluttered world, marketers have become more intrusive and sneaky than ever before.
   c. DEFINE: Stealth Advertising

III. Product Placement
   a. What is it? (DEFINE)

   b. Advertisers today pay how much each year to producers and networks to place their products in shows? ________________________________
   c. Why are advertisers increasingly turning to product placement as an advertising technique?
d. Why do the networks do it?

e. “A Brief History of Conspicuous Product Placement in Movies” (FILM CLIP):
   i. The first documented case of a company paying to have their product featured in a
      movie was a silent film starring ______________________________ (1919).
   ii. In the early 1980s, product placement became common after Hershey’s paid $1
       million to promote their new product, ______________________________, in
       Steven Spielberg’s film *E.T.*.
   iii. Since the 1980s, product placement in films has only increased. Provide 2 recent
       examples feature prominent product placement:

   iv. In 2005, who earned and currently still holds the record for having the most
       product placement in a movie? ______________________________
       (His 2011 film blew his 2009 record of 47 brands in a single film out of the water. *Transformers: Dark of the Moon* featured 71 distinct brands!)

f. Ways to Work in an Ad: (give 2 examples)

Americans today are surrounded 24-7 by ads. Beyond product placement, where are you exposed to advertising on a daily basis? List as many examples of advertising that you can think of.
Anywhere the Eye Can See, It’s Likely to See an Ad
By LOUISE STORY, January 15, 2007

Advertisers seem determined to fill every last [blank space]. Supermarket eggs have been stamped with the names of CBS television shows. Subway turnstiles bear messages from Geico auto insurance. Chinese food cartons promote Continental Airways. US Airways is selling ads on motion sickness bags. And the trays used in airport security lines have been hawking Rolodexes.

Marketers used to try their hardest to reach people at home, when they were watching TV or reading newspapers or magazines. But consumers’ viewing and reading habits are so scattershot now that many advertisers say the best way to reach time-pressed consumers is to try to catch their eye at literally every turn.

“We never know where the consumer is going to be at any point in time, so we have to find a way to be everywhere,” said Linda Kaplan Thaler, chief executive at the Kaplan Thaler Group, a New York ad agency. “Ubiquity is the new exclusivity.”

No consumer, it seems, is too young. Some school buses now play radio ads meant for children. Last summer, Walt Disney advertised its “Little Einsteins” DVDs for preschoolers on the paper liners of examination tables in 2,000 pediatricians’ offices, according to Supply Marketing, a company that gives doctors free supplies in exchange for using branded products.

Some people have had enough. Last month, after some “Got Milk?” billboards started emitting the odor of chocolate chip cookies at San Francisco bus stops, many people complained, and the city told the California Milk Processing Board to turn off the smell.

Yankelovich, a market research firm, estimates that a person living in a city 30 years ago saw up to 2,000 ad messages a day, compared with up to 5,000 today. About half the 4,110 people surveyed last spring by Yankelovich said they thought marketing and advertising today was out of control.

Some ad agencies and the companies that hire them are taking heed, calling the placement of ads everywhere a waste of money. “What all marketers are dealing with is an absolute sensory overload,” said Gretchen Hofmann, executive vice president of marketing and sales at Universal Orlando Resort. The landscape is “overly saturated” as companies press harder to make their products stand out, she said.

Outright advertising is just one contributing factor. The feeling of ubiquity may also be fueled by spam e-mail messages and the increasing use of name-brand items in TV shows and movies, a trend known as product placement. Plus, companies are finding new ways to offer free services to people who agree to view their ads, particularly on the Internet or on cellphones.

More is on the horizon. Old-fashioned billboards are being converted to digital screens, which are considered the next big thing. They allow advertisers to change messages frequently from remote computers, timing their pitches to sales events or the hour of the day. People can expect to see more of them not only along highways, but also in stores, gyms, doctors’ offices and on the sides of buildings, marketing executives say.

The trend may lead to more showdowns as civic pride is affronted. “They’re making our community look like Las Vegas,” said Barbara Thomason, president of the Houston Northwest Chamber of Commerce, of the scores of digital signs she has noticed popping up in the last few years. “The word ‘trashy’ has been used.”

Some advertising executives say that as long as an advertisement is entertaining, people do not necessarily mind the intrusion — and may even welcome it. In some office buildings, for instance, video screens in elevators provide news and information as well as ads. This year video screens will be placed in about 5,000 New York City taxicabs, where passengers will see both advertisements and NBC programs, according to Clear Channel Outdoor, which is installing the screens. “If you do it the right way, you actually win points,” said John McNeil, executive creative director at McCann Worldgroup San Francisco.

But advertisers are still trying to determine exactly what the right way is, and that has led to some intriguing experiments.
● At the Amway Arena in Orlando, Fla., for instance, an interactive floor display for McDonald’s last year showed the head of a teenage boy with small Big Mac burgers flying past; when people stepped on the ad, the burgers bounced away from their feet.

