WHAT IS AN ADVERTISING?
CHAPTER 2
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The trade of advertising is now so near to perfection that it is not easy to propose any improvements.  
(Samuel Johnson, 1760)

The competent advertising man must understand psychology. The more he knows about it the better. He must learn that certain effects lead to certain reactions, and use that knowledge to increase results and avoid mistakes. Human nature is the same today as in the time of Caesar. So the principles of psychology are fixed and enduring. We learn, for instance, that curiosity is one of the strongest of human incentives.  
(Claude Hopkins, Scientific Advertising, 1926)

INTRODUCTION

The field of advertising management is made up of a system of interacting organizations and institutions, all of which play a role in the advertising process. At the core of this system are advertisers, the organizations that provide the financial resources that support advertising. Advertisers are private or public sector organizations that use mass media to accomplish an organizational objective. It is the decision to invest resources in purchasing time or space in such mass media as television, radio, newspapers, or magazines that basically distinguishes advertisers from nonadvertisers. Advertisers make use of mass media. Nonadvertisers do not.

There are few elements of communication that are as pervasive as advertising. Every person, irrespective of age, income or class considerations, is exposed to advertising, in one form or the other. While a child may sing an ad jingle for entertaining family guests, a housewife may talk knowledgeably about the latest "micro system" for washing clothes. Almost everyone also has an opinion about advertising, moving from one extreme of immense likeability to another of utter contempt. People may love it or hate it but few can remain indifferent to advertising and its persuasive messages.
But what is advertising?

The word “advertising” is derived from the Latin word “advertere”, which means to turn (the mind) to. Today, all around us, we see how advertising does turn the attention of the public to a product, a service or an idea.

As an instrument of marketing, advertising acts as an effective multiple salesperson, reaching many people at one time, quickly, and at a relatively low cost.

The single most important contribution of advertising to modern society, lies in its ability to pre-sell products to potential users. It induces profitable trial-purchases that may lead to brand loyalty. This has made mass production profitable to entrepreneurs and reduced per unit cost of products for consumers.

Advertising today is a worldwide phenomenon, with the heaviest concentration in the United States. It is important at the outset to recognize that many advertisers use advertisements for many purpose with many different possible effects. For example, within a given country it is common to find what might be considered highly fanciful advertising for consumer goods such as toothpaste, detergents, or soft drinks, and highly technical messages dealing with construction equipment, medical supplies, or computer services. The advertisers themselves can include huge multinational firms, special interest groups, local shopkeepers, and individuals. Their intents can range from altering behavior to affecting the way people think about a particular social or economic position. The results of their efforts can range from enormously influential to a waste of the advertiser’s money. It is not, then, a subject that lends itself to oversimplification.

Defining Advertising

What is advertising? What are its important dimensions? The standard definition of advertising includes six elements. Advertising is a paid form of communication, although some forms of advertising, such as public service, use donated space and time. Not only is the message paid for, but the sponsor is identified. In some cases the point of the message is simply to make consumers aware of the product or company, although most advertising tries to persuade or influence the consumer to do something. The message is conveyed
through many different kinds of mass media reaching a large audience of potential consumers. Because advertising is a form of mass communication, it is also nonpersonal. A definition of advertising, then, would include all six of those features.

Advertising is paid nonpersonal communication from an identified sponsor using mass media to persuade or influence an audience.

In an ideal world every manufacturer would be able to talk one on one with every consumer about the product or service being offered for sale. Personal selling approaches that idea, but it is very expensive. Calls made by salespeople can cost well in excess of $150.

Marketers who have products and services for sale avoid the enormous expense of personal contact by using mass media to convey their messages. There the costs, for time in broadcast media and for space in print media are spread over the tremendous number of people that these media reach. For example, $650,000 may sound like a lot of money for one ad on the Super Bowl, but when you consider that the advertisers are reaching over 100 million people, the cost is not extreme.

