But Wait, There’s More!: Advertising, the Recession, and the Future of Commercial Culture
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not fading from popular import; reports of viewership note expanded traditional viewing during recessionary periods, as has been the case in this one as well.

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But Wait, There’s More!: Advertising, the Recession, and the Future of Commercial Culture

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One sign of any prominent cultural and social trend is advertising’s appropriation of it. This is especially true for something as enormous as the global recession. Ads for Trojan condoms punned, “We put forth our own stimulus package: the Trojan pleasure pack. Because we believe we should ride out these hard times together.” The Mars company promoted a “Chocolate Relief Act” contest to win free candy. The “Hyundai Assurance Program” promised that new purchasers who lost their job (within a limited time frame, of course) could return their Hyundai. LG advertised its phones in China with “In ancient China, it took a hero with a magic weapon to win a war. In today’s difficult time, to win the war of the world economic crisis, this phone will do magic for its owner.” We see the success of infomercials for products such as the Snuggie with their “But Wait, There’s More!” add-ons, and fast food companies such as Taco Bell have actually increased ad spending during the recession, touting cheap meals as recession busters (for discussions of the above, see Hall, 2009; Levy, 2009; Newman, 2010; “Nothing to,” 2009). References to thriftiness and bad economic times in advertising are not new; the Great Depression of the 1930s also affected marketing appeals, when ads would threaten financial ruin as the consequence of not using brands. In those ads, people were fired for bad breath, dirty underwear, and offensive B.O. (Marchand, 1985).

The Depression is also illustrative for our current context in more fundamental ways. Similar to the recent crisis, not only did the world face serious economic hardship in the
1930s, but at the same time there was a major shift in media systems from print to electronic, a shift in which advertising and economic downturn played key roles. The prospect of “free” content cultivated the popularity and dissemination of radio after the Stock Market Crash of 1929. In the United States, the number of homes with at least one radio more than doubled from 1929 to 1940 (Cross, 2000). With this growth, advertisers saw radio as a way to enter the home. While magazines suffered from a decline in advertising revenue during the Depression, radio’s advertising revenue greatly increased in the early 1930s, especially national advertising (McChesney, 1993). This led to the fundamental commercialization of US radio, where advertising became a virtually exclusive source of the medium’s funding, advertising agencies often produced programs themselves, and advertising sales pitches and their integration into radio content intensified (Cross, 2000; McChesney, 1993). Because of commercial radio’s economic structure, audience measurement became institutionalized (Meehan, 2005). Advertising and radio during the Depression set the table for the later development of television as an advertising-centered medium and the solidification of a Western consumerist culture during more prosperous times after World War II (Ewen, 1976).

The Great Depression and its relationship to advertising and media development are eerily concordant with the recession 80 years later. Now we also have a shift in both audience and advertising revenue from one media category to another, in this case analog to digital media, a shift that certainly began before the recession (like radio before the Depression) but that has been accelerated by these circumstances. We see digital media as attractive to users for its “free” content (i.e., TV shows online, song downloads, and news sites). We see advertising integrating itself into new cultural forms as both a way to garner control and maximize reach and cost efficiencies. What we may be seeing, then, is a movement toward permanent changes that likely would have occurred anyway but that the recession has intensified and rationalized. Such changes will have significant implications for new patterns of advertising, media, consumption, and social relations.

Recent advertising spending patterns signal these changes. For 2009, especially, global advertising spending declined an estimated 10%, after essentially no growth in 2008. The 2009 drop was one of the most dramatic in modern times, and it might take years for global spending to reach 2006 levels. Geographically, the downturn was not distributed equally, with China showing a 7% growth, but the United States declining more than 16%. Significantly, the drop has not been equally distributed by medium. The biggest drops in global revenue were experienced by print media (magazines and newspapers, each declining around 17%); every medium saw a revenue decline, except online advertising, which experienced modest growth after years of robustness and, after the recession, will probably be the fastest growing form of advertising (the above predictions from “Carat issues,” 2009).

This shift, like the previous century’s print-to-electronic change, has implications way beyond some media having more ads than others. Obviously, as a major source of funding for media systems, advertising media buying greatly influences which media forms struggle or even disappear, and which media forms thrive. Clearly much attention has been turned to the fate of newspapers in this light (Downie, Jr., & Schudson, 2009; McChesney & Nichols, 2010). Beyond this, three interrelated implications resulting from the ad revenue decline and reallocation may have significant impact upon our media culture: the nature of digital advertising, the emphasis on advertising accountability/procurement, and new versions of integrated marketing.
The attention by advertising toward the internet and other forms of digital communications has been hastened by the recession. The statistical trends above signal this move, and it may not be long before online becomes the dominant category of advertising spending. Online ad spending has already overtaken television spending in the United Kingdom in 2009, the first major market where this has occurred (Bradshaw, 2009). It is not likely that advertising revenue for traditional media, especially print, will return to previous levels even in an economic recovery (Ives, 2009). Clearly, advertisers’ attention toward digital forms has been in the works for many years (Spurgeon, 2008), but the shift has been hastened by justifications offered by the recession. Traditional (and big salaried) advertising agency executives have been replaced with younger, cheaper, and more digitally savvy execs (Bush, 2009). The inexpensiveness of email, promotional websites, and social networking like Twitter and Facebook, when compared to purchasing ad space or commercial time on traditional media, help justify the digital move as cost cutting. Voluntary-labor assumptions built in to the logic of Web 2.0 allows advertisers to use consumers to create ads (via User Generated Commercial contests), distribute ads (via viral marketing), and provide market research for ads (via tweets, user comment sections on websites, or fanning brands on social networking sites).

