MEDIA PLANNING IN THE AGE OF THE INTERNET

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Abstract

The Internet has become part of everyday life. As with other media, the Internet has attracted advertising media planning and spending. This paper summarizes the development of the Internet as an advertising medium, discusses how funding gradually shifted into Internet media planning and projects into the future about different methods of advertising now and in the near future that will incorporate the Internet and advanced technology. This paper looks into the past, present and future of the Internet as a medium of communication and advertising, and will hopefully become a valuable resource for future researchers and advertising students.
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Section 1: Introduction and the Growth of the Internet

Since the early 1990s, the Internet has grown in power and importance due to both our increasingly computerized society and our need for information and entertainment in our daily lives. With the Internet now a staple of everyday life for first world countries, it has become everything from a powerful research tool to a prominent media outlet.

When the Internet first became a major element of computers and technology, it was used for smaller purposes and only for a small amount of communication activity, originally not available for the amount of communication seen today (Walt Howe). However, as time went on, computers and the Internet became more available to the public and by the late 1980s had become adopted by “less technical users” (Walt Howe). By the late 1990s, the Internet had taken off as its own form of media, due to the rise in popularity and ease of use for computers, as well as lessening computer costs and advancement in technology, making computers more necessary in everyday life.

The development of the Internet began in the 1960s and progressed for decades, initially only focusing upon the connection of one computer to another rather than the limitless connections between virtually every computer on earth (Museum). As time progressed into the 1970s, technology advanced to include such aids to Internet progress as the microprocessor and the ability to send messages out through the Internet to other computers, a process that became known as e-mail despite the vast differences it holds from today’s concept of email. At the same time, concepts such as the TCP/IP protocol still used in computer Internet connections today were crafted and computers such as the Apple II launched the consumer computer market (Museum).
Over time, the Internet moved from the primitive form it had taken during this period and advanced closer and closer to what is used today. During the 1980s, the Ethernet was commercialized and the Internet grew rapidly enough to outdo the “numbering” of Internet hosts (Museum). Internet connections and networks began forming in colleges and businesses across the United States. E-mail became commercially applicable, forming an early digital communication method still used today to send messages both between people and businesses (Walt Howe). It should be noted, however, that email was in a primitive form and not used to communicate to consumers as a form of marketing, as is so prominent today.

With the early 1990s came an end to the major restrictions on the use of the Internet for commercial purposes. With over a million computers connected to the Internet by the end of 1992, and an even greater number connecting in the following years of the 1990s, the Internet became a fixture of life in the first world and now acts as the preferred telecommunications method of those with access to it (Museum). The drop in restrictions on Internet commercial applications led to early forms of current Internet marketing.

As time progressed and the Internet developed, it became a media outlet as well. The Internet became more interactive, streamlined and popular, seeing the application of an increasing number of visual elements toward the latter half of the 1990s (Graphic Design). At this time, and continuing throughout the new millennium, the Internet became a place for things such as viewing videos, playing games and several other activities.

When this occurred, naturally, advertisers looked to the Internet for marketing
purposes as much as any form of business looked to it for profit. The ability to use the visual and auditory elements of the Internet to present advertisements to any number of possible consumers became an attractive and viable option, particularly when combined with the ability to target specific types of advertisement to specific types of web content. As with any other form of media, the Internet has been used as an advertising vehicle, with successful campaigns coming through both impressive creative design and careful media planning.

The use of the Internet as a source of advertising has remained strong for almost two decades (Longest). In this time, the advertising seen online has evolved and advanced, with multiple methods being developed, which will be discussed later in this paper. The careful execution of advertising campaigns required effective media planning, in order to properly use resources. A review of these elements will be a main focus of the following reading.

