Arens • Schaefer • Weigold Essentials of Contemporary Advertising Second Edition This International Student Edition is for use outside of the U.S.



# part 1 An Introduction to Advertising

**chapter one** Advertising Yesterday, Today, and Tomorrow 2

What Is Advertising?, 4

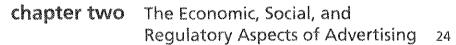
The Role of Advertising in Business, 6

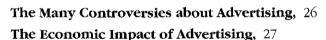
What Is Marketing?, 6 Advertising and the Marketing Process, 7

**Economics: The Growing Need for Advertising,** 7

Principles of Free Market Economics, 8 Functions and Effects of Advertising in a Free Economy, 8 The Evolution of Advertising as an Economic Tool, 10 The Preindustrial Age, 10 The Industrializing Age, 12 The Industrial Age, 14 The Postindustrial Age, 15 The Global Interactive Age: Looking at the Twenty-first Century, 18

Society and Ethics: The Effects of Advertising, 20





Effect on the Value of Products, 27 Effect on Prices, 29 Effect on Competition, 29 Effect on Consumers and Businesses, 30 The Abundance Principle: The Economic Impact of Advertising in Perspective, 31

### The Social Impact of Advertising, 31

Deception in Advertising, 31 The Subliminal Advertising Myth, 32 Advertising and Our Value System, 34 The Proliferation of Advertising, 34 Stereotypes in Advertising, 35 Offensive Advertising, 35 The Social Impact of Advertising in Perspective, 37

**Social Responsibility and Advertising Ethics**, 37 *Advertisers' Social Responsibility*, 38 Ethics of Advertising, 38

### Current Regulatory Issues Affecting U.S. Advertisers, 39

Freedom of Commercial Speech, 39 Tobacco Advertising, 40 Advertising to Children, 40 Consumer Privacy, 41

### Federal Regulation of Advertising in the United States, 41

The U.S. Federal Trade Commission, 42 The Food and Drug Administration (FDA), 45 The Federal Communications Commission (FCC), 46 The Patent and Trademark Office and the Library of Congress, 47

State and Local Regulation, 48

#### Nongovernment Regulation, 48

The Better Business Bureau (BBB), 48 The National Advertising Review Council (NARC), 49 Regulation by the Media, 50 Regulation by Consumer Groups, 51 Self-Regulation by Advertisers and Ad Agencies, 51



### Ethical Issues

Truth in Advertising: Fluffing and Puffing, 33

### Commercial Break 2-A

Unfair and Deceptive Practices in Advertising, 43

# part 1 An Introduction to Advertising

**chapter one** Advertising Yesterday, Today, and Tomorrow 2

What Is Advertising?, 4

The Role of Advertising in Business, 6

What Is Marketing?, 6 Advertising and the Marketing Process, 7

**Economics: The Growing Need for Advertising,** 7

Principles of Free Market Economics, 8 Functions and Effects of Advertising in a Free Economy, 8 The Evolution of Advertising as an Economic Tool, 10 The Preindustrial Age, 10 The Industrializing Age, 12 The Industrial Age, 14 The Postindustrial Age, 15 The Global Interactive Age: Looking at the Twenty-first Century, 18

Society and Ethics: The Effects of Advertising, 20

**chapter two** The Economic, Social, and
Regulatory Aspects of Advertising 24

The Many Controversies about Advertising, 26 The Economic Impact of Advertising, 27

Effect on the Value of Products, 27 Effect on Prices, 29 Effect on Competition, 29 Effect on Consumers and Businesses, 30 The Abundance Principle: The Economic Impact of Advertising in Perspective, 31

The Social Impact of Advertising, 31

Deception in Advertising, 31 The Subliminal Advertising Myth, 32 Advertising and Our Value System, 34 The Proliferation of Advertising, 34 Stereotypes in Advertising, 35 Offensive Advertising, 35 The Social Impact of Advertising in Perspective, 37

