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# Advertising

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William F. Arens

# Contemporary **Advertising**

Tenth Edition

William F. Arens



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## CONTEMPORARY ADVERTISING

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CLIENT: Toyota Motor Sales	Cutter: na	CHIEF CREATIVE OFFICER: S. Rabovsky					
AD DESCRIPTION: Prius "Lifetime Supply" Pg		CREATIVE DIRECTORS: D. Van Andel		JL	9/6		
PRODUCT CODE: 12031		COPYWRITER: M. Goshil					
AD UNIT: P4C		ART DIRECTOR: D. Phillips					
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				• Chief Creative Officer			
				• Creative Director	DPA	9/11	
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				Product			
				Diversity Review Panel			
				Assist. Account Executive	YB	9/11	
				Account Executive			
				Account Supervisor			
				Management Director			
				CLIENT	LC	9/11	
				Ad Mgr./Administrator			
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■ **To Don Ritchey, Larry Mattera, Allan Moller, Tom Michael, Barney Thompson, Wayne Jones, Carlos Cortez, and Jim Priddy**

*On the road of life, we are all blessed with a few good friends who hang in there with us over all the speed bumps. Thanks, fellas.*

# The Preface

Advertising has the subtle ability to reach out and touch everyone living and working in the modern world today. In fact, at some point in their lives, most people will probably become creators of advertising—whether they design a flyer for a school car wash, write a classified ad for a garage sale, or develop a whole campaign for some business, charitable event, or political cause.

During the first half of the twentieth century, advertising may have been viewed as a particularly American institution. But that is certainly no longer the case. In fact, as early as 1917, British novelist Norman Douglas affirmed the global significance of advertising when he remarked, “You can tell the ideals of a nation by its advertisements.” That was before the advent of radio and television. Today, our voices are no longer limited by the scope of twentieth-century media. Thanks to the Internet and a variety of online database services, people and organizations can now send advertising messages to millions of people around the world—instantly. Advertising is undergoing a transformation of historic proportions—from a monopolistic corporate monologue to a totally democratic dialogue. Suddenly everybody has a voice.

That makes the study of advertising more important today than ever before, not only for students of business or journalism—who may be contemplating a career in the field—but also for students of sociology, psychology, political science, economics, history, language, science, or the arts. Many of these people will become users of advertising; all will be lifetime consumers of it.

The study of advertising gives students, regardless of their major field of study, many valuable tools to use in any subsequent profession. It teaches them to think and plan strategically; gather and analyze primary and secondary research data; compute and evaluate alternative courses of action; cooperate with a team in developing creative solutions to a problem; analyze competitive proposals; understand why people behave the way they do; express themselves and their ideas with clarity and simplicity; defend their point of view with others; appreciate and assess the quality of different creative endeavors; and use data to speak with knowledge, confidence, and conviction.

In addition, students of business, journalism, and communications gain several specific benefits. By studying advertising, they will learn to:

- Discern the real economic, social, and cultural role of advertising and, conversely, the impact of a society’s values on advertising.
- Understand how advertising supports the profession of journalism and relates to the whole field of communications.
- Appreciate the important, global effect of marketing and advertising on business, industry, and national economies.
- Comprehend the strategic function of advertising within the broader context of business and marketing.



- Evaluate and appreciate the impressive artistic creativity and technical expertise required in advertising.
- Discover what people in advertising and related disciplines do, how they do it, and the expanding career opportunities these fields now offer.

## Student-Oriented Features for the Twenty-First Century

### Award-Winning Graphic Design

Our mission in *Contemporary Advertising* has always been to present advertising as it is actually practiced—to put flesh on the bones of academic theory—with clarity and verve. Now, as we introduce the Tenth Edition of *Contemporary Advertising*, our purpose remains the same. Advertising should be taught as it really is—as a business, as a marketing tool, as a creative process, and as a dynamic, hybrid discipline that employs numerous elements of the arts and sciences. We also believe advertising should be taught in an intelligible manner and lively style relevant to college and university students of the twenty-first century.

For these reasons, *Contemporary Advertising* provides a number of exclusive student-oriented features.

