New Media and the Commercial Sphere: Two Intersecting Trends, Five Categories of Concern

Matthew P. McAllister and Joseph Turow

This introduction to the special issue of The Journal of Broadcasting & Electronic Media on “New Media and the Commercial Sphere” begins by discussing the intersection of two trends: the spread of digital interactive media, and the expansion of synergistic marketing communication. It then surveys five categories of concern that are raised by the contributors of this special issue that will continue to draw scholarly attention about new media and the commercial sphere: editorial influence, deception, commodity fetishism, intrusion and privacy, and opportunities for consumer resistance.

This special issue of the Journal of Broadcasting & Electronic Media on “New Media and the Commercial Sphere” aims to encourage scholarly research on the intersection of two trends: the spread of digital interactive media, and the expansion of synergistic marketing communication. Of the two trends, the spread of digital interactive media has generated more academic research and general public discourse, with assessments that are exhilarating to some but fundamentally disturbing to others. By contrast, writing about the implications of synergistic marketing communication has generally been confined to the advertising and public relations trade press (exceptions include Andersen & Strate, 2000; McChesney, 1999; Meehan, 1991). That is unfortunate because developments in this area are fundamentally changing the persuasion industries in the U.S. and other countries in ways that cry out for critical scholarly examination and public debate. Moreover, the new developments in marketing may well have profound consequences for the structure and content of twenty-first century mass media.

The articles in this special issue address important aspects of the emerging relationship between digital media and synergistic marketing. Our preface aims to place them into the context of a big picture. We sketch the nature of the two trends

Matthew P. McAllister (Ph.D., University of Illinois) is an Associate Professor in the Department of Communication Studies at Virginia Tech. His research interests are in the political economy of the mass media, advertising criticism, and ideological analysis.

Joseph Turow (Ph.D., University of Pennsylvania) is the Robert Lewis Shayan Professor of Communication in the Annenberg School for Communication at the University of Pennsylvania. A major area of his research centers on the intersection of marketing, new media, and society.

and locate their key points of connection to each other. We suggest that the articles that follow reflect the trends in multiple ways that may not be obvious at first. The articles also raise concerns about the emerging media-marketer relationship that resonate with traditional critiques but also broaden the concerns.

Two Emerging Trends

By digital interactive media we mean computer-driven forms of communication that allow for real-time exchange of audiovisual material among people and organizations. The Internet and its graphical interface, the World Wide Web, are paradigmatic of the kind of digital interactive technology that will permeate industrialized societies during the twenty-first century. The Web has three features that, taken together, distinguish it from past media. First, its digital nature means that users can send, retrieve, transform, and store the material that moves across it. (A 13-year-old can carry on a discussion in a chat room, and the firm that operates it can store the text for future analysis.) Second, the Web's two-way, interactive nature means that senders and receivers can respond to one another in an ongoing fashion. (The chat room operator can send ads for products that reflect the interest that the teen reveals through the ongoing chat.) Third, its ability to function through sophisticated computer software and hardware means users' activities can be tracked, sorted, and predicted through increasingly intelligent agents. (The company hosting the chat room can analyze the discussions and sell the results—and even the opportunity to reach the discussants—to market researchers.)

Although the World Wide Web dates back to only 1993, Americans are going online in large numbers, at home and work. By September 2001, more than half of U.S. households had Internet connections, and well over two-thirds were using a computer at home, work, or school (U.S. Department of Commerce, 2002). Despite a lingering "digital divide" based on income and certain ethnicities, the Web has become a major communication vehicle for much of American society. Much Web use involves purely interpersonal interaction through electronic mail, chat room conversation, and personal Web sites. As the Web has matured, though, a larger portion of it—and a larger portion of its use—has related to commercial purposes. The Web's commercial (.com) sector has skyrocketed, outpacing by far the growth rate of nonprofit (.org), educational (.edu), and government (.gov) sites. Moreover, despite a "dot-com bust" in the early twenty-first century that dashed hyperbolic optimism about Web commerce and media ventures, connections between commerce and the Web, media firms and the Web, and advertising and the Web were becoming natural parts of the business landscape. Among the largest online publishers, ad sponsorship was actually becoming a viable profit model—a relatively new phenomenon. In fact, the head of the Internet Advertising Bureau asserted in mid-2002 that of the biggest 25 online companies that relied on advertising that year,
half were profitable. He predicted that 75 percent would be in the black by the end of the year (Tedeschi, 2002b).