**Social Responsibility and Advertising Ethics**, 37 *Advertisers' Social Responsibility*, 38 Ethics of Advertising, 38

Current Regulatory Issues Affecting U.S. Advertisers, 39

Freedom of Commercial Speech, 39 Tobacco Advertising, 40 Advertising to Children, 40 Consumer Privacy, 41

Federal Regulation of Advertising in the United States, 41

The U.S. Federal Trade Commission, 42 The Food and Drug Administration (FDA), 45 The Federal Communications Commission (FCC), 46 The Patent and Trademark Office and the Library of Congress, 47

State and Local Regulation, 48

Nongovernment Regulation, 48

The Better Business Bureau (BBB), 48 The National Advertising Review Council (NARC), 49 Regulation by the Media, 50 Regulation by Consumer Groups, 51 Self-Regulation by Advertisers and Ad Agencies, 51

#### **Ethical Issues**

Truth in Advertising: Fluffing and Puffing, 33

Commercial Break 2-A

Unfair and Deceptive Practices in Advertising, 43

Contents xvii

### Government Restraints on International Advertisers, 52 The Ethical and Legal Aspects of Advertising in Perspective, 53

### chapter three The Business of Advertising 56

### The Advertising Industry, 58

The Organizations in Advertising, 58 The People in Advertising, 58

### The Advertisers (Clients), 58

Local Advertising: Where the Action Is, 58 Regional and National Advertisers, 61 Transnational Advertisers, 66 Media Around the World, 68

### The Advertising Agency, 69

The Role of the Advertising Agency, 70 Types of Agencies, 70 What People in an Agency Do, 73 How Agencies Are Structured, 76 How Agencies Are Compensated, 77 The In-House Agency, 78

### The Client/Agency Relationship, 79

How Agencies Get Clients, 79 Factors Affecting the Client/Agency Relationship, 82

### The Suppliers in Advertising, 83

Art Studios and Web Designers, 83 Printers and Related Specialists, 83 Film and Video Houses, 84 Research Companies, 84

The Media of Advertising, 84

Current Trends, 84

### Checklist

Creating Local Advertising, 62

### Commercial Break 3-A

The Co-op Marriage, 63

### **Ethical Issues**

Ethical Issues Swirl around 2006's Biggest Ad Industry Story, 80

## part 2 Understanding the Target Audience

# **chapter four** Segmentation, Targeting, and the Marketing Mix 90

### The Larger Marketing Context of Advertising, 92

Customer Needs and Product Utility, 93 Exchanges: The Purpose of Marketing and Advertising, 94

#### The Market Segmentation Process, 94

Types of Markets, 95 Segmenting the Consumer Market: Finding the Right Niche, 96 Segmenting Business and Government Markets: Understanding Organizational Buying Behavior, 103 Aggregating Market Segments, 105

### The Target Marketing Process, 107

Target Market Selection, 107 The Marketing Mix: A Strategy for Matching Products to Markets, 108

### Advertising and the Product Element, 109

Product Life Cycles, 109 Product Classifications, 111 Product Positioning, 112 Product Differentiation, 112 Product Branding, 113 The Role of Branding, 114 Product Packaging, 115

### Commercial Break 4-A

Understanding Needs and Utility, 93

#### **Ethical Issues**

Brand Niching May Cause Brand Switching, 100

### Commercial Break 4-B

Understanding the Product Element: Starbucks Coffee, 108

### Commercial Break 4-C

Starbucks and the Place Element, 117

### Commercial Break 4-D

Price and Promotion, 119

### Advertising and the Price Element, 115

Key Factors Influencing Price, 115

Advertising and the Distribution (Place) Element, 116

Direct Distribution, 116 Indirect Distribution, 116

Advertising and the Promotion (Communication) Element, 118

The Marketing Mix in Perspective, 120

# **chapter five** Communication and Consumer Behavior 122

### Communication: What Makes Advertising Unique, 124

The Human Communication Process, 125 Applying the Communication Process to Advertising, 125

