6. How are advertising media selected?

Most Americans are bombarded daily with advertisements to buy things. Traditional advertising is any paid form of nonpersonal presentation by an identified sponsor. It may appear on television or radio; in newspapers, magazines, books, or direct mail; or on billboards or transit cards. In the United States, children between the ages of two and 11 are exposed to more than 25,600 exposures to advertising through TVs and online exposures a year. Adults are exposed to three times as many—one more than two million commercials in a lifetime.6

The money that big corporations spend on advertising is mind-boggling. Total advertising expenses in this country were estimated at more than $206 billion in 2017.7 Global advertising expenditures are approximately $546 billion annually.8 General Motors is America’s largest advertiser, spending over $3.1 billion annually. This is slightly over $350,000 per hour, seven days a week, 24 hours per day. America’s biggest global spender on advertising is Procter & Gamble at $4.6 billion.9

Nissan was a sponsor of the 2016 Rio Olympic Games and provided 5,000 vehicles for the events. Ads for the 2018 Super Bowl cost between $5 million and $5.5 million for a 30-second commercial. A 30-second spot on NBC’s Sunday Night Football costs about $650,000.

The Impact of Technology and the Internet on Traditional Advertising

Many new media are not hardwired or regulated, and digital technology is delivering content anytime, anywhere. Cable, satellite, and the internet have highly fragmented audiences, making them tougher than ever to reach. In the late 1950s,
Gunsmoke on CBS captured a 65 percent share of the TV audience nearly every Saturday night. Only one event, the Super Bowl, has a chance to do that now.

Traditional forms of entertainment are being rapidly digitized. Magazines, books, movies, shows, and games can be accessed through a laptop or a cell phone. In 2017, 93 million U.S. homes have broadband connections—nearly as many as the 119.6 million that now have cable and satellite hookups. Technology is driving many of the changes, but so is consumer behavior. Advertiser questions abound. How do you market a product to young people when millions of them are glued to video game screens instead of TVs? How do you reach TV audiences when viewers can TiVo their way past your ads? How do you utilize social media to get the word out about your product, and once you do, how do you control the message if something goes viral? What role do influencers play in promoting products and services via various electronic platforms? What should you make of blogs? How do you plan a website that fosters sales and continually provides information and other forms of value for your customers? Product placements in films and streaming content? Podcasts? We will touch on each of these later in the chapter.

Choosing Advertising Media

The channels through which advertising is carried to prospective customers are the advertising media. Both product and institutional ads appear in all the major advertising media. Each company must decide which media are best for its products. Two of the main factors in making that choice are the cost of the medium and the audience reached by it.

Advertising Costs and Market Penetration

Cost per contact is the cost of reaching one member of the target market. Naturally, as the size of the audience increases, so does the total cost. Cost per contact enables an advertiser to compare media vehicles, such as television versus radio or magazine versus newspaper, or, more specifically, Forbes versus The Wall Street Journal. An advertiser debating whether to spend local advertising dollars for TV spots or radio spots could consider the cost per contact of each. The advertiser might then pick the vehicle with the lowest cost per contact to maximize advertising punch for the money spent. Often costs are expressed on a cost per thousand (CPM) contacts basis.

Reach is the number of different target consumers who are exposed to a commercial at least once during a specific period, usually four weeks. Media plans for product introductions and attempts at increasing brand awareness usually emphasize reach. For example, an advertiser might try to reach 70 percent of the target audience during the first three months of the campaign. Because the typical ad is short-lived and often only a small portion of an ad may be perceived at one time, advertisers repeat their ads so consumers will remember the message. Frequency is the number of times an individual is exposed to a message. Average frequency is used by advertisers to measure the intensity of a specific medium’s coverage.
Exhibit 12.8 In addition to listing hundreds of scrumptious menu choices and cheesecakes, the Cheesecake Factory’s magazine-sized menus feature a number of full-page glossy ads for Bebe, Macy’s, Mercedes-Benz, and more. An increasingly popular media option, menu advertising offers many promotional benefits: huge readership by a captive audience, outstanding demographic selectivity, and great value—less than a penny per exposure. How do advertisers decide whether or not menu advertising is right for their promotional mixes? (Credit: Mighell xp/ Flickr/ Attribution 2.0 Generic (CC BY 2.0)

Media selection is also a matter of matching the advertising medium with the product’s target market. If marketers are trying to reach teenage females, they might select Seventeen magazine. If they are trying to reach consumers over 50 years old, they may choose AARP: The Magazine. A medium’s ability to reach a precisely defined market is its audience selectivity. Some media vehicles, such as general newspapers and network television, appeal to a wide cross section of the population. Others—such as Brides, Popular Mechanics, Architectural Digest, MTV, ESPN, and Christian radio stations—appeal to very specific groups. Marketers must also consider utilizing various social media platforms and which platforms are most likely to reach the targeted market.

**CONCEPT CHECK**

1. How is technology impacting the way advertisers reach their markets?
2. What are the two main factors that should be considered when selecting advertising media?