Advertising is a complex subject - a valid economic activity in the view of some persons, and a social blight to others. It is quite possible that one person can hold remarkably different views about advertising at the same time; for instance, one individual might simultaneously hold the following beliefs:

Advertising affects my choice of products. interferes with my enjoyment of the entertainment media; brings me information about new products and product improvements; makes me and other people buy things we shouldn't buy; should be more stringently regulated by the government; and is a vital force in the proper functioning of the economy.

One way to define advertising is as a fraction of the incoming messages that the individual receives. Advertising messages seek to attract our.

At one extreme, some persons believe that advertising represents a waste of economic resources because of its large volume. Because advertising is so pervasive, some persons also believe that advertising leads consumers to purchase things that they should not or do not need, thus misallocating economic
resources and creating social pressures that lead people to act in ways that they would not if it were not for advertising. For these observers, advertising is a force that manipulates innocent consumers into behavior patterns that may not be in their best interest and that they would not adopt given a choice unfettered by the power of advertising. The late distinguished historian Arnold J. Toynbee has stated this case:

A considerable part of our ability, energy, time and material resources is being spent today on inducing us to hard labour in order to find the money for buying material goods that we should never have dreamed of wanting if we had been left to ourselves.

More specifically, advertising is criticized as being, at least in some instances, misleading, if not downright dishonest. For example, Colston E. Warne has written:

One may applaud the ingenuity of advertisers who today create from their imaginations new miracle product ingredients and virtues, some even unknown to scientists, and who fake scientific comparisons to demonstrate the television superiority of their brands. To the economist, however, the emergence and persistence of such practices spells the channeling of marketing demand toward the unscrupulous seller and the placing of a premium upon deception.

We will be coming back to the issues raised by Toynbee and Warne as well as the other critics of advertising in the chapters that follow.

For now, it is important to note that advertising is defined by some, negatively as an institution of society that tends both to misallocate scarce economic resources and to lead consumers away from behavior patterns that are in their own best interests.

Consumers and businessmen both understand that a continuation of advertising for a brand or company over a number of years is, in effect, a warranty that many have tried the brand and found it satisfactory in use. If this were not so, the brand would have failed and could no longer afford to advertise. Repeat purchase - the consumer's power of expressing product satisfaction - is the key. The greater the consumer's satisfaction, and the more repeat purchases, the bigger the economic base from which continuing advertising expenditures can be generated.
The function of advertising from the point of view of the businessman can be summarized as follows:

*Advertising's function is primarily to inform potential buyers of the problemsolving utility of a firm's market offering, with the objective of developing consumer preference for a particular brand.*

*Advertising is a marketing tool that helps sell brands of products and helps to build confidence in companies and institutions by conveying accurate and compelling information to consumers about the brand or company and institution.*

Kotler has estimated that about 10% of all advertising expenditures are generated in the nonprofit sector. This would have placed their aggregate amount at more than three billion dollars in 1977. There is every indication that the proportion of total advertising expenditures devoted to such ends is increasing. This seems to reflect two basic trends. First, adequate sources of funds, recruits, and supporters for these enterprises and entities seem to be drying up, and there is, therefore, a real need to stimulate support. Second, those who manage these institutions have come to perceive advertising as a low-cost means to accomplish their objectives, and thus to sustain the institutions.

The manager of a nonprofit institution or entity tends to define advertising in much the same way as the businessman:

*Advertising is a social tool that encourages public support of various governmental and other nonprofit institutions by conveying accurate and compelling information to consumers about the needs and goals these institutions and entities.*

The Oxford Dictionary of the English Language vividly portrays this evolution. In the fourteenth and fifteenth centuries, the word advertise meant almost exactly the opposite of what it does today. It meant that an individual was taking heed of or considering something that had come to his attention. "To advertise" was thus something that a person did for himself and had nothing at all to do with what someone else was trying to do to or for him. Later, "to advertise" came to mean to call the attention of another, or to notify someone else about something. The verb switched, in this evolution, from the intransitive mode to the transitive mode; it now had to do with what one person conveys purposefully to another person.
The historian Daniel Boorstin makes an interesting point about eighteenth- and nineteenth-century advertising and its use to encourage early American settlers to come to the New World.

