

advertising

WILLIAM H. BOLEN

2ed.

advertising

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Georgia Southern College

2ed.

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*To Lucy Bolen
and
in Memory of Harold Bolen*

preface

Welcome to the Second Edition of *Advertising* by Bolen! For the new Second Edition, we have taken those features that made the First Edition a success and combined them with many new ideas and facts in order to give you, the reader, an even stronger and more complete book. More and better examples and new cases, along with new information in every chapter are just some of the things that have been done to make *Advertising* by Bolen a book that brings life to the subject of advertising.

Advertising is examined in the book in a manner that provides practical, “how-to,” “nuts and bolts” information for the advertising practitioner as well as for the person who will be dealing with the advertising practitioner. *Advertising* by Bolen does not assume that the reader already has a working knowledge of the subject. It also does not assume that the reader is working in, or will work in, a particular type of advertising situation. The information included in the book is designed to present the subject of advertising in a clear, concise manner to the beginning advertising student while serving as a review or handy reference for those who are already working in the world of advertising.

To aid the reader in understanding the complex field of advertising, each part of the book opens with a diagram—a visual framework that shows how each particular topic area fits into the overall subject of advertising. Part One, the outer framework of this conceptual diagram, includes the history of advertising; advertising’s role in the economy; advertising’s relationship to marketing; laws, regulations, and customs as they pertain to advertising; customer behavior from both a consumer and business perspective; and the various components of the advertising industry itself—the advertising department, the advertising agency, the special service group, and the media. Next, the middle of the diagram comprises the “heart” of the subject—the three M’s of advertising—*Message* (foundation, copywriting, presentation, and production), *Media* (print, broadcast, direct, mobile, etc.), and *Management* (budget, media plan, research and evaluation, marketing program). Each is equally important and can be discussed in any order. Finally, the inner framework includes advertising applications and trends. Thus, each topic area is covered in such a way that the new material builds on the previous subject matter. This method of presentation provides the reader with a more comprehensive view of the whole field of advertising and, therefore, works to meet the objective of this book—advertising knowledge.

There are several features about the Second Edition that deserve special attention. First, a new chapter on customer behavior looks at both the consumer market and the business market in addition to pointing out significant differences between them that can have a bearing on the firm’s advertising effort. Second,

laws, regulations, and self-regulations are also given expanded coverage since this topic area continues to increase in importance. Third, PACT, Videotex, cable networks, and standard advertising units are just some of the new subject areas that are examined in each of the 21 revised and updated chapters. In addition, the cases/experiential learning exercises have been expanded from 10 to 16, with 13 of them being new or revised. A new appendix—"How to Make an Effective Presentation"—has also been added. Finally, as an aid to the instructor, the *Instructor's Manual* has been improved so that it is a more valuable instructional tool. When these many improvements are combined with the numerous desired features that were retained from the First Edition, the end product is one that I feel you will find to be complete, readable, and understandable in terms of presenting the subject of advertising.

No textbook of this type could be written without the cooperation and assistance of many firms, organizations, and individuals. To the numerous advertisers and agencies who provided material, insight, or advertising examples, a special thanks is due. Certain firms and organizations deserve special mention for their assistance in various ways during the development of this book. These are:

| | |
|--|--|
| The Advertising Council, Inc. | Magazine Publishers Association, Inc. |
| Advertising Research Foundation | National Advertising Review Board |
| American Advertising Federation | Newspaper Advertising Bureau, Inc. |
| American Association of Advertising Agencies | A. C. Nielsen Company |
| American Business Press, Inc. | Outdoor Advertising Association of America, Inc. |
| American Marketing Association | Point-of-Purchase Advertising Institute, Inc. |
| The Arbitron Company | Radio Advertising Bureau, Inc. |
| Association of National Advertisers | Simmons Market Research Bureau |
| Audit Bureau of Circulations | Specialty Advertising Association International |
| Crain Communications, Inc. | Standard Rate & Data Service, Inc. |
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| Gallup & Robinson, Inc. | Transit Advertising Association |
| Henderson Advertising, Inc. | |

Good reviewers make for a better book. For their superb work, I express my thanks to the following:

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Thanks are also given the numerous users of the First Edition who have passed on to me their ideas about how the book might be improved. Wherever possible, these ideas have been included in the Second Edition.