*Contemporary Advertising* has always been distinguished by its elegant, coffee-table-book feel and award-winning graphic design—an important feature for a book that professes to educate students about the aesthetics of advertising design and production. The open, airy look—reinforced by the book's high-quality, non-see-through, clay-coated paper stock—contributes to learning by making the text material colorful, inviting, and accessible to the widest range of students. In the Tenth Edition, the elegance of the design is enhanced with an updated cover design, a striking new interior color palette, beautiful new part and chapter openers, and a redesign of all the technical illustrations for greater clarity and simplicity. Throughout the book, part and chapter overviews, chapter learning objectives, and key terms printed in boldface type all work together to make the text material as reader-friendly as possible.

### Chapter-Opening Vignettes

To capture and hold student interest, each chapter begins not with a case but with a story. Written in a warm, narrative style, each vignette depicts an actual situation that illustrates a basic concept in the study of advertising. Wherever possible, the opening story is then woven through the chapter to demonstrate how textbook concepts actually come to life in real-world situations. For example, throughout Chapter 1, we examine the success of the cult-favorite Altoids campaign to demonstrate how advertising can build a brand from the ground up. In Chapter 8, we use the incredible success story of Mountain Dew to illustrate the importance of creativity and strategic thinking in marketing and advertising planning. And in Chapter 12, we've wrapped the whole subject of creativity and the creative process around the story of how the VitroRobertson agency developed its magnificent, award-winning campaign for Taylor Guitars.

### Extensive Illustration Program

The best way to teach is to set a good example. So each of the 18 chapters features beautiful full-color illustrations of recent award-winning ads, commercials, and campaigns that demonstrate the best in the business from the last three years. In fact, *Contemporary Advertising* is one of the most heavily illustrated textbooks on the market, with all the major media represented—print, electronic, digital, and outdoor—in a balanced manner. We carefully selected the examples and illustrations for both their quality and their relevance to students.

Furthermore, we feature a mix of local, national, and international ads from both business-to-business and consumer campaigns. In-depth captions tell the stories behind many of the ads and explain how the ads demonstrate the concepts discussed in the text.



The book is liberally illustrated with models, charts, graphs, and tables. Some of these encapsulate useful information on advertising concepts or the advertising industry. Others depict the processes employed in account management, research, account planning, media planning, and production.

## Full-Color Portfolios

In addition to the individual print ads and actual frames from TV commercials, the book contains several multipage portfolios of outstanding creative work. These include “Strategic Use of the Creative Mix,” “Outstanding Magazine Ads,” “Advertising on the Internet,” “Corporate Advertising,” and others. Accompanying captions and questions tie the ads to topics germane to the chapter in which they appear.

## The Creative Department

The “Creative Department” is a special section in Chapter 14 that describes how an interesting print ad and TV commercial were produced from beginning to end. In this edition, we show a full-color print ad for the ecologically friendly 2004 Toyota Prius Hybrid Synergy Drive vehicle that features an actual acetate color key (called a *transvision*)—a first in advertising texts. And the TV commercial for the Prius created by Saatchi & Saatchi Los Angeles illustrates an extraordinary combination of artistry, cultural sensitivity, and ingenious special effects.

## Advertising Laboratories

Active participation enhances learning, so “Ad Labs” play a significant role in virtually every chapter. These unique sidebars to the world of advertising introduce students to topics of current interest or controversy and then involve them in the subject by posing questions that stimulate critical thinking. Some of the many topics presented in Ad Labs include government regulation, bottom-up marketing, creativity, the psychological impact of color, advertising on the Internet, “green” marketing, sales promotion, and direct-response advertising.

## Ethical Issues in Advertising

Today’s students will be twenty-first-century practitioners. They will face new and challenging ethical issues, and they will need to exercise even greater sensitivity than their twentieth-century counterparts. Therefore, in *every* chapter of the book, we introduce a current Ethical Issue in advertising—to focus attention on the most critical social questions facing advertisers today. These include the debate over puffery, advertising to children, comparative advertising, the targeting of ethnic minorities, consumer profiling, privacy, negative political advertising, visual and statistical manipulation, and others.