● An interactive ad for Adidas appears in the Herald Square subway station in New York City. Passers-by last week said they liked the sign, which looked like a static picture of a sneaker until someone walked past it, triggering a motion sensor that sent a spray of miniature sneakers flying. “It makes me interested in the sneakers,” said Roscoe Evans, 36, a personal trainer from Waterbury, Conn. “I’d rather have it in here than out on the street.” Andrea Mendez and Julie Wheaton, both working in New York for a year for Teach for America, said the sign was “cool” and suitable for its location. “But I wouldn’t want to see it back in Spokane,” said Ms. Wheaton, who is from the state of Washington.

● Toyota projected ads for its Scion cars on the sides of buildings in 14 cities, including Chicago, Atlanta and Dallas. Unilever also projected ads, for its Axe men’s fragrance, on buildings in places like Tampa and Milwaukee. But this tactic does not always go over well: last month, when branches of Chase Bank and Commerce Bank projected ads on New York sidewalks, the city told the banks to turn off the unauthorized beams.

Ad executives say that new forms of advertising take trial and error. “No one wants to annoy the consumer,” said Bill Bean, director of trade insight at Miller Brewing Company. “However, there are many annoying ads that sell products, and it’s very difficult to tell what annoys one consumer and what pleases another.”

Advertisers may not be able to get their logos everywhere. For instance, while companies like Verizon and Continental Airlines seem to have had success in giving out free (or inexpensive) boxes to pizzerias, some stores say they do not want the branded merchandise. “It would offend as many of our customers, and could cost us as much business as the money we’d save by having free boxes,” said Kevin Behnke, general manager of Cosmo’s Pizza in Boulder, Colo. “Boulder’s kind of anti-commercial.”

Connie Garrido, president of the WOW Factory, an ad agency, said that advertisers took risks when they put messages in offbeat places, but that such risks could often be worthwhile. A campaign that reaches people outside their homes is “very good for awareness because it’s out there, it’s in your face, and you can blanket a marketplace,” she said. “It’s one of the last mass mediums.” “If you reach consumers out of the house, they’re more likely to act than if they’re sitting on their couches,” said Jack Sullivan, senior vice president and out-of-home media director at Starcom USA, an advertising agency.

Revenue from these new and unusual ads is still small and hard to measure. The “alternative media” category represented $387 million in spending in the United States last year, up from $24 million in 2000, according to PQ Media, a research firm. But the 2006 figure still represented a tiny part of out-of-home advertising.

“We’re always looking for new mediums and places that have not been used before — it’s an effort to get over the clutter,” Mr. de Echevarria said. “But,” he added, “I guess we end up creating more clutter.”

Source: http://www.nytimes.com/2007/01/15/business/media/15everywhere.html?_r=0&pagewanted=print
Data Mining and Targeted Ads

How data mining uproar could impact targeted ads (USA TODAY)

The rising tide of sensitive consumer data swelling storage servers at the top tech companies can be traced directly to our love affair with our smartphones and touch tablets and fascination with social media.

Data mining of our online haunts, preferences, acquaintances and world views has reached an unprecedented level of sophistication. This is due to a powerful, seemingly unstoppable profit driver: targeted advertising revenue.

This giant force has been gathering volume and richness for more than a decade. That's how long the online advertising industry, dominated by Google, has been taking note of where you go and what you search for on the Web — without your permission. And today many of the personal details you voluntarily divulge on popular websites and social networks are being similarly tracked and analyzed.

The tracking data culled from your Internet searches and surfing routinely gets commingled with the information you disclose at websites for shopping, travel, health or jobs. And many of the personal disclosures you make on popular social networks, along with the preferences you may express via all those nifty Web applications that trigger cool services on your mobile devices, often gets tossed into the mix.

As digital shadowing escalates, so too have concerns about the erosion of traditional notions of privacy. Europe has taken a hard stand to boost consumer privacy rights in this environment. Google, Facebook and other U.S. players could be fined up to 2% of global annual revenue for violating the new rule designed to preserve individuals' privacy.

Meanwhile, U.S. tech, telecom and online advertising industries continue to aggressively pursue more ways to track and monetize consumers' online behaviors — the better to sell targeted ads. This includes intense lobbying to get Congress to back off on proposed Do Not Track legislation that would empower consumers to instruct web companies not to track them online.

Source:
http://www.usatoday.com/story/cybertruth/2013/06/07/data-mining-prism-targeted-advertising-controversy/2402351/

Did you know?

Adults and teens spend nearly five months (3,518 hours) watching television, surfing the Internet, reading the news and listening to personal music devices, according to the U.S. Census Bureau's Statistical Abstract of the United States. The average adult spends four hours everyday watching TV. The average youth 8 to 18 years old spends almost seven hours every day plugged into media.

JUST THINK OF THE HOURS/POINTS OF EXPOSURE WE HAVE EVERY DAY TO ADS!
Discussion Questions: In your small group please discuss the following questions. Be prepared to share your thoughts out with the class.

1. How do you feel about the state of and frequency of advertising today? (Good? Bad? Not an issue? WHY?)

2. Where is the line (if there is one)? Is there such a thing as too much advertising?

3. Should something be done to regulate or put a stop to increasingly intrusive advertising? What, if any, freedom of speech/expression issues are raised by such regulation?

4. What about privacy - should there be any laws passed to protect consumers’ privacy online?