

Market promotions chapter three

[Finance](#), [Market](#)



Identify economic changes that gave rise to advertising. 2. Discuss how the relationship between marketers and retailers has changed over time. 3. Describe significant eras of promotion in the United States, including the impact of social change on promotion. 4. Define consumer empowerment and branded entertainment. 5. Identify forces that will continue to affect the evolution of integrated marketing communication. 3-3 The Rise of Advertising Socialism - the government owns things, that eliminate competitors. Mixture between capitalism and communism.

He talked about Finland. Rise of Capitalism In capitalists systems, business organizations must compete for survival in a free market setting. In this setting, it is natural that a firm would embrace a tool that assists it in persuading potential customers to choose its products over those offered by others. Industrial Revolution The principle of limited liability allowed for the accumulation of large amounts of capital to financethe Industrial Revolution. The explosion in production capacity that marked the Industrial Revolution added to the importance of demand stimulation tools. Mass moves of consumers to cities and modern times helped create, along with advertising, consumerculture. Other important changes: shifting away from household self-sufficiency to greater dependence on marketplace goods; revolution in transportation; rapid population growth and arbitration. All of this is occurring in China as we speak. 3-4 Power in Distribution Channels Power in Distribution Channels Market Promotions Chapter Three By inconveniencing manufacturers and their retailers. Retailers have power in the marketplace deriving from the fact that they are closer to the customer. To assert more power in distribution channels, U. S. Manufacturers began branding their

products in the late sass. They used advertising to build awareness of and desire for their brands. Customers who are loyal to brands demand that retailers carry those brands and will pay a premium price for those brands. Walter telling Recently, big retailers have been reclaiming some of the power by Proctor and Gamble negotiating large purchases from manufacturers at lower prices. That Tide needs to Modern Mass Media be five cents less this The advent of mass-circulation magazines made national advertising year. Seibel. National advertising led to national brands. For the most part, mass media are supported by advertising. The ultimate goal is not content or entertaining but to provide a vehicle for making a profit through selling brands. 3-5 Evolution of Promotion Social and economic trends, along with technological developments, are major determinants of the marketing messages used in advertising and other forms of promotion.

Prestidigitation's (before 1800) Before the Industrial Revolution, advertising presence in the United States was barely noticeable.

Most people live are farms are were illiterate. The first advertisements were closer to today's classifieds than to modern promotional efforts.

Industrialization (1800-1875) The increased circulation of newspaper dailies increased the amount of advertising because they could reach so many consumers so often. The first advertising agent ? thought to be Volley Palmer? solicited orders from newspapers and collected payments from advertisers. There was no formal regulation and many segments of society found advertising to be embarrassing. 3-6 Evolution of Promotion, Continued
Tj P.

T. Barnum Era (1875-1918) During this era advertising became a full-fledged industry and helped usher in a consumer culture. In 1906 Congress passed the Pure Food and Drug Act. The first advertising outrageous advertising efforts of this era were exemplified by circus promoter P. T. Barnum. These ads generally had: lots of copy; prominence of the product; lack of real-world context and visuals; small size; little color; few photographs; plenty of hyperbole.

3-7 The Twenties (1918-1929) After World War I, advertising found respectability, fame, and glamour. The rear movement to reform and regulate advertising was pretty much dissipated by the distractions of the war and advertising role in the war effort. The sass were prosperous. Most (but not all) enjoyed a previously unequalled standard of living. Advertising taught consumers how to be modern and how to avoid the pitfalls of this new age; defined the division between public workspace, the male domain of Leave it to Beaver sit. The office, and the private, "feminine" space of the home; and relied on the role played by science and new technology to help sell goods and services.

Great Depression (1929-1941) Advertising was seen as villainous and as something that had helped lead to the great economic depression. Heard this again Advertisers responded to this feeling by adopting a tough, no-nonsense advertising because of the last style. Recession Advertising suffered from the depression too. Agencies cut salaries and forced staff "marketers made to work four-day weeks, without pay for the mandatory extra day off. Clients demanded frequent review of work, and agencies were compelled to provide more people buy things and more free services to keep accounts. At they didn't The U. S. Congress passed real reform in this period. In 1938 the Wheeler-Lea need.

Amendments to the Federal Trade Commission Act declared "deceptive acts of commerce" to be against the law; this was interpreted to include advertising. Specific laws are things that we will NOT be tested over. 3-8 world war II and After (1941-1960) During the war, advertising often made direct reference to the war effort, linking the product with patriotism and helping to rehabilitate the tarnished image of The economy continued to improve after the war but public sentiment was very suspicious.

Many people saw advertising as manipulation and feared subliminal advertising. Advertisements of this era were characterized by scenes of modern life, social promises, and reliance on science and technology. Typical advertisements from this contradictory and jumbled period in American advertising show mythic nuclear families, well-behaved children, our "buddy" the atom, the last days of unquestioned faith in science, and rigid (but about to break loose) gender roles.