The recession has also placed pressure on the issue of advertising “accountability” and “procurement.” Advertisers demand evidence from their agencies of how advertising increases purchases. This demand enhances the attractiveness of digital media — given their micro-niche targeting, data collection capabilities, and merging of selling with shopping with purchasing. But it is also changing the philosophy of how advertising agencies are paid, shifting from traditional billable hours and media-buying commission fees to more “Return on Investment” or behavioral measures of advertising effectiveness that link ad exposure to purchasing behavior, measures that the interactive and converged nature of digital media offer (Ingram, 2009). The older traditional model of advertising effectiveness — CPM, Cost Per Mil — assumes that (1) sampling measures of audience exposure to media content are accurate; (2) exposure to content leads to exposure to the adjacent advertisement; and (3) exposure to the same ad will have some sort of desired effect on everyone. More easily pitched as “accountable” are refined behavioral measurements — CPC, Cost Per Click — that structure payments when users click on or “mouse over” an ad itself, ads that are often targeted specifically for a user’s purchasing and media-use profile/behavior. As our traditional media forms (i.e., TV shows, movies) become increasingly digitized and interactive, advertisers may insist on such behavioral effectiveness measures for them as well, leading to the integration of targeted data collection and purchasing opportunities not only in the adjacent advertising that interrupt these cultural forms but also purchasing opportunities within these cultural forms (more on this below). Part of the “value-added” for Comcast’s purchase of NBC-Universal, a purchase facilitated by the decreased price for recession-era NBC, is developing individualized “addressable advertising” through cabled vertical integration (Steinberg, 2009).

A third related trend is the relationship between the recession, digital media, and Integrated Marketing Communications (IMC). The coordination of different promotional channels and techniques to convey a consistent brand or campaign message, IMC has been enhanced by both the recession and digital media, with the former encouraging more inexpensive promotional venues and the latter offering these venues, leading to more opportunities for “multichannel marketing.” New, cheaper digital channels have complicated but also privileged media buying practices and departments in advertising agencies (Turow, 2010). “Below the line” unmeasured selling techniques such as direct marketing, public relations, sponsorship, product placement (and its more
intense siblings, product integration and branded entertainment), viral marketing, and social networking can be coordinated with traditional media spending to stretch the advertising dollar and exploit the unique capabilities of interactive media. It is telling, then, that spending is expected to increase through 2015 in marketing services such as event sponsorship and public relations ("Ad spending," 2009). Also facilitating IMC are mobile platforms such as smart phones that not only converge together different media forms (e.g., music, TV, games, social networking) but also converge commercial functions such as selling, shopping, and GPS-facilitated proximity tagging to retail outlets (for a discussion of "mobile-commerce" see Andrejevic, 2007).

A “branded app” such as from Starbucks (called “myStarbucks”) is a recession-busting cheap form of promotion for Starbucks; once developed, users voluntarily download it. The app not only can “data profile” a downloading user as Starbucks-loyal but also can nudge that user to the nearest Starbucks while touting the latest flavored venti latte. Users can also create drinks and “share your future Starbucks beverage” with friends via texting or the apps’ integration with Facebook and Twitter. The Starbucks Card Mobile (a separate app) allows users to electronically re-charge their Starbucks purchasing card and in some locations pay directly with the app — all of which further adds to the users’ data profile. Future versions may include targeted offers/products (e.g., gingerbread-flavor for you, peppermint for me) and cross-promotional appeal with different media stars (e.g., a latte-lipped Rafael Nadal for you, Tina Fey for me), shaped by the media use and purchasing patterns of that particular user.

Trends discussed above dovetail with advertising looking for cheap channels that are easily coordinated, interactive, and ultimately more intrusive into our everyday lives and culture. The recession did not trigger this movement but has facilitated it. The Great Depression saw the largest infusion (up to that point) of commercialism in the American home; radio sponsorship used host selling, jingles, and product-based skits to reinforce the connection between program and advertiser. We may see the current recession boosting a similar leap in the commercialization of culture. We are witnessing more efficient and individualized targeting but with additional and coordinated weaponry. In our media future, we may be bombarded with television programs offering interactive and targeted product integration as advertisers now demand such relationships and media desperate for ad dollars submit to these expectations.

What kind of media future might we expect? Like the necklace worn by an American Idol contestant as you watch this week’s episode? You should, because that necklace’s style and color was digitally altered to fit your particular data profile of purchasing and media use behavior. Want to buy it? That is easy; e-commerce is built into the televisual system: just point and click your interactive system to do so while still watching American Idol. Decide to buy it later? Do not worry; your smart phone will notify you when you are near a retail outlet that sells it (and, if you are lucky, with a special offer just for you!), integrating the American Idol clip in its notification as a friendly, personalized reminder.

A profound irony is that the global recession, an economic crisis at least in part triggered by the zealous promotion of overconsumption in one financial sector (housing), may facilitate additional forms of consumption and consumer debt in our everyday media use.

Without the recession we may have had more time to understand our new digitized commercial culture. But the recession has sped up the timetable. For media and popular communication scholars, our job as documentarians, analysts, and critics of such changes becomes more complicated by the accelerated pace set by the recession but also more significant.
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The Global Economic Meltdown: A Crisotunity for Canada’s Private Sector Broadcasters?

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Lisa Simpson: “Did you know that the Chinese use the same word for ‘crisis’ as they do for ‘opportunity’?”
Homer Simpson: “Yes. Crisotunity!”