Advertising, of course, has been part of the mainstream of American civilization. ... Never was there a more outrageous or more unscrupulous or more ill-informed advertising campaign than that by which the promoters for the American colonies brought settlers here.

It is true that advertising's role as a commercial force has expanded in the past half century and that this expansion has been associated with the rise of the electronic media, as well as an increasing breadth and diversity in the forms of the print media and print advertising vehicles. The explosion of media has thus been associated with a parallel advertising explosion. The availability of media and new media forms has undoubtedly facilitated the growth of advertising. Without advertising, the media would depend on other forms of support, such as political parties or governments, and would undoubtedly be less numerous, less popular in content, and probably downright dull. But the parallel development of media and advertising, complementary as it has been, is the artifact of that much more basic force of economic development and expansion, the industrial revolution.

The historian looking at advertising might define it as a means of conveying compelling messages that adapt themselves, through available media, to the needs of society and especially to the business needs of society as they evolve. Advertising is a tool that fashions itself to the changing needs, now predominantly commercial, of the society in which it is a part.

Theorists and practitioners alike agree that effective communication must be persuasive (change causing) to consumers in at least some sense. For example, Harold Demsetz of the University of California at Los Angeles says:

Communication seeks to alter the state of knowledge or the feeling of others, so that it implicitly attempts to persuade others that this information is worth having. Information cannot be communicated voluntarily without persuasion, which is the only practical alternative to coercion.
Veteran advertising copywriter Rosser Reeves lays it somewhat more sharply on the line:

Someone once defined advertising as: 'The art of moving an idea from one man's head into the head of another'.

Successful advertising must reach the consumer and cause some change in his knowledge, attitudes or behavior. Thus, if we are to define advertising from the standpoint of the consumer, we must discern two quite distinctly different levels of consumer response and involvement.

On the one hand, consumers experience advertising as a vast number of commercially sponsored messages of which only some are interesting, informative, and ultimately persuasive, and all others are simply irrelevant and never receive any conscious involvement or response.

But if we are to define advertising from the consumer's viewpoint in terms of those advertisements that make some sort of successful communication, a totally different description emerges:

Advertising is communication that provides generally useful, relevant, and pertinent information upon which the consumer either acts immediately or stores for later reference, application, and use.

A definition of advertising from the standpoint of one who works within the advertising industry is that advertising is a professional activity concerned with producing the most compelling advertisements possible and placing them in those media most likely to reach most potential prospects with the highest impact at lower cost.

To the person who is involved in the regulation of advertising, it is an economic activity subject to the restraint and regulation of a wide variety of forces in society, ranging from the consumer to the Federal Trade Commission. No other economic activity, save outright criminality, is subject to restraint and regulation of such scope.

Advertising: Concept

Advertising is a paid communication of goods and services. It is regarded as paid communication since the advertiser is required to pay for the space and time. To clarify the concept, here a few points are presented.
(1) The American Marketing Association defines advertising as:

"Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor."

(2) Advertising Age defines it as:

"The dissertation of information concerning an idea, service or product to compel action in accordance with the interest of the advertiser."

(3) Blake points out that:

"Advertising is the presentation and promotion of a product, service or idea where such presentation and promotion is identified with and paid for by a sponsor ... Advertising seeks not only to inform but to promote... to persuade people to buy a product or service."

(4) Borden states that:

"... Advertising messages are identified with the advertiser either by signature or by oral statement... Advertising is a commercial transaction involving payments to publishers or broadcasters and others whose media are employed."

(5) Stanton is of the opinion that:

"Advertising consists of all the activities involved in presenting to a group a non-personal oral or visual, openly sponsored message regarding a product, service or idea."

(6) According to Kotler, Ad can we viewed as:

"Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor."