## Practical Checklists

Advertising is a broad subject encompassing many disciplines, and one dilemma both advertising students and practitioners face is how to handle and organize large volumes of information and then creatively convert this data into effective advertising. For this reason, students truly appreciate the numerous, handy Checklists that appear regularly throughout the text. The Checklists can stimulate memory, organize thinking, and reinforce important concepts. Some of these include Checklist for Writing Effective Copy, Checklist for International Media Planning, Checklist for Creating Effective TV Commercials, and Checklist for Writing News Releases, to mention just a few. In the years that follow, students will find the Checklists an invaluable, practical career resource for developing marketing and advertising plans, writing and designing effective ads and commercials, selecting and scheduling media, evaluating advertising proposals, and making other advertising decisions.

## Online Reference Library

In keeping with our desire to build long-term value into the book (without adding text length), we have introduced the Reference Library as a supplemental feature. We continue to offer this valuable reference source on the *Contemporary Advertising* website. The Reference Library contains a wealth of



supplementary exhibits, checklists, tables, and models for students or professors who seek additional information or greater detail on a subject of interest. The exhibits in the Reference Library are numbered to correspond to relevant chapters. Professors can choose whether or not to assign this material, depending on their course objectives. But students will find the Reference Library a valuable, long-term handbook for their future careers and lives. Some exhibits in the Reference Library include Advertising Regulations in Western Europe; Using Marketing Research for New Product Development; Checklist of Product Marketing Facts for Creatives; Detailed Explanation of Duncan's IMC Model; Trade Show Budgeting Checklist; and many, many others.

## Additional Learning Aids

Each chapter concludes with a summary followed by questions for review and discussion. These pedagogical aids are designed to help students review chapter contents and assimilate what they have learned. Throughout the text, key ideas and terms are highlighted with boldface type and defined when introduced. The definitions of all these terms are collected at the end of the book in a thorough and extensive glossary.

## The Advertising Experience Exercises

True to the text's agency approach, the Tenth Edition of *Contemporary Advertising* introduces hands-on application exercises that place students in the advertisers' shoes to help them see how advertising is done in the real world. Effective as outside assignments or in-class discussion starters, the Advertising Experience allows students to effectively apply their knowledge of each chapter.

## Internet Exercises

The Internet is the fastest-growing medium in the history of advertising. It is therefore important for students to become familiar and comfortable with the Net and to understand the resources it offers. In the Tenth Edition, each chapter features exercises that require students to access the World Wide Web and perform research on questions relevant to the chapter topic.

## For the Professor: The Tenth Edition Has Been Strategically Revised

Our continuing goal has been to bring clarity to the often-murky subject of advertising. Our method has been to personally involve students as much as possible in the practical experiences of advertising, while simultaneously giving them a clear understanding of advertising's dynamic role in both marketing management and the human communication process. In the pursuit of this objective, we have included numerous modifications and improvements in the Tenth Edition of *Contemporary Advertising*.

Because of the growing importance of integrated marketing communications (IMC) and the changing role of advertising in the marketing mix, we restructured the sequence of some chapters in previous editions and included a significant amount of new material in them. In the Tenth Edition, we have maintained this structure in order to illustrate early on how marketers concurrently integrate advertising with other marketing communication tools. For example, immediately following the Part Two chapters on marketing, advertising, and media planning, we devote all of Part Three to the topics of direct marketing, personal selling, sales promotion, public relations, events and sponsorships, and corporate advertising. The reason is simple: That's when advertisers and agencies plan these activities—at the same time they're planning their advertising. However, some professors may wish to teach this material after concluding the study of advertising, in which case we recommend they simply skip Chapters 10 and 11 and assign them after Chapter 18, before studying the Epilogue, "Re-Positioning a Brand."

By also including new material on the economics of advertising, relationship marketing and IMC, the new digital interactive media, and global/international advertising, we have insured that *Contemporary Advertising* will remain both current and comprehensive.



## Current and Concise

In the Tenth Edition, our first effort was to update all statistics and tables and to document the most recent academic and professional source material to give *Contemporary Advertising* the most current and relevant compendium of academic and trade citations in the field. We've referenced important recent research on topics ranging from the effects of advertising and sales promotion on brand building to relationship marketing, integrated communications, and Internet advertising. And, where appropriate, we've redesigned the building-block models that facilitate student comprehension of the often-complex processes involved in human communication, consumer behavior, marketing research, and IMC.

