

OK. I'd like to get started now. I'll be discussing advertising again today. Advertising, advertisers, and, of course, ads. I think I ended last time by
5 mentioning that we're seeing an explosion of advertising in our daily lives, and advertisements seem to be everywhere. So, for example, well, have you ever looked at the back of your receipt from the supermarket or your movie ticket? Those are now new places for advertisements. Now, some other new places we
10 now see ads are on cars, in classrooms, at sports stadiums, and even we're starting to see them in restrooms. So we're talking about an overall increase in all kinds of advertising. So, what I want to do is discuss the causes of this increase in advertising.

All right. I want to start by giving you an interesting statistic. Research has shown that in North America the average person sees 3,000 ads per day. That's
15 throughout the day, and that's inside and outside the house. But . . . and this is important, I want to stress that it's not just the number of ads that is increasing. It's the number of new kinds of advertising we're exposed to in our daily lives. I want to look at two kinds of advertising, two new kinds of advertising, in detail. The first is a new kind of public advertising, and the second is hidden advertising.

20 OK. Let's talk about the first new kind of advertising. Now, of course, we've always had ads in public places, but we're now seeing many new kinds of ads that are placed in public places where there were no ads before. Now, we have even begun to see ads placed in elevators, on park benches, and even in schools. That's right, I said schools. Advertisers now go to some schools and offer to pay the
25 school to let them promote their products on things the schools give to kids. For example, we might see kids in school carrying books with the logo of a shoe company on it. Now that's a new type of public advertising. OK.

A second new type of ad is what I would call "ads that don't seem like ads" . . . ads that don't seem like ads. They're hidden ads, so when we see this kind of ad,
30 we don't even realize that it's an ad. Now, probably the best example of this type of ad is when you see a famous movie star or athlete being interviewed on television. Now, he or she is wearing, let's say, a T-shirt with the logo for a shoe company on it. Now, this doesn't seem at all like an advertisement, does it? But the way it works is, the shoe company paid the person to wear the shirt. They got

35 money to promote the product. Now, that's a new kind of advertisement, and if you think about it, that's much more cost effective for businesses to advertise that way than to make a real TV commercial, which is very expensive, as you probably know.

OK. Now, there's another kind of hidden ad that doesn't seem like an ad. It's
40 what we call product placement. It's becoming more and more common. Now product placement is when a company pays to have its product appear in a movie or a TV show. So, for example, let's say you're watching a movie, and you see a man and a woman in a restaurant. Suddenly, you know, the waiter arrives and serves a bottle of soda. It seems normal, right? But if you can see the brand name
45 of the company on the bottle, well, then that scene is an advertisement for the soda.

So, let's talk about these "hidden" ads from the perspective of advertising companies. Why? Because there's a lot of evidence that shows us that using all these places for advertising, using all these new kinds of advertising has been very good for advertisers. Yes, of course we hear many people complain about
50 advertisements in movie theaters or in schools, but for the advertisers this innovative advertising has been very successful.

Why is this true? Well, with much of the traditional advertising, say, television commercials, and print advertising like in magazines and the like, a person can choose to avoid the ad. They can change the channel on television, or they can turn
55 the page in the magazine. And if they do that, they won't see the ad. But with many of these innovative approaches, many of these hidden advertisements, advertisers can advertise more, and consumers will still pay attention. In fact, as you can see, they have no choice but to notice the ads. Smart, right?

Let's look at how it works. I said that we are seeing advertising throughout the
60 day—on television, at the supermarket, on the street, and I also said that most of us don't notice how much and how often companies are trying to sell us something because many of these new ads are so hidden or so secret. So, in the long run, if the consumer is not aware of the advertising, the advertiser is less likely to lose the consumer. The consumer won't run away.

65 OK. Let's move on to discuss some of the reasons why we've seen this increase in new kinds of advertising. We really began to notice the increase in the 1990s. And one major cause was the spread of new kinds of entertainment. Let's follow this along. Since the 1990s we've had many channels of cable TV, you know, like

70 MTV, CNN, or ESPN for sports. So, suddenly there were so many new channels,
so much to see on television and so many new and different programs. Now, we
would probably agree that this sounds great for television watchers and great for
advertisers because they could have more places to show their ads. But almost the
opposite turned out to be true because with all the new channels, it was very easy
for people to actually avoid seeing television commercials.

75 So, with all the choices of channels on TV, the result was consumers actually
saw fewer ads. So, and this is important, here the result for advertisers was that
they had to start looking for other places to advertise besides television. They had
to become very innovative in finding new places to advertise. So, that's one reason.
OK. I'd like to bring up another reason for the rise in advertising. It's technology...
80 technology. New developments in technology have led to new and unusual, some
people might say, strange ways to advertise. And this again means more
advertising. Take this example: I'm sure you've watched a baseball or football
game on television. Maybe it looks like that soft drink ad is on the fence or on the
grass, but it actually exists only on television. The people who are at the game see
85 nothing on the fence. The ad is only visible when you watch the game on TV. So
how is this possible? Well, you can tell, it's computers and all kinds of high-tech
machines that have really created more and more opportunities for advertisers.

OK. Now that's it for today. Hopefully, I've shown you that advertising
companies are spending a great deal of their time creating new and very interesting
90 ways to advertise their products. So, I would say that all in all, this is an exciting
time to be in the advertising world. OK? I'll see you next time.

Lecture Ready 2 - Chapter 2 – Notes

Advertising, advertisers, and ads (advertisements)

1. increase in advertising, & kinds of advertising

- a. back of receipts, movie tickets, cars, classrooms, stadiums, restrooms
- b. overall increase

2. results of increase

- a. avg. person → 3,000 ads/day
- b. increasing number, increasing variety

3. two new kinds of advertising: *public & hidden*

- a. public
 - i. new places - elevators, park benches, schools
- b. hidden
 - i. ads that don't look like ads: stars interviewed - wearing logo
 - ii. product placement: product promoted within the entertainment – example: drink - label displayed

4. reasons for public and hidden ads

- a. successful
- b. not avoided by viewers
- c. increase began in 1990s, two reasons:
 - i. new specialty TV channels (cable TV) - easy for viewers to avoid ads - change channel, some cable channels had no ads
 - ii. new technologies → hidden ads possible – i.e. computer graphics, ad on a baseball field