**Advertising As An Institution**

Advertising is more than just a means of disseminating product information. It is a primary communications tool of our economic system. Advertising is also used to promote charitable causes, political ideas, and social and economic development. Aside from its diverse role as a persuasive communication tool, it is also part of the everyday culture of virtually every American. It is estimated that the average person sees or hears as many as 1,200 ads and commercials each day. Advertising is part of our social, cultural, and business environment. It mirrors this environment as well as bringing about subtle changes in the mores and behavior of the public who uses it. It is no wonder that advertising is one of the most scrutinized of all business enterprises.
What Advertising Does for People. One of the important things that advertising does is give consumers higher-quality products. "Product differentiation as reflected in brands makes it possible for the consumer to identify the manufacturer. Thus, it becomes vital to establish and to maintain high standards of quality which the buyer then associates with the brand. In fact, it often is necessary to improve the quality inorder to differentiate it from competitive products." Advertising is a necessary ingredient in the complex economic system that allows consumers the wide array of choice and availability of products they currently enjoy.

What Advertising Does for Business. Without advertising, businesses would not be able to bring new products to the attention of enough consumers fast enough to make the enormous cost of creating, developing, manufacturing and distributing these products a rational business decision. In a mass market economy, companies are limited in the ways they can inform prospects of new products and services. In addition to creating new markets, advertising is also instrumental in revitalizing old markets and maintaining and defending markets for established brands.

Advertising can also be explained in terms of the roles it plays in business and in society. Four different roles have been identified for advertising:

1. Marketing role
2. Communication role
3. Economic role
4. Societal role

The Marketing role. Marketing is the strategic process a business uses to satisfy consumer needs and wants through goods and services. The particular consumers at whom the company directs its marketing effort constitute the target market. The tools available to marketing include the product, its price, and the means used to deliver the product, or the place. Marketing also includes a mechanism for communicating this information to the consumer, which is called marketing communication, or promotion. These four tools are collectively referred to as the marketing mix or the 4 Ps. Marketing communication is further broken down into four related communication techniques: advertising, sales promotion, public relations, and personal selling. Thus advertising is only one
element in a company’s overall marketing communication program, although it is the most visible. The marketing role will be discussed in depth in Chapter 3.

**The Communication role.** Advertising is a form of mass communication. It transmits different types of market information to match buyers and sellers in the marketplace. Advertising both informs and transforms the product by creating an image that goes beyond straightforward facts. Specific suggestions about how in accomplish these tasks will be discussed in later chapters on creating messages.

**The Economic role.** The two major schools of thought concerning the effects of advertising on the economy are the market power school and the market competition school. According to the market power school, advertising is a persuasive communication tool used by marketers to distract consumers attention from the price of the product. In contrast, the market competition school sees advertising as a source of information that increases consumers price sensitivity and stimulates competition.

Actually, little is known about the true nature of advertising in the economy. Charles Sandage, an advertising professor, provides a different perspective. He sees the economic role of advertising as “helping society to achieve abundance by informing and persuading members of society with respect to products, services, and ideals.” In addition, he argues that advertising assists in “the development of judgment on the part of consumers in their purchase practices.”

**The Societal Role.** Advertising also has a number of social roles. It informs us about new and improved products and teaches us how to use these innovations. It helps us compare products and features and make informed consumer decisions. It mirrors fashion and design trends and contributes to our aesthetic sense.

Advertising tends to flourish in societies that enjoy some level of economic abundance, that is, in which supply exceeds demand. It is at this point that advertising moves from being a simple informational service (telling consumers where they can find the product) to being a message designated to create a demand for a particular brand.
The question is: Does advertising follow trends or does it lead them. At what point does advertising cross the line between reflecting social values and creating social values? Critics argue that advertising has repeatedly crossed this line and has evolved into an instrument of social control. Although these concerns are not new, the increasing power of advertising, both in terms of money (we spend more annually educating consumers than we spend educating our children) and in terms of communication dominance (the mass media can no longer survive without advertising support), has made these concerns more prominent than ever.