In recent editions, thanks to recommendations from our academic reviewers, we added new material to bring a clearer theoretical structure to the book. For example, in Part One, we introduce the principles of free-enterprise economics and then show how these principles have affected the evolution of modern advertising from a nineteenth-century American phenomenon to an accepted global practice in the twenty-first century. This framework creates the underpinning for our discussion of the social and regulatory aspects of advertising, as well as our examination of how the business of advertising has evolved from local, to national, to global. In Parts Two and Three, contemporary theories of marketing and communication create the framework for our discussion of advertising's role in marketing and integrated marketing communications. This then evolves to a theory of creative excellence in Part Four. And in Part Five, all these theories come together as advertisers search for the most economically efficient communication media to create effective marketing relationships with customers and other stakeholders.

Second, we have prudently governed the length of the text material. In the last edition, on the suggestion of our reviewers, we split Chapter 1 into two chapters to make the introduction to the course less daunting for students. While integrating new material on the economic aspects of advertising, personal selling, sponsorships, and digital interactive media, we have still maintained a manageable length. The illustrations, graphics, sidebar information, and overall design are all aimed at keeping the text open, airy, and inviting while sharpening *clarity*—the hallmark of *Contemporary Advertising*.

Compared to the true length of other comprehensive course books, *Contemporary Advertising* is now one of the most concise texts in the field.

## Fresh, Contemporary, Relevant Examples

For the Tenth Edition, we added many new, real-world examples, selected for their currency and their relevance to students. Likewise, many of the chapter-opening stories are new, such as the advertising success stories of Hardee's and Citibank. Others document marketing or communication misfires such as Prodigy and Firestone. All of the full-color portfolios have been updated, expanded, or replaced with more recent examples and all of the Ad Labs, Checklists, and Ethical Issues have been updated and edited for currency and accuracy.

## Global Orientation Integrated Throughout

In light of the increasing globalization of business, we introduce the subject of global advertising early in the book in Chapter 4, "The Scope of Advertising: From Local to Global." We've also added more examples of international advertising throughout the book. All the international data has been extensively revised and updated to reflect the increased importance of advertising in the new economic and marketing realities of Europe.

## Focus on Integrated Marketing Communications

One result of exploding technology, and consequent market fragmentation, has been the growing realization by major advertisers and agencies of the importance of relationship marketing and integrated marketing communications. In response to this, we have woven the IMC perspective throughout the text. We first introduce the concept of IMC in Chapter 1; next, in Part Two, we explain its impact on marketing, advertising, and media planning; and then we focus all of Part Three on

how companies build relationships by integrating their advertising with other marketing communication tools. Finally, in Part Five, we show how each of the major media contribute to the IMC process. Throughout, we cite the most recent important research on all these topics.

## CASE STUDY: Epilogue: Re-Positioning a Brand

So that students can see how many of the principles taught in the text come together in the real world, we have included an updated Epilogue, immediately following Chapter 18, on the complete story behind the currently running, highly successful “Priceless” branding campaign for MasterCard, created by McCann-Erickson Worldwide in New York. We are greatly indebted to both McCann-Erickson and MasterCard for authorizing us to share the details of this interesting, student-relevant campaign and for the tremendous assistance they gave us in the creation of this outstanding Epilogue.

## Local and Business-to-Business Advertising Coverage

Throughout the book, *Contemporary Advertising* addresses the needs of both small and large consumer and business-to-business advertisers with its many examples, case histories, Ad Labs, Checklists, and advertisements. Moreover, this is one of the few texts to devote adequate attention to the needs of the small retail advertiser by discussing how local advertisers can integrate their marketing communications.