The commercial Web has increasingly become a vehicle for the second trend, the expansion of synergistic marketing communication. The phrase refers to the orchestrated use of multiple media channels and publicity methods in order to sell products, services, and ideas. It is a development that involves strategic changes in the number and kinds of channels marketers use as well as in the approach to persuasion. This phrase combines wording from two terms that came of age in the 1990s: synergistic ownership strategies in media and advertising organizations, and integrated marketing campaigns. Both involve the development and systematic use of multiple promotional outlets to reach desirable audiences and impose a consistent brand image (see Turow, 2003, pp. 165-236).

Before 1980, most campaigns of consumer persuasion relied primarily on traditional advertising in a few media. During the 1980s, the increased number of broadcast channels, the spread of the VCR, cable television, and satellite TV, the introduction of the home computer, DVD, and the Web fragmented the U.S. audience’s viewing possibilities and pointed advertisers toward the need for market segmentation. Technical developments in telecommunications (especially the 800 number) and desk-top computing (including the ability to sift through large consumer databases) encouraged marketers’ belief that consumer targeting could be carried out efficiently. At the same time, concern about an audience of consumers who were frequently on the run and often did not find traditional advertising credible encouraged marketers to use a variety of advertising and non-advertising methods to confront and persuade their targets (see Turow, 1997). These ranged from broadcast and interactive television, billboards, and the Internet to race cars, cereal boxes, and clothes. The marketing communication methods ranged from traditional advertising and public relations to product placement and event marketing, viral marketing, and guerilla marketing. The goal is to create a campaign in which the pieces reinforce each other by following target consumers wherever they go so that they will get the messages in entertainment programming, information banks, and news reports as well as through standard ads.

These technical and strategic developments paralleled, influenced, and were influenced by two major structural changes within the media system. The first was the emergence, beginning in the 1980s, of major media conglomerates such as Time Warner that used the goal of cross-media synergies to justify the variety of industries under their umbrella. The second, which is less well-known and hardly discussed among communication researchers, was the morphing of major advertising agencies into huge marketing communication holding companies, such as Interpublic, that aimed to become one-stop purveyors of synergism and global persuasion to clients (for a brief discussion, see McAllister, 1996).

The media conglomerates and communication holding companies were ultimately motivated by the same goal: power over the media system. AOL-Time Warner, Disney, Viacom, News Corporation, Bertelsmann, and Vivendi Universal
argued, in essence, that their conglomerate clout could return control and order to the fractionalized media landscape. Not only would they promote their own holdings to the millions of consumers who connected with them daily, they could link those consumers to marketers via lucrative cross-media packages that would use targeted advertising and promotion in the synergistic ways that were becoming the norm. For their part, marketing communication holding companies such as Interpublic, WPP, Omnicom, and Publicis held themselves up to their clients as counterbalances to the power of big media firms through huge media-buying clout and ability to apply persuasive communication in ways that extended far beyond traditional advertising and PR.

By late 2002, neither the synergistic strategies of the media conglomerates nor those of the marketing communication holding companies were working out as profitably as stockholders wanted. The media firms were finding it difficult to sell cross-platform packages without giving up large discounts while the holding companies were finding their clients loath to contract for all marketing communication from one company—to place all their eggs in one basket. Despite drawbacks, both areas of the media system were moving ahead with their synergistic strategies under the assumption that the drawbacks were (sometimes severe) growing pains of a new media environment. The 2002 merger of Publicis with BCom3 witnessed marketing executives commenting along these lines. On the media side, the mixture of ballyhoo and criticism of AOL’s merger with Time Warner in 2001 (as Auferheide in this issue explores) as well as Vivendi’s linkup with Universal (Seagram) in 2002 and its later stock implosion elicited similar comments.