Advertising taxonomy

Advertisements are created en masse; they appear for a number of varied purposes, in different shapes and sizes; produced through different media and aimed at selective target audience. One of the ways of classifying advertisements can be on the basis of media used (viz. Print/Audio/Visual), Types of product (Consumer/Industrial), Character of Action sought (direct action V/s indirect) and so on. An attempt has been made here to narrate briefly a few major criterias on the basis of which advertisements are created.

(A) Advertisements Based on Demand Influence Level

Advertisements can be grouped on the basis of whether they attempt to promote specific brand of product or product class in general. Mainly two groups of such advertisements exist.

(i) Primary Demand Advertisements

Primary demand advertisements are the ones which intend to promote demand for generic products. Business/Industrial Associations often use these advertisements to build demand for products manufactured by members of such associations or to enhance the image of the business or industry as a whole.

This type of advertisements are widely opted for products/services/ideas which are new to the market and also used when the product class/service is facing a state of negative demand.

(ii) Selective Demand Advertisements

The Selective demand advertisements are those which aim at stimulating demand for a specific brand in which the company deals. Here,
basically the advertiser's efforts are aimed at differentiating the advertised brand from that of the competitors. By doing this they expect to increase the consumption of the advertised brand. Examples of such advertisements include the competitive or comparative advertisements. For instance, the advertisements of Godrej V/s. Liril, Nirma V/s. Surf, Goldcafe V/s. Nescafe, Colgate V/s. Promise, Videocon V/s. B.P.L. Sanyo etc. which are all selective demand advertisements that claim superiority of respective brands over competing brands.

(B) Objective Based Advertisements

Another way of classifying advertisements is on the basis of objectives/functions which they perform/are expected to perform. Such advertisements comprise of:

(i) Institutional Advertisements

The Institutional Advertisements are directed at establishing and enhancing the name of the unit that offers the product. Institutional advertisements may be informative persuasive and reminder oriented.

(ii) Product Advertisements

A large number of advertisements fall in this category. The advertisers efforts with respect to these advertisements are directed in informing and stimulating demand for the product advertised and includes description of product features, price, quality, benefits, uses etc.

The product advertisements are largely reminder in nature; its application covers its use generally in the introductory stage of the product life cycle as well as in the growth stage and to some extent even in the maturity stage.

(iii) Public Service Advertising

Public Service Advertising as such has a non-product/non-service perspective. The focus of such advertisements is on some matter of importance to public welfare and may include social, economic or cultural issues worthy of public attention.

For instance, The advertisement on National Integration, Health and Family Welfare.
Such advertisements are generally used to create awareness among people, inform and educate them on relevant aspects of social cases and in the long run bring about a behavioural and attitudinal change.

Such advertisements may include informative, persuasive and reminder ads.

**Future projection - A look into 90’s and the 21st Century:**

Advertising in India has achieved a level of sophistication and maturity in the last decade which is indeed incredible, considering the enormous complexity and heterogenous nature of the Indian market.

India has one of the fastest growing markets in the world due to the size of its population and its increasing prosperity. The 21st century will bring many dramatic changes in the field of advertising.

**Global Concept:**

The force that will have the greatest effect on the future of advertising is consolidation. We are, at this moment in the midst of an enormous process of consolidation among marketing companies, advertising agencies and the media.

On October 2nd, 1989, the wall Street Journal announced a pending agreement on “TV without Frontier” by 1992 By next year more than forty new satellite channels will be broadcasting over Western Europe to local cable systems and home receiving dishes. These new commercial channels will need 500,000 hours of television programming a year.

This will have a tremendous impact on advertising in India. It will mean more variables and more creativity as well as price competition and Global package deals for global markets. For multinational marketers this will mean package deals that cut across various forms of broadcast and print. The future world of advertising will have more and more giants dealing with giants, and advertising agencies will be forming buying partnerships.