Consumer Behavior: The Key to Advertising Strategy, 127

The Importance of Knowing the Consumer, 127 The Consumer Decision Process: An Overview, 128

Personal Processes in Consumer Behavior, 129

The Consumer Perception Process, 129 Learning and Persuasion: How Consumers Process Information, 132 The Consumer Motivation Process, 136

**Interpersonal Influences on Consumer Behavior**, 138

Family Influence, 138 Societal Influence, 139 Cultural and Subcultural Influence, 142

The Purchase Decision and Postpurchase Evaluation, 143 Different Responses from Different Products, 146

### **Ethical Issues**

Is It Marketing or Is It Exploitation?, 141

Commercial Break 5-A

Applying Consumer Behavior Principles to Ad Making, 145

## part 3 The Planning Process

### chapter six Account Planning and Research 150

The Account Planner as Consumer Advocate, 152

The Need for Research in Marketing and Advertising, 153

What Is Marketing Research?, 153 What Is Advertising Research?, 154 Advertising Strategy Research, 155 Creative Concept Research, 157 Pretesting and Posttesting, 157

### Steps in the Research Process, 158

Step 1: Analyzing the Situation and Defining the Problem, 159 Step 2: Conducting Informal (Exploratory) Research, 159 Step 3: Establishing Research Objectives, 161 Step 4: Conducting Formal Research, 161 Step 5: Interpreting and Reporting the Findings, 167

### Important Issues in Advertising Research, 168

Considerations in Conducting Formal Quantitative Research, 168 Collecting Primary Data in International Markets, 171

### Checklist

Methods for Prefesting Ads, 166

#### Checklist

Methods for Posttesting Ads, 167

### Checklist

Developing an Effective Questionnaire, 171

Contents xix

# **chapter seven** Developing Marketing and Advertising Plans 176

### The Marketing Plan, 179

The Importance of Marketing Planning, 179 The Effect of the Marketing Plan on Advertising, 179 Top-Down Marketing, 179 Bottom-Up Marketing: How Small Companies Plan, 184

### The New Marketing Mantra: Relationship Marketing, 185

The Importance of Relationships, 185 Levels of Relationships, 187

### Using IMC to Make Relationships Work, 188

IMC: The Concept and the Process, 188 The Dimensions of IMC, 191 The IMC Approach to Marketing and Advertising Planning, 191 The Importance of IMC to the Study of Advertising, 192

### The Advertising Plan, 192

Reviewing the Marketing Plan, 192 Setting Advertising Objectives, 193 Determining the Advertising Strategy, 196 Allocating Funds for Advertising, 196 Methods of Allocating Funds, 198

# part 4 The Creative Process

# chapter eight Creative Strategy and the Creative Process 204

The Creative Team:

The Authors and Encoders of Advertising, 207

What Makes Great Advertising?, 207

The Resonance Dimension, 208 The Relevance Dimension, 209

**Formulating Creative Strategy:** 

The Key to Great Advertising, 209

Writing the Creative Strategy, 210 Elements of Message Strategy, 212

How Creativity Enhances Advertising, 212

What Is Creativity?, 213 The Role of Creativity in Advertising, 213 Understanding Creative Thinking, 215

The Creative Process, 217

The Explorer Role: Gathering Information, 217

Develop an Insight Outlook, 218 Know the Objective, 218 Brainstorm, 218

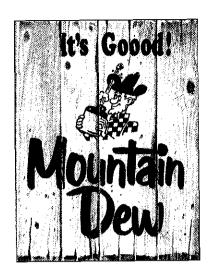
The Artist Role:

Developing and Implementing the Big Idea, 218

Task 1: Develop the Big Idea, 219 Task 2: Implement the Big Idea, 221 The Creative Pyramid: A Guide to Formulating Copy and Art, 222