Mention of AOL-Time Warner and Vivendi Universal brings up the proposition that the two highlighted trends should be viewed as interrelated when conducting research on new media and the commercial sphere. The reason is that both media conglomerates and marketers consider digital interactive media—especially the Web, mobile phones, and interactive television—as increasingly important current and future platforms for the expansion of synergistic marketing communication, as scholars such as McChesney (2000) and Schiller (1999) have argued. AOL has already been extremely active in trying to push beyond subscription revenues by leveraging its presence in over 30 million homes into a promotion vehicle for its various divisions as well as for outside sponsors. Both AOL-Time Warner and Vivendi, owners of two of the world’s largest music companies, have been searching for profitable ways to advertise, promote, and sell recordings across various digital venues in the face of severe technical and copyright challenges that arise directly from the digital nature of those venues.

These two trends—digital media and synergistic marketing communication—should be contextualized within an overarching hallmark of the twentieth and twenty-first centuries: the commercialization of society. During the past hundred years, various forms of advertising have become taken-for-granted threads running through the fabric of people’s lives. Not all commercial trends involving new media are strictly rooted in the synergistic strategies of large media and marketing corporations. On the
World Wide Web, for example, banner and pop-up/pop-under ads from even the smallest companies are an inescapable part of Web surfing. Over 24 billion “ad impressions” are generated over the Web every week (Keizer, 2002), and not all of these come from huge marketing and media concerns. The use of e-mail for advertising, discussed briefly below, is frequently used by small, sometimes socially marginal, companies to promote their (often dubious) products. Such practices often raise the ire of the marketing mainstream, which is concerned that public resentment caused by micro-marketing practices may weaken their synergistic activities.

Categories of Concern

Historically, the interaction of marketers and media has raised public and scholarly questions about at least five issues: editorial influence, deception, commodity fetishism, intrusion and privacy, and opportunities for consumer resistance. As the articles in this issue suggest, these basic concerns also apply in the new media environment. At the same time, the articles show that the spread of digital interactive media and the expansion of synergistic marketing communication have broadened the meaning of the issues and the nature of the concerns. Let’s take them one at a time.

Editorial Influence by Advertising and Corporate Interests

Work exploring the vulnerability of the editorial autonomy of journalistic and entertainment media is not new (see Seldes, 1935, cited in Baker, 1994). Given advertisers’ influence over revenue and media ownership by large corporations with diverse economic holdings, pressures to blur the editorial with the commercial and promotional should be expected. Critics note that in the non-digital world, editorial ideas, tones, and styles are added, deleted, and co-opted to benefit advertisers and corporate owners. The hand-in-hand work of advertising and editorial departments may well increase in the digital environment as the number of channels competing for ads continues to grow and as corporate executives find themselves under mounting pressures to show that synergy works from a business standpoint.

Concerns of this sort regarding Time Warner and AOL were at the heart of opposition to their merger, points out Patricia Aufderheide in her contribution to this issue, “Competition and Commons: The Public Interest in and after the AOL-Time Warner Merger.” The author argues that the policy arguments raised during the approval process of the creation of AOL-Time Warner foregrounded the competing definitions of the “public interest” with new media and created, at least temporarily, a series of unusual alliances that occasionally privileged the views of consumer advocates. In the end, however, the need for synergistically defined corporate alliances by the large media giants in a political environment of government friendly to big business won out. Aufderheide argues, along with other critics of new media
synergy, that this practice comes with significant dangers to democratic life—such as the use of corporate media holdings (even journalistic ones) to promote other holdings, the marginalization of holdings that do not have access to corporate publicity machines, the squelching of information critical to corporate subsidiaries, and the influence of public policy by huge mega-media corporations.