Despite the rapidly changing scenario, the four areas that will not see change are Advertising growth, Advertising Value, Creative average and Career Opportunities. Companies would still rely upon advertising to improve their competitive positions. Advertising as a career would be very attractive indeed for enterprising young people.
Future of Advertising in India can be studied effectively by understanding the role of advertising in the following fields:

1. Creativity  
2. Consumers  
3. Marketing  
4. Media  
5. Government Policy  
6. Advertising as a Business

1. Creativity:

Advertising in order to be effective will have to be distinctive - which necessarily means it will have to be based on strong creative ideas. At the end of the day CREATIVITY will set apart one campaign from another - creativity in the fundamental advertising idea, creativity in the actual execution of the advertising, creativity in media selection. The discrimination between equal advertising investments in the same category will be creativity.

The essence of creativity is to add one and one and come up with 11 - not just 2. Just as it does not come cheaply today, creativity will not come cheaply in the 21st Century. With increasing competition creativity will get a premium. But it will continue to be the biggest bargain in the marketing mix.

It is obvious that the advertising agencies with the greatest financial resources will sooner or later end up with the greatest creative sources as well. They will simply be able to end outdud their weaker Competitors for the best talent. Originality of thinking will be absolutely necessary, involvement with clients absolutely essential. Only those agencies which satisfy all these three criteria will come out of "Top" not necessarily in size, but certainly in terms of professional reputation.

2. Consumers:

The future will see consumer expectations going up - consumers will want better value for money, by way of information, better response from manufacturers. Consumer awareness will be heightened. Companies which are responsive to the consumer and are willing to invest more in terms of money, effort and time, will reap the pay off in the long run. This will also pose a greater challenge to the marketer, not only because of a wider choice available with the consumer, but because of various options available as channels of disposable income. The marketer will have to compete with these options and influence consumer choice in his favour.
3. Marketing:

Advertising is a serious marketing input. Marketing a product is expensive and difficult, especially for small scale industries. More and more people will look at marketing companies to help market their products. In the coming decade market research is going to play a key role in most of the companies.

The market environment is changing. More and more people are coming out with new products and so the markets are becoming more and more competitive. It is not going to be easy to launch a new product from the manufacturer's point of view. The more information one has about the market and research in the present competitive environment, the more one can evolve better marketing and advertising strategies.

Rural Markets: Rural marketing is the wave of future clients and agencies will have to invest in developing rural media.

The scope for marketing in the 90s will change significantly in so far as a huge rural market for fast moving consumer products and durable will become the marketing frontier for the 90s. Not only will this mean an increase in the size of traditional markets, but an opportunity for a whole series of new types of products and brands which have particular relevance to the rural consumer. This is likely to be the major change in the next five years.

With the increasing spread of rural income and the growth in TV coverage, the lower strata too in the rural areas will offer a potential for consumer products in the future.

Urban Markets: The growth in the urban population, major segment for many consumer products, over the last decade has been very significant and will continue to be so. In the 90s close to 1/3rd of the population will be in the urban areas. Simultaneously, incomes too have begun to rise steadily. The urban market, therefore, becomes a major target for the advertising companies.

4. Media:

Media will change very dramatically in the 21st century. It will be just as dynamic, exciting and creative as advertising intself. A number of
factors such as economic, social, technological and government intervention
will be responsible for the change in media.

Media planning and buying will assume greater importance in an
environment where media rates continue to increase and large sums are being
spent on advertising.

Which media?

Each of the several mass media channels has advantages and
disadvantages. Magazines provide greater visual impact than do newspapers,
yet cost more. Television provides visual impact as opposed to radio’s purely
auditory impact, but again costs much more.

The most important aspect of choosing a medium is its ability to
reach the particular market that is desired.

Whatever the direction of change, there will be more and more
variables available to the Media Planner.

What will be the media of the 21st century? It is said that
historically, media do not die, they simply fade away and come back in new
formats. Radio was supposed to kill newspapers. Instead it transformed them.

Television was supposed to destroy radio and magazines. There
is a view that T.V. will become stronger particularly if Doordarshan gets
autonomy. but the print medium because of competition from the electronic
medium will become more responsive and responsible. The honeymoon will
Doordarshan will get over sometime in the 90s and lots of consumer software
advertising which had gone over completely to TV will begin to sue the press
as a support medium.

