

# HISTORY OF ADVERTISING

## TRANSCRIPT OF VIDEO LECTURE

### INTRODUCTION

In this program we are going to trace the history of advertising, paying special attention to how it matured with the arrival of the Civil War which took place between 1861 and 1865 between the northern and southern states of USA and subsequently industrialization. The development of advertising agencies and professionalism are also being detailed. We will give due importance to discuss the impact of magazines, radio, the second world war and television on advertising.

### EARLY ADVERTISING

The early history of advertising can be dated to the beginning of civilization. Word of mouth advertising by hawkers, announcing their articles and products for sale, merchants roaming from street to street, town to town and village to village for increasing awareness about their goods, are some of the examples of advertising of the early days. In those days, artists glorified their rulers through frescos while messengers proclaimed political messages of the kings. Amongst the first examples of wall paintings are Indian rock art paintings, that go back to 4000 B.C. In 3000 B.C. Babylonian merchants were hiring 'barkers' to shout out about their products and the prices to passersby. The Romans wrote their announcements on city walls.

*The Troop of Gladiators of the Aedil*

*Will fight on the 31<sup>st</sup> of May.*

*There will be fights with wild animals*

*And an Awning will keep off the sun.*

*(Merkman & Gilson, 1987, p.32)*

By the 15<sup>th</sup> century there were abundant advertisements in Europe. **Siquis pinus** want ads for various types of products and services were common. Shopbills and attractive artful business cards were promoted by the tradesmen. Merchants would hang eye-catching signs and symbols just in front of their businesses premises. In 1625, the first news book **The Weekly News** was printed in England which contained advertisements. Advertising came to colonies via England. Ben Franklin was selling advertising space in his 'Philadelphia Gazette'. Let us take a look at an advertisement which appeared way back in 1735 but which was typical of advertisement's of those times.

*A Plantation containing 300 acres of good land, 30 cleared, 10 or 12 Meadow and in good English grass, a house and barn & c. (creek) lying in Nantmel Township, upon French-*

*Creek, about 30 miles from Philadelphia. Inquire of Simon Meredith, now living on the mentioned place.*

*(Sandage, Fryberger & Rotzoll, 1989, p.21)*

Before the Civil War advertising was a small business. The local retailers were the primary users of advertising, encouraging the local area residents to visit their business. The medium of advertising was mainly the local newspapers. In 15<sup>th</sup> and 16<sup>th</sup> centuries advertising in India grew to include handbills, with the development of printing. Thus, it can be concluded here that the emergence and development of printing technology played a significant role in the early days of advertising, as print was the only medium of mass communication.

## **INDUSTRIALIZATION AND CIVIL WAR ADVERTISING**

Industrialization and the Civil War changed not only the social and cultural landscape but also expanded advertising. In the 1940s, telegraph made communication possible over long distances. Cities and states were now linked by railroads. Expansion in factories required more laborers. Hence, huge numbers of immigrants were welcomed to the United States. Manufacturers were in a need of larger markets for their products. Merchants were interested in reaching consumers who were beyond the reach of local newspapers.

Rapid growth in industrialization was required because of the war. More factories were required to produce more war materials. Roads and railroads were expanded to take these materials along with the troops. Farm workers were enlisted as soldiers to participate in the war or they were recruited as workers to work in these new factories. Naturally their absence from the field had to be compensated with machinery. So, more machinery was required to take care of the departure of the farm workers from the fields. Ultimately, more factories were required to produce more machinery. The 1880s saw numerous innovations in manufacturing as well as the availability of new products. In the early 1880s the telephones and electric light were invented. During this period more producers were chasing rising purchasing power of more consumers. Manufacturers were trying to differentiate their products. Brands like Quaker Oats, Ivory Soap, Royal Baking Powder and many more came into existence. The advertisers were in a need of communicating the people about their brands. The growth in literacy and advantageous postal rates fueled the explosion of the magazines. Naturally, magazines and advertising became friends. Cyrus H.K. Curtis founded the 'LADIES' HOME JOURNAL' in 1883 and communicated with a group of manufacturers :

*The editor of the LADIES' HOME JOURNAL thinks we publish it for the benefit of American women. This is an illusion, but a very proper one for him to have. The real reason, the publisher's (Curtis's) reason, is to give you who manufacture things American women want, a chance to tell them about your product.*

*(Sandage et al, 1989, p 32)*

Advertising as we observe it today, appeared in India in the 18<sup>th</sup> century with the birth of classified advertising. For the first time advertisements were printed in the BENGAL GAZETTE, the first newspaper which was launched in 1780, on a weekly basis.