Elisa L. Cohen explores the potential blurring of the promotional with the journalistic in her article for this special issue, "Online Journalism as Market-Driven Journalism." Cohen applies the context of Internet news to the theoretical perspective of "market-driven journalism," associated with a research tradition that explores the organizational, industrial, and economic context of modern news production and distribution. Her article discusses how the push for Internet advertisers may intrude upon journalistic values in online news, as well as linking with the earlier point about the corporate context and synergistic promotional pressures that may be exerted upon online reporting.

Deception

Traditionally, when scholars address the issue of deception in advertising, they focus on product claims: Does the ad mislead about the advantages and attributes of a product? (See, for example, Preston, 1994.) Certainly, the issue of product fraud is a significant factor with Internet advertising (Schatz, 2001). However, another source of deception comes from the many misleading techniques for masking the selling and promotional intent of commercial messages. As discussed by Aufderheide and Cohen in their articles for this issue, the commercial and ownership self-interest of many Web sites is often not revealed to the Web site visitor. Not only is editorial autonomy compromised by commercial and ownership influences, but so is disclosure of such influences.

In addition, much e-mail advertising — "spam," in its unwanted form — often attempts to disguise its promotional purpose. A part of the direct marketing industry, e-mail advertising was encouraged by public concerns about opening hard mail after the Anthrax scare in 2001, although the volume of e-mail marketing had surpassed postal direct mail even before that event (Cheng, 2001). Advertising-oriented e-mail combines several techniques that continue to make it a hybrid promotional form worthy of study: the ability to use both target marketing and mass marketing distribution systems; the increased integration of multi-media with the use of embedded images, audio, and video; and the use of often deceptive and manipulative subject headings to entice receivers to open the messages (such as "I tried calling you" and "I found your wallet").

Commodity Fetishism

Critics have argued that traditional advertising's ability to lovingly portray products and the act of consumption encourages targeted audiences to fetishize commodities,
elevating the role of commodities by cultivating the hope that their acquisition will solve personal problems beyond the immediate material concern (Hally, 1987). The Internet can be used to “fetishize” or celebrate the commercial form, commercial products, and the act of consumption in several ways. For example, commercially created Web pages may serve as “super ads.” These are sites that present interactive, entertaining, information layered, multi-mediated, and constantly updated commercials with a unified brand image. Advertisers can use such Web sites to draw people into their promotional message, to create online shopping opportunities, and to extend the reach and depth of advertising campaigns in traditional media.

One such example is YouRuleSchool.com, which touts General Foods’ cereals in a virtual school setting. It simultaneously links sugary breakfast cereals with the “good for you” ethos of school while also presenting cereals as more fun and kid-centered than school (hence the idea that “you rule” the General Foods school). It encourages kids to enter such virtual classrooms as the “Cheerios Club Zone” and the Cocoa Puff’s-based “Sonny’s Chocolate Lab.” Visitors can play games like the “Star in Moons Lucky Charms Game,” where players make moon-shaped marshmallows to drop in Lucky Charms cereals. YouRuleSchool.com was an early site that used games as advertising, exploiting unique features of the Internet and celebrating the commodity form in a way that traditional commercials cannot match. An example of synergistic marketing, this Web site is advertised on such children’s television outlets as The Cartoon Network and tie-ins with special promotions.

Besides just being glorified ads, many sites are designed to facilitate the purchase behavior itself. The Internet offers many opportunities for e-commerce, and a Web site’s ability to directly link the sales message with easy purchasing opportunities makes this a medium of interest to researchers studying buying behavior, persuasion, and Internet use. The “Big Three” Internet portals (AOL, MSN, and Yahoo) offer their own “shopping mall” environment that visitors may immediately go to upon arrival. In fact, one does not even need to be a member of AOL to Shop@AOL. Despite the e-business bust of the late 1990s, the number of Internet shoppers is expected to grow much faster than the number of new Internet users in the foreseeable future, as experienced users begin to experiment with online shopping. One source estimates that by 2006, the number of U.S. Web shoppers will exceed 130 million (Tedeschi, 2002b).