This conviction is based on two factors (i) It has been the trend in
Europe and in the U.S. and (ii) The present strategies entirely based on TV are
already showing signs of infirmity. Print will offer clear segmentation, colour
and sharper targeting in a competitive environment.

Under competitive conditions and the margin squeeze, print/press
demands a larger share of the literate and prosperous market e.g. Appointment
advertising, tender and public notices, as also financial advertising to some extent
- all these do not go to T.V.
The English press may not be able to grow at the same rate, but there will be a tremendous vitality in the regional language press - which is growing very rapidly. Whether it is the social or political influence, there is no substitute for the press in so far as the local reach or influence is concerned. A number of big industrialists are now getting involved and because of their involvement, there will be a lot of new software technology and access to global information resources. Better variety of paper like Art, Glazed and Standard along with increased colour offerings will make advertisements in the printed media more attractive.

The Electronic medium will not in any way affect the press. In America it was said that the press was finished with the advent of TV. But this did not happen. In India, too, the print media will not suffer because there is a vast market and also because of new technologies and production techniques that are coming in. Probably the marginal publications will be the worst sufferers. The more popular publications are going regional inorder to be broader based and reach a wider audience. This regional broader base is available on the TV network, but Doordarshan involves huge costs and equally huge amounts of wastages.

If the cost factor is not the criterion, then T.V. has tremendous scope for the advertising agency. To be effective, copy writers and art directors will have to learn to be film makers. Video consoles will be the drawing boards, and videotronics will be the new language. The T.V. department of the Agency will become the nerve centre of advertising. Television could be the most powerful selling medium in history. TV’s effectiveness will lead to rapidly growing advertising investment.

Media of the Future:

Apart from the radio, press and T.V., new media will be developed, based essentially on the hardware that is being perfected right now.

In his new book, Peter Drucker forecasts that the fax machine will replace the post office. That could represent a new delivery system for anything on paper that currently travels through the postal system.

Under a perfectly feasible scenario, satellite transmission to individual home dishes could be the basic delivery system of television.
A number of remarkable developments are suspended on the spread of fibre optic networks. Fibre optics replace electricity with light, and copper wires with strands of glass as thin as human hair. A pair of copper wires can carry 24 conversations, but a pair of glass fibres can handle 1300 simultaneous telephone conversations. The potential for interactive media is both obvious and enormous.

For the last ten years there have been forecasts of a remarkable piece of communication equipment - an interactive television set, harnessed to a powerful PC with a capacity for two way communications and a roster of functions that includes accessing data bases, completing a variety of transactions from banking to shopping, news, weather, stock transactions, games, electronic mail and more.

With a scenario like this what happens to today's media like magazines, radio and television?

With new data bases and advanced technology, they will find new ways to segment the audience. This has already started with advertising and will intensity as technology develops. The same idea will be translated to editorial with different stories for different groups. In effect, therefore, there will be multiple magazines under the same banner.

As far as newspapers are concerned, because of the presence of television and under the pressure of economics, there will be only one - or at the most two - influential daily newspapers in most metropolitan areas. Readership will still be mass, but limited to the upper income, better educated, top half of the population.

Newspapers will be like magazines with colour, special sections and better paper. This is already happening right here in India. They will have the same techniques as magazines for targetting advertising.

What will happen to radio? With thousands upon thousands of radio stations the medium has already fragmented as much as it is likely to.

There are some other media media worthy of thinking about. For example video cassette rentals accept ads with no evidence of consumer resistance, provided the advertising itself is entertaining. Cinema advertising will grow everywhere.
In the U.S. the phenomenon called pay-per-view will be available in 40 million homes by 1997. The owner of a specially equipped television set dials a given phone number to order a single viewing of a special programme at a specified price. Some of the most popular TV programmes will be pay-per-view television events in the 21st century. They too will carry advertising.

New media research tools will make a major contribution to accountability and accuracy. In the next century there will be tremendous growth of media variables and innovations.