In the beginning, the advertisements were imported from studios and printing presses of England. Later on, indigenous advertisements developed to the establishment of local news papers and studios. This created the scope for first generation artists like visualizers, illustrators, copywriters etc. The retailers started giving advertisements as the list of newly imported merchandise increased. And Because of the success of this format of advertising the growth of mail order advertising came into existence.

## **ADVERTISING BETWEEN THE CIVIL WAR & WORLD WAR I**

Advertising between the Civil War and World War I became more complex, more creative, and more expensive and was executed on a larger scale. Keeping the demand in view, advertising agencies expanded their operations. F. Wayland Ayer began his full service advertising agency in 1869, the oldest agency in United States. Ayer, with the help of his staff of artists and writers, provided clients with ad campaign planning, creation and production of ads as well as placing of the ads in the most appropriate media. Some other big agencies started at this time, which are still working today, are J. Walter Thompson, William Esty, and Lord and Thomas.

In the 1900s a number of Indian and foreign advertising agencies came into existence. In 1905, B. Dattaram & Co. was setup, which continues to be the oldest functioning advertising agency in India. Many other advertising agencies were set up to extend exclusive services only to multinationals like General Motors, Levers and other such American advertisers. Till this time the advertising agencies were not full-service agencies but they merely acted as brokers for selling advertising space in newspapers.

During this period three factors combined to move the advertising industry to establish its professional standards and regulatory norms. They were:

1. The reaction of the public and the medical profession to the abuses of patent medicine advertisers.
2. The critical examination of most of the country's important institutions, led by muck-rakers.
3. The establishment of the Federal Trade Commission (FTC) in 1914 to monitor and regulate advertising.

As a result of these three regulations a number of leading advertising agencies and publishers mounted a crusade against gross exaggeration, false testimonials, and other forms of misleading advertisements. To verify circulation claims the Audit Bureau of Circulation was established. During this period The Advertising Federation of America, the American Association of Advertising Agencies, the Association of National Advertisers, the Direct Mail Advertising Association, and the Outdoor Advertising Association became operational.

## **ADVERTISING BETWEEN WORLD WAR I AND WORLD WAR II**

In 1922 the first radio ad was broadcast on WEAF, which was a ten- minute spot. Although people inside and outside the government were opposed to commercial support for this new medium, the general public did not oppose the radio ads. Many people welcomed radio ads because they thought that advertising can be a way to keep radio free. The advertising agencies took over broadcasting and the production of shows in which their commercials appeared. In fact, the ad business became the show business! THE EVEREADY HOUR was the first regularly broadcast series, which was a variety show sponsored by a battery maker.

For Proctor & Gamble, a radio soap-opera was developed by an ad agency, Blackett-Sample-Hummert. The revenues generated by the advertising industry through radio, was supposed to be used during the depression period. The depression had its effects on the advertising business. In 1929, the stock market crashed and by 1933 advertising lost about two-third of its revenues. During this period extensive unemployment and poverty germinated a powerful consumer movement. In 1936 the Consumer's Union published CONSUMER REPORTS for the first time, to protect people from unscrupulous manufacturers and advertisers. To regulate advertising in 1938 the Congress passed the 'WHEELER-LEA ACT', for granting extended powers to the Federal Trade Commission.

In 1934, the first full-service Indian advertising agency SISTA ADVERTISING AND PUBLICITY SERVICES was established. Advertising during this period became more organized and formed media syndicates. India became a noteworthy market for products. Because of this, Indianised ads for products like Lux and Horlicks came in to existence.

## **ADVERTISING AFTER WORLD WAR II**

The Second World War was important with respect to the growth of all types of mass media, including advertising. During the war period of 1941 to 1945 the production of consumer products was almost zero. As a result, traditional advertising was limited. The advertising industry turned towards the war effort. Limited advertising, with a patriotic theme was in practice. A number of advertising and media associations worked for the development of War Advertising Council, which used its expertise to promote government programs. The best known campaign was on behalf of the sale of war bonds. This helped in the sales of 800 million bonds. After the end of the war the group was known as 'Advertising Council'. It turned its efforts towards public service campaigns on behalf of a number of nonprofit organizations.

World War II left a significant impact on the advertising industry with respect to its size and structure. In comparison to prewar, the postwar taxes were much higher. This was levied on the wartime profits of the manufacturers. The intention behind this high level of taxation was to limit wartime profits, with a view that the manufacturers should not be allowed to make high benefits from the death and destruction, due to the war. But as a result, producers

reduced their profits and started putting their money back to their business, rather than paying the heavy tariffs. At the same time due to the shortage of raw materials it became difficult to expand the businesses. Therefore, companies started investing in corporate image advertising. As a result, there was a significant expansion in the number and size of Manufacturers' advertising departments and advertising agencies. The public was also primed by such advertising, anticipating the return of consumer products.