College students are often a prime consumer group for online businesses. In the U.S. alone, they spent $1.4 billion online in 2001 (Tedeschi, 2002b). Possible problems relating to online shopping, especially among college students, are explored by Robert LaRose and Matthew S. Eastin in their article, “Is Online Buying Out of Control? Electronic Commerce and Consumer Self-Regulation.” The authors explore the relationship of potentially destructive online shopping behaviors and attitudes with certain psychological characteristics of college-age Internet users.
Intrusion and Privacy

Concerns over advertising's intrusiveness into private lives have been an issue at least since the 1920s, when potential radio advertisers were worried that media's in-home placement would make commercial messages too invasive (Barnouw, 1966). Similarly, the collection of personal information about consumers for storage in a database also has a long tradition (Turow, 1997). Digital media expand the territory for these worries.

Related to the interactive capability of new media are possibilities for collecting information about consumers in real time. E-marketers have exploited that potential, and they will continue to exploit it. Database marketing, the collection of demographic, consumer behavioral patterns, and financial viability information about consumers to create targeted advertising messages raise serious concerns about privacy rights, the time spent in removing and avoiding unwanted advertising, the potential for identity theft, the sharing of consumer information to third parties, and the exploitation of vulnerable consumer groups for highly targeted advertising appeals.

Privacy and the commodification of personal information concern two of the articles in this special issue: Duncan H. Brown and Jeffrey Layne Blevins in “The Safe Harbor Agreement Between the United States and Europe: A Missed Opportunity to Balance the Interests of E-Commerce and Privacy Online?” and “Panopticon.COM: Online Surveillance and the Commodification of Privacy” by John Edward Campbell and Matt Carlson. Brown and Blevins explore the importance of policy in protecting citizens as e-commerce continues to develop and information about consumers becomes easier to collect, collate, and cash in on. They argue that the negotiations between Europe and the United States created a missed opportunity for unifying privacy laws in a pro-citizen direction. Campbell and Carlson explore the Foucauldian image of the “panopticon,” a metaphor designed to highlight the role of surveillance and self-imposed control in the disciplining of citizens in (post) modern society. They apply and develop this concept to data collection practices by e-commerce companies to fully understand the dangerous assumptions behind such practices.

Opportunities for Resistance

Even as the above examples highlight how new media become co-opted by commercial interests, other elements of new technology facilitate—at least during certain moments—resistance to commercial practices. Remote controls and VCRs began to simplify the process of avoiding commercials on television, for example, and the avoidance is made even easier with Digital Video Recording Systems like TiVo. One study found that approximately 75% of DVR owners frequently or always fast-forward through commercials; one television executive was so upset with this
trend that she labeled the use of DVR commercial avoidance as "theft" (Evangelista, 2002, p. 1). Filtering features on e-mail programs attempt to divert spam, while ad-blocking software like AdSubtract and WebWasher allows surfers to avoid ads on Web pages, thereby increasing downloading time (for a review of ad-blocking software, see Keizer, 2002).

Of course, Web advertisers and e-mail spammers are always looking for new technological ways to subvert the subverting. The practice called "spoofing"—where e-mailer advertisers exploit name substitutions, bounce-back protocols, and complaints about e-mail to send spam—is designed to by-pass spam filters that are set on e-mail software (Sherman, 2002). One of the articles for the special issue, Bryan C. Taylor et al.’s "New Media and the Circuit of Cyber-Culture: Conceptualizing Napster," uses as a case study the example of Napster, an entity and practice that was often socially constructed as a threat to the established powers in the commercial music industry. The article calls for a revision of the "circuit of culture" model when applied to cyber-culture, arguing that the polysemic nature of such digital phenomena forces researchers to rethink traditional conceptualizations.

The Napster article highlights the complexity surrounding marketing phenomena in the digital age. Along with the others in this special issue, it shows an awareness of new media trajectories and the importance of questioning the relevance of traditional perspectives about the ways in which cultural products are enacted. We thank the regular editor of The Journal of Broadcasting & Electronic Media, Thomas R. Lindlof, for the opportunity to explore this area. The territory is large, crosses many media, and ultimately raises basic questions regarding marketing communication and democracy. That is what makes it especially fascinating and important.

References


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