The Judge Role: Decision Time, 226

The Warrior Role: Overcoming Setbacks and Obstacles, 227



### Commercial Break 7-A

The Strategies of Marketing Warfare, 182

### **Ethical Issues**

A War of Comparisons, 186

#### Commercial Break 7-B

The Economic Effect of Advertising on Sales, 197

#### Checklist

Ways to Set Advertising Budgets, 198

### Commercial Break 8-A

The Psychological Impact of Color, 214

### **Ethical Issues**

Does Sex Appeal?, 224

### Commercial Break 8-B

Applying the Creative Pyramid to Advertising, 227

### Commercial Break 9-A The Role of the Advertising Artist, 236 Commercial Break 9-B The Art Director's Guide to Layout Styles, 239 Ethical Issues Imitation, Plagrarism, or Flattery? 245 Checklist Writing Effective Copy, 248 Checklist Creating Effective Radio Commercials, 251 Checklist Creating Effective TV Commercials, 253 Checklist Creating Effective Web Ads, 26

Commercial Break 10-A

The Characteristics of

### chapter nine Creative Execution: Art and Copy 232

Delivering on the Big Idea: The Visual and the Verbal, 234

The Art of Creating Print Advertising, 234

Designing the Print Ad, 235 The Use of Layouts, 235 Advertising Design and Production: The Creative and Approval Process, 235 Effect of Computers on Graphic Design, 238 Principles of Design: Which Design Formats Work Best, 238 The Use of Visuals in Print Advertising, 242

· Copywriting and Formats for Print Advertising, 244

Headlines, 244 Subbeads, 247 Body Copy, 248 Slogans, 250 Seals, Logos, and Signatures, 250

Copywriting for Electronic Media, 251

Writing Radio Copy, 251 Writing Television Copy, 252

The Role of Art in Radio and TV Advertising, 253

Developing the Artistic Concept for Commercials, 254 Formats for Radio and TV Commercials, 254 Basic Mechanics of Storyboard Development, 257

Writing for the Web, 258

Creating Ads for International Markets, 260

Translating Copy, 261 Art Direction for International Markets, 262

Legal Restraints on International Advertisers, 263

# **chapter ten** Producing Ads for Print, Electronic, and Digital Media 266

Managing the Advertising Production Process, 268

The Role of the Production Manager or Producer, 268 Managing Production Costs, 269

The Print Production Process, 271

The Preproduction Phase: Planning the Project, 271 The Production Phase: Creating the Artwork, 273 The Prepress Phase: Stripping, Negs, and Plates, 276 The Duplication and Distribution Phase: Printing, Binding, and Shipping, 277

**Quality Control in Print Production**, 278

Production Phase Quality Issues, 279 Prepress Quality Issues, 279

The Radio Commercial Production Process, 280

Preproduction, 280 Production: Cutting the Spot, 281 Postproduction: Finishing the Spot, 282

The Television Commercial Production Process, 282

The Role of the Commercial Producer, 283 The Preproduction Phase, 283 Production: The Shoot, 285 Postproduction, 287

Producing Advertising for Digital Media, 288

The Emergence of Digital Media, 288 The Role of Digital Media in Advertising, 289 The People Who Produce Digital Media Advertising, 290 The Production Process, 290

xxi

## part 5 Reaching the Target Audience

### chapter eleven Print Advertising 294

Selecting Media, 296

Print Media, 297

### Using Magazines in the Media Mix, 297

The Pros and Cons of Magazine Advertising, 297 Special Possibilities with Magazines, 298 How Magazines Are Categorized, 301

### **Buying Magazine Space**, 304

Understanding Magazine Circulation, 304 Reading Rate Cards, 306

### Using Newspapers in the Media Mix, 308

Who Uses Newspapers?, 308 The Pros and Cons of Newspaper Advertising, 309 How Newspapers Are Categorized, 309 Types of Newspaper Advertising, 312

### **How Advertisers Buy Newspaper Space**, 313

Understanding Readership and Circulation, 313 Insertion Orders and Tearsheets, 317