Because of television, advertising was well positioned to bring products and people together. Radio formats, stars and network structure had moved to the new medium. Television soon became the primary national advertising medium of the United States. The industry established the National Advertising Review Board to monitor potentially deceptive advertising.

The interdependence between the medium and the advertising message made the history of television commercials interesting. After the quiz show scandal in 1959, advertisers and their ad agencies produced early television shows. It was expensive to be the sole sponsor of a network broadcast as the networks were demanding a huge amount of money. In this situation the advertisers spread commercials across a number of programs to reach more viewers. It was more efficient and profitable for them. Because of a number of commercials in an individual program, television was selling the same or almost similar products with similar quality and cost. Therefore, the USP became important to boost a particular product with a particular brand awareness i.e. identification of a product with a particular manufacturer. 'USP' means 'unique selling property', highlighting the aspect of a product that sets it apart from other brands in the same product category.

In the early days television commercials were highly product oriented which changed government regulation of cigarette companies. Now with the loss of this important category of advertisers the networks started searching for some other advertisers who would to buy a 60 second spot on a popular program. This was difficult because though prices of advertising were reduced as a possible solution, the costs of production costs for network shows were rising.

Now the solution was to split 60 second slots into more affordable 30 second segments. In 1965 every network television commercial was a full 60 seconds although 23% were piggybacked, which means a single sponsor presented two products in the same minute. However, in 1975 only 6% were a full minute long. As the number of spots became more, their lengths were reduced.

Now the commercials were less about the products and more about the people who used them. This trend continued in terms of rise in the price of the commercial time, increase in production costs, growth in the number of commercials on the air, expansion in the air time available for advertising, resulting in a shrinking in the length of the commercial spots. Now fifteen or even ten seconds spots are common.

## **ADVERTISING IN INDIA AFTER INDEPENDENCE**

In India, 'Advertising Club Mumbai', came into existence in 1954 to formalize advertising. It had member representatives from media organizations, marketing companies, and advertising agencies and associated professional bodies.

The 1960s saw an upsurge of creativity and scientific approach in advertising at the international level. For the first time the concept of positioning and Unique Selling Proposition were promoted by Volkswagen campaigns. In 1963, ITC made records with its slogan "MADE FOR EACH OTHER" for Wills cigarettes in India. In the same way the 1964 "TANDRUSTI KI RAKSHA" campaign of Lifeboy still remains the most successful. The hording campaign of Amul of 1967 has received a mention in the Guinness Book of World Records as the longest running outdoor campaign. Vividh Bharti transmitted the first commercial in 1967.

The 1970s saw the availability of initial advertising research. Through National Readership Studies, data on consumers' reading habits was provided. The first television commercial appeared on television screen in 1978. But in true sense in 1980s, revolutionized the Indian Advertising scene. In 1980 color television transmission was introduced. Bombay Dyeing became the first color television commercial. In 1983, celebrity endorsement by sport stars got a shot in the arm with Kapil Dev admitting PALMOLIVE DA JAWAB NAHI.

In 1988, the public service film MILE SUR MERA TUMHARA was a grand success. This film featured a host of celebrities from film, cricket, and fine arts. Other Public service campaigns from family planning to literacy were also inspiring. By the late 80s advertising became a growing industry in India.

The 1990s can be considered as the decade of media explosion. Cable and satellite television grew, print became niche and internet entered India. Many corporations were set up which were operated solely on advertising revenue. because of emergence of computer software, television producers seeking talent, the reappearance of cinema, and the penetration of internet, increased the importance of advertising as a marketing tool. For the first time in the history of advertising, India won three awards at the 43<sup>rd</sup> International Advertising Festival, Cannes.

In the beginning of 21<sup>st</sup> century the Ministry of Tourism, Govt. of India, launched the Incredible India campaign to take advantage of the vast untapped potential of India as a tourist destination. This campaign was initiated on September 11, 2001, when the worldwide travel industry went into a slump. This campaign is, in fact, an integrated marketing communication approach, promoted by numerous media, like print, television, outdoor, internet, direct marketing, public relations, special events, etc. The results of the campaign have been encouraging. In 2006, the tourist traffic in the country increased by 15%, as opposed to the targeted 10%.

## **CONCLUSION**

At present advertising is at the crossroads. Everyday innovations relating to production quality, media selection and targeting the market etc. are coming within the purview of advertising. Today, guerilla marketing is underway, which includes interactive advertising. here the viewer is able to interact with the advertiser and respond to messages, staged encounters of products in public places, narrowcast ads on television screens through direct to home telecast, transmission of messages on the small screens of handheld devices and many more.

so It is perfectly right to say that the form of advertising may change with the changes in its related factors such as products, services, ideas, media market, consumers etc. but advertising is here to stay with us.