## Highlights of This Revision



While all the chapters have been edited and updated, one of the things we're most excited about is the inclusion of award winning ads from the 2004 Cannes International Advertising Festival. You will find that every chapter has an abundance of new and relevant ads and commercials that were cited for their excellence at Cannes by winning either a Bronze, Silver, or Gold Lion. These current examples from countries around the globe are considered to be the best ads in the world, and we have flagged them by inserting a Cannes logo (like the one at left) wherever they appear. We are delighted to be able to share these outstanding examples of advertising creativity with today's students whom we feel confident will benefit greatly from the exposure to such fine work. Other specific highlights of the Tenth Edition include the following:

### ***Chapter 3: “The Economic, Social, and Regulatory Aspects of Advertising.”***

This chapter has been updated and revised to add clarity to the very important issues it addresses. The chapter opens with a new vignette about the highly controversial catalog advertising for Abercrombie & Fitch. This sets the stage for a detailed discussion of advertising's proper role in our economic system and our society. By using the economic framework set up in Chapters 1 and 2 for our discussion of advertising controversies, we have a basis for understanding how advertising may contribute or detract from the basic goal of free enterprise—“the most good for the most people.” The section on “Current Regulatory Issues Affecting U.S. Advertisers” deals with numerous issues, among them: Freedom of Commercial Speech, the Tobacco Advertising Controversy, Consumer Privacy, and the Issue of Advertising to Children. The chapter offers a more balanced presentation of what's right and wrong about advertising, acknowledging the profession's shortcomings—for instance, in the area of deception with the FTC versus Office Depot case, and in the area of sexual and ethnic stereotyping. The discussion of deception and puffery in advertising has been updated, referencing the recent work by Ivan Preston. And the Ethical Issue in this chapter focuses on the subject of puffery, including the recent case of Pizza Hut versus Papa John's Pizza.

***Chapter 4: “The Scope of Advertising: From Local to Global.”*** A new vignette featuring the discovery of a new target market for the Honda Civic introduces the chapter, and the story is revisited throughout the chapter to illustrate what people in the advertising business do. The chapter discusses all the major organizations involved in the advertising business. Beginning with the advertisers, the chapter classifies them by their scope of business: local, regional, national, and transnational. The agency section demonstrates what agency people do and how



they work. The material on the media and suppliers is included to present a balanced view of all the participants in the advertising industry. In the Tenth Edition, we updated all the statistical information about the advertising business and edited the chapter carefully to increase clarity and enhance comprehension.

**Chapter 6: “Market Segmentation and the Marketing Mix: Determinants of Advertising Strategy.”** This chapter starts with a new vignette that outlines Hardee’s attempt to reposition itself as a male-oriented premium hamburger chain. This vignette shows that choosing a market segment and focusing on it can produce better results than aiming at the total market with me-too products. All figures and statistics have been updated, as has the whole illustration program.

**Chapter 7: “Research: Gathering Information for Advertising Planning.”** In previous editions this chapter was substantially reorganized. In this edition we have updated the Ethical Issue to include a recent case in which KFC was cited for skewing statistics. We deal with the way in which research statistics can be used and abused. In the Tenth Edition we have updated all the figures and tables and freshened the chapter with new illustrations and exhibits.

**Chapter 10: “Relationship Building: Direct Marketing, Personal Selling, and Sales Promotion.”** This chapter begins a new unit in the book, Part Three, “Integrating Advertising with Other Elements of the Communications Mix.” The chapter, and indeed this whole part, is based on the philosophy that, while advertising can create an image for a company, a reputation must be earned. In other words, *everything* a company does (and doesn’t do, for that matter) sends a message to its various stakeholders. Advertising, as well as sales promotion, personal selling, and other marketing communication tools, is one of the *planned* messages that companies employ. Advertising people need to be more than just aware of these other communication tools. They need to recognize (at the planning stage) that some of them are better suited for solving certain marketing problems than advertising is. And if the firm is to truly realize its reputation potential, they must all be integrated with everything else a company does. This chapter opens with an updated story about how Dell Computers promoted itself by using direct marketing techniques to promote its sweepstakes. The story enables us to spotlight the importance of direct marketing to IMC programs.