Print Media and New Technologies, 318

Directories and Yellow Pages, 319

# **chapter twelve** Electronic Media: Television and Radio 324

### The Medium of Television, 326

Broadcast TV, 326 Cable TV, 327 TV Audience Trends, 327 Impact of Technology, 330 The Use of Television in IMC, 331 Types of TV Advertising, 332 Video Alternatives to TV Commercials, 335

### TV Audience Measurement, 338

Rating Services, 338 Cable Ratings, 338 Defining Television Markets, 339 Dayparts, 340 Audience Measurements, 341 Gross Rating Points, 342

### **Buying Television Time**, 343

Selecting Programs for Buys, 343 Negotiating Prices, 343

### The Medium of Radio, 344

Who Uses Radio?, 344 The Use of Radio in IMC, 345 Radio Programming and Audiences, 345 Satellite Radio and Portable Music Devices. 346

### **Buying Radio Time**, 347

Types of Radio Advertising, 347 Radio Terminology, 348

### Checklist

The Pros and Consist Magazine Adventising (30))

### Commercial Break 11-A

Magazines and the Modia Mix. 301

#### Commercial Break 11-B

Innovations in Magazine Advertising, 302

### Checklist

The Prospind Consets Newspaper Advertising (310)

### Commercial Break 11-C

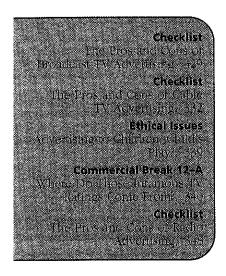
Newspapers and the Media Max 311

### **Ethical Issues**

What's at Stake with Sweepstakes, 310

### Checklist

What Works Best in Print, 318



### chapter thirteen Digital Interactive Media 354

**Digital Interactive Media**, 356

The Internet as a Medium, 357

A Brief History of the Internet and the World Wide Web, 360

Web Portals, 360
Google and Internet Search, 361
The Internet Audience, 363
Types of Internet Advertising, 366
Problems with the Internet as an Advertising Medium, 369
Using the Internet in IMC, 369

### Measuring the Internet Audience, 371

Seeking Standardization, 371 The Promise of Enhanced Tracking, 373

### Buying Time and Space on the Internet, 373

Pricing Methods, 374
The Cost of Targeting, 375
Stretching Out the Dollars, 377

### Other Interactive Media, 377

Kiosks, 377 Interactive TV, 378 Cell Phone Advertising, 379

# chapter fourteen Out-of-Home, Direct-Mail, and Specialty Advertising 382



Outdoor Advertising, 384

Standardization of the Outdoor Advertising Business, 385 Types of Outdoor Advertising, 386 Buying Outdoor Advertising, 389 Regulation of Outdoor Advertising, 390

Transit Advertising, 392

Types of Transit Advertising, 393 Buying Transit Advertising, 394

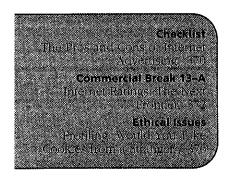
#### Other Out-of-Home Media, 395

Mobile Billboards, 395 Electronic Signs and Display Panels, 395 Parking Meters, Public Phones, and More, 396

### Direct-Mail Advertising: The Addressable Medium, 396

Growth of Direct Mail, 396
Types of Direct-Mail Advertising, 397
Using Direct Mail in the Media Mix, 398
Components of Direct-Mail Advertising, 398

Specialty Advertising, 402





Contents xxiii

# part 6 Integrating Marketing Communications Elements

# chapter fifteen Media Planning and Buying 406

### Media Planning:

Integrating Science with Creativity in Advertising, 408

The Challenge, 409 The Role of Media in the Marketing Framework, 412 The Media Planning Framework, 415

### **Defining Media Objectives**, 415

Audience Objectives, 415 Message-Distribution Objectives, 416 Optimizing Reach, Frequency, and Continuity: The Art of Media Planning, 419