Rich Esposito, Marketing Editor, and his associates at John Wiley deserve special recognition for a job well done. Thanks are also due the many advertising students whom I have taught over the years. Their ideas and suggestions have helped make *Advertising* a better book. In addition, a word of thanks is due my graduate assistant, Jaymi George, who contributed her talents to the project in various ways. Next, I acknowledge with gratitude the work of Terrie M. Bennett. Her dual jobs as typist and researcher proved invaluable to the success of the project. Finally, a special thank you is due my wife, Sheron, and my sons, Bill and Chuck. Without their understanding, assistance, and sacrifice, this book would not exist.

William H. Bolen

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part one

INTRODUCTION

The chapters in Part One provide an overview of advertising. The topics presented range from advertising's relationship to marketing to various aspects of customer behavior. This discussion gives the reader a foundation for the further study of the subject.

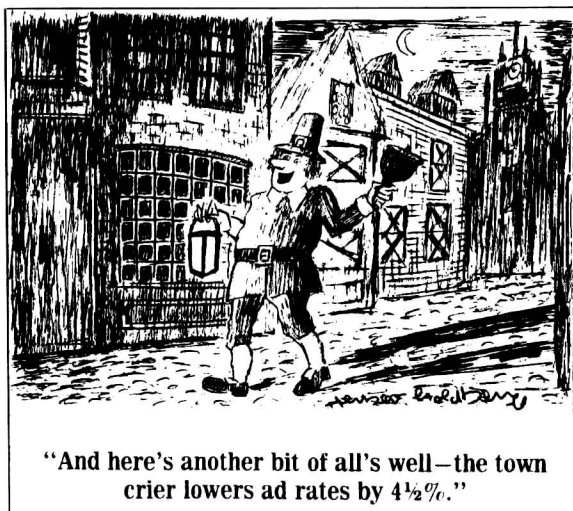
□ *Advertising: An Overview* defines advertising, examines its history, and studies its role in the economy.

□ *Advertising: Its Relationship to Marketing* looks at marketing and the marketing concept, the target market, the marketing mix, and the various guidelines for effective advertising that should be pursued by the advertiser.

□ *External Advertising Restraints* analyzes how advertising is affected by federal, state, and local laws and regulations as well as industry self-regulation, customs, and international laws and regulations.

□ *Customer Behavior* examines both consumer- and business-oriented buying behavior and how this information can be used by the advertiser.

□ *The Advertising Industry* studies and compares advertising departments, advertising agencies, special service groups, and media.



chapter 1

ADVERTISING: AN OVERVIEW

ADVERTISING DEFINED
HISTORY OF ADVERTISING
EARLY ADVERTISING
AMERICAN ADVERTISING
ADVERTISING AND THE ECONOMY
ECONOMIC IMPACT
DOLLAR IMPACT

Imagine what it would be like to live in a world without advertising. You turn on your radio, but you do not hear about the tire sale at Sears or the final clearance at the local department store. You read the newspaper, but you do not learn about the new pizza restaurant that just opened across town nor do you get its special introductory coupon. The new restaurant owner also had a hard time preparing to open for business. He did not learn about the latest efficiency oven because there were no ads in the trade publications; and when he looked for local suppliers' names in the telephone book, he found there were no *Yellow Pages*. This list of examples can go on and on, but it becomes quickly apparent that without a means of telling the potential customer what is available, marketing and business as we know it today would cease to function. Without question, advertising is an integral part of the business system and an important part of our lives.

To understand better advertising's role in the marketplace, readers need to have a clear understanding of how advertising is defined. It is also important for them to know something of the history of advertising so that the subject can be examined in perspective. Finally, advertising's role in the economy should be analyzed so that they can fully realize how important advertising is to our economy. The examination of these three topics should provide readers with a basic foundation on which to build their study of advertising.

ADVERTISING DEFINED

Advertising as a term is used by many to cover almost any topic in the promotional area of marketing. This usage of the term is incorrect. The term promotion includes personal selling and advertising along with sales promotion and publicity. But the term advertising does not include personal selling, sales promotion, or publicity. Personal selling by its nature involves face-to-face contact with the customer. Advertising, on the other hand, is a marketing vehicle that is designed for the masses, whereas sales promotion, which includes such items as trading stamps and contests, is considered to be supplementary or complementary to the other elements of the promotional effort. Finally, publicity is concerned with the development and placement of information before the public in a nonpromotional format (e.g., a news story). It is important to note that advertising should be developed in conjunction with personal selling, sales promotion, and publicity when appropriate, but it should not be confused with any of these other promotional approaches.

But what is advertising? The American Marketing Association defines the term as any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.¹ Although this definition is popular, it actually defines the term advertisement instead of the term advertising. A better definition that builds on the American Marketing Association definition defines the term as follows:

Advertising is any controlled form of nonpersonal presentation and promotion of