**Chapter 11: “Relationship Building: Public Relations, Sponsorship, and Corporate Advertising.”** Continuing the same themes, the second chapter in Part Three tells the story of how a small company with a social conscience, Ben & Jerry’s Ice Cream, achieved nationwide success and international recognition. We’ve strengthened the IMC focus of the chapter and broadened the material with updated information on events and sponsorships. We lead that segment off with an interesting story of how Bennett Gibbs turned his local bike shop into a \$3 million enterprise through the effective use of event sponsorship. The chapter boasts a whole new art program and a new portfolio of outstanding corporate ads. The Ethical Issue debates the controversy surrounding advertorials.

**Chapter 13: “Creative Execution: Art and Copy.”** This chapter starts off with a new vignette on Citibank’s identity theft solutions campaign. We take an in-depth look at the challenge faced by Citibank when it needed to communicate the threat posed by identity theft without creating panic. Also included in the Tenth Edition is a wealth of award-winning ads and commercials from the Cannes Festival, chosen for their superior copywriting and art direction. The Ethical Issue in this chapter discusses imitation and plagiarism and shows how “borrowing” can often come close to stealing.

**Chapter 14: “Producing Ads for Print, Electronic, and Digital Media.”** For the Tenth Edition, this chapter has been completely reworked. The chapter features a new story about Saatchi & Saatchi’s development of a global campaign, launching Toyota’s Hybrid Synergy Drive vehicle, the Prius. We weave this story



throughout the entire chapter, using the television spots for the Prius to give a real-life demonstration of development and production. Students will be interested to follow the progression of an international campaign from its initial concept to its final execution across a variety of media.

**Chapter 17: “Using Digital Interactive Media and Direct Mail.”** In the previous edition, we revised this chapter extensively and introduced a new chapter-opening story on the highly successful launch of a website for virtual pet owners—Neopets.com. In the Tenth Edition, we have updated the Neopets story, and, since the Internet continues to develop exponentially, we have extensively edited the chapter for currency and included many new examples of superior cyber ads. The chapter discusses the history of the Internet; the growth of online services and the World Wide Web; the different types of digital, interactive advertising available, including viral and immersive marketing; some of the problems with measuring Internet advertising; and the use of these new media in IMC. The second part of the chapter, which deals with direct mail as an addressable medium, begins with an interesting new vignette on ShipShapes and CMM (Customized MarketMail) and explains the use of direct mail in IMC programs as well.

**Epilogue: “Re-Positioning a Brand: MasterCard’s ‘Priceless’ Campaign.”** The famous and fascinating “Priceless” campaign for MasterCard demonstrates in detail how all the concepts taught in the book come together in real life. We are greatly indebted to MasterCard and to McCann-Erickson Worldwide, who developed the campaign, for their efforts in helping us put together this outstanding Epilogue, and we appreciate their assistance in updating the story for the Tenth Edition. A video supplement to the text includes recent commercials from the campaign.

**The Reference Library.** In recent editions, we redesigned the Reference Library and put it on the new *Contemporary Advertising* website to make it easier to update and to use. Many of the most popular features from the earlier editions have been retained, and for the Tenth Edition we’ve added other elements that professors or students might find helpful.

**Appendix C: “Complete IMC Plan.”** Complementing the Top-Down Marketing and Advertising Plan Outlines in Appendixes A and B, Appendix C features an IMC Plan Outline. Developed by Brannon Wait at Saatchi & Saatchi Chicago, the plan will be very useful to students in their future endeavors. This may be found on the *Contemporary Advertising* website.

**Appendix D: “Career Planning in Advertising.”** This section has been updated with many helpful hints for students about to launch their careers. It includes salary figures for entry-level employees in a variety of advertising-related positions and is also found on the *Contemporary Advertising* website.

**Appendix E: “Industry Resources.”** This appendix organizes a great deal of practical information students can use to perform further research in areas of interest or to advance their careers by joining an organization focused on their specialty. It is located on the *Contemporary Advertising* website.

## Supplementary Materials

### Instructor’s Manual

While the text itself is a complete introduction to the field of advertising, it is accompanied by a number of valuable supplemental materials designed to assist the instructor.

In the previous edition, we expanded the Instructor’s Manual to include a wealth of new material and suggestions for classroom lectures and discussions. It includes a lecture outline for each chapter; answers to all discussion questions, including the end-of-chapter Internet exercises, suggested workshops, projects, and debates; and additional material for reading or project assignments.