### Developing a Media Strategy: The Media Mix, 420

Factors in the Media Strategy: The Five Ms, 420 Factors That Influence Media Strategy Decisions, 421 Stating the Media Strategy, 426

# Media Tactics: Selecting and Scheduling Media Vehicles, 426

Criteria for Selecting Individual Media Vehicles, 427 The Synergy of Mixed Media, 430 Methods for Scheduling Media, 430 Computers in Media Selection and Scheduling, 431

The Role of the Media Buyer, 432

# **chapter sixteen** IMC: Direct Marketing, Personal Selling, and Sales Promotion 436

The Importance of Relationship Marketing and IMC, 438

**Understanding Direct Marketing**, 439

### The Role of Direct Marketing in IMC, 440

The Evolution of Direct Marketing, 441
The Impact of Databases on Direct Marketing, 442
The Importance of Direct Marketing to IMC, 442
Drawbacks to Direct Marketing, 443

#### Types of Direct Marketing Activities, 444

Direct Sales, 444 Direct-Response Advertising, 445

### Personal Selling: The Human Medium, 447

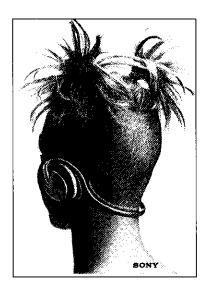
Types of Personal Selling, 448 Advantages of Personal Selling, 448
Drawbacks of Personal Selling, 449 The Role of Personal Selling in IMC, 449
Gathering Information, 449 Providing Information, 450
Fulfilling Orders, 450 Building Relationships, 450

Trade Shows, 451

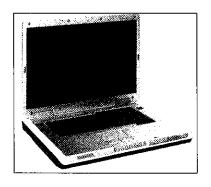
### The Role of Sales Promotion in IMC, 452

The Positive Effect of Sales Promotion on Brand Volume, 453 The Negative Effect of Sales Promotion on Brand Value, 454

Checklist The Pros and Consof Outdoor Advertising, 396 Commercial Break 14-A How to Use Type and Color in Outdoor Advertising, 387 Ethical Issues Does Spillover Need Mopping Up? 391 Checklist The Prosund Cons of Tanso Advertising: 392 Checklist he Prosend Consol Direct Mail Adventising, 809 Commercial Break 14-8 Developing Effective Direc Mail Packages, 400



# Ethical Issues Closed-Circuit Programming, 413 Commercial Break 15-A Media Selection: Quick List of Advantages, 427



xxiv Contents

### Checklist

Creating Effective Sales Promotions: 454

Commercial Break 16-A Applying Push/Pull Strategies to Sales Promotion, 459



### Checklist

How to Write a News Release 476

### Checklist

How to Select Events for Sponsorship, 482

Commercial Break 17-A
David Ogilvy on Corporate

Advertising, 485

### Sales Promotion Strategies and Tactics, 455

Giving Brands a Push with Trade Promotions, 455 Using Consumer Promotions to Pull Brands Through, 458

# **chapter seventeen** IMC: Public Relations, Sponsorship, and Corporate Advertising 466

### The Role of Public Relations, 468

The Difference between Advertising and Public Relations, 469 Advertising and PR in the Eyes of Practitioners, 470

### The Public Relations Job, 470

PR Planning and Research, 470 Reputation Management, 471 Other Public Relations Activities, 473 Public Relations Tools, 474

### Sponsorships and Events, 477

The Growth of Sponsorship, 477 Benefits of Sponsorship, 478
Drawbacks of Sponsorship, 479 Types of Sponsorship, 479
Methods of Sponsorship, 482 Measuring Sponsorship Results, 483

### Corporate Advertising, 483

Public Relations Advertising, 483 Corporate/Institutional Advertising, 484 Corporate Identity Advertising, 485 Recruitment Advertising, 486

Glossary, 488

Endnotes, 511

Credits and Acknowledgments, 524

Name Index, 530

Company Index, 535

Subject Index, 544