In this thesis paper, the use of the Internet as an advertising tool will be examined, looking at the methods advertisers chose to reach out to different groups using the Internet and how marketing campaigns mixed the Internet with other forms of media in effective ways. There will be a review of specific campaigns as well as a comparison of early Internet media planning as compared to later planning. To clarify, the focus will be not on the creative design of advertisements but on the media planning, and examine the choice of advertising placement and campaign materials as opposed to the creative thinking behind them. With media planning a major element of campaigns, and particularly relevant to placement in the correct areas during Internet advertising campaigns, an examination of the history of Internet media planning has become
Section 2: Media Planning and the Early Internet Advertising

Media planning involves the use of vehicles, such as television shows or magazines, which carry advertisements to the consumer through media such as broadcast television or print circulation (Ad Media). Media planning enables a measurement of advertising exposure, which measures the number of advertisements in a vehicle, perception of the advertisements as remembered by audience, communication measurement of how much material from advertising is recalled by audiences and the media effectiveness that indicates the effectiveness of the advertisement in affecting audiences (Jiad). Measuring exposure, along with other mathematically measured qualities such as GRPs, enables media planning specialists to determine what media to apply when placed on a budget and asked to develop an advertising campaign. With the birth of the Internet, a new medium that combined aspects of others, media planning was changed and put in a new direction along with countless other aspects of society.

Two major methods of deciding what advertising media are dominant are share of voice and media mix. A media mix is the number of media outlets used by a brand within an advertising campaign, which can include any medium available. A share of voice, on the other hand, describes how much of a medium’s advertising space is being used by a brand within its product category, such as the amount of advertising by Levi’s in television when compared to other pants companies (Jiad). Reviewing the media mix of multiple advertising campaigns by a number of brands, much like a review of overall advertising spending by year, reveals that the Internet began as an incredibly weak medium that grew over time into one of the dominant media in advertising (AdAge,
Spending). In 2000, for example, Internet advertising spending was only $6 billion overall, while it has risen to $30 billion in 2012 (AdAge, Spending). This phenomenon will also be measured later.

The Internet, having been around for decades, only took off as an advertising medium in the middle of the 1990s (Longest). Before that, while businesses had used the Internet for their own purposes, they had not relied upon advertisements on websites to increase publicity. However, ultimately it was due both to a lack of Internet use among a majority of consumers and the allocation of spending to other media that were still more popular than the Internet. Like any form of media, the Internet held vast advertising potential, though this potential was untapped until 1994, when one company, AT&T, began to advertise online (Wired, Banner Ads).

In the mid-to-late 1990s, there was a significant spike in Internet businesses, known as “dot-com companies” and logically, this lead to a larger investment was made into advertising through the Internet (Arandilla). The media and subsequent media planning of the 1990s were changed significantly by the advent of the Internet. Before the potential of the Internet had been fully understood, companies were already speculating on the capability of using the Internet for an interactive media form for use with consumers (Williamson). While modern-day Internet advertising takes many forms, including smartphone applications and viral marketing campaigns designed to subtly engage consumers, early Internet advertising was more direct and some early methods remain in use today.

Early Internet advertising employed the pull method. Advertising falls into both push and pull methods, and the methods employed most often were direct in addressing
consumers, discussing the product and telling consumers its features, advantages and reasons for its appeal. Many current advertisements employ the pull method, involving “pulling” audience members, measuring success by seeing consumers increase online traffic to the website of the business and promoting products from there (Strategies). This method, significantly more indirect and focused on the consumer rather than the company, is often considered more difficult but rewarding. Push methods, which “pushed” the product on consumers and more forcibly made them notice the product in promotions, have little application and use in the digital marketplace of the Internet.

In 1994, the first Internet advertisement was put to use. It was simple; it appeared in the form of a banner advertisement for AT&T put online by a division of the AT&T business known as Prodigy (Olsen). Prodigy was a part of AT&T specializing in computer communications, and chose the website upon which to place this first advertisement to be HotWired, an online magazine (Wired, Banner Ads). Prodigy purchased the advertising space and put it on HotWired, the early online version of what is known today as *Wired* magazine, marking the first banner ad ever put online.

The first advertisement indicates, interestingly, elements of both the pre-Internet and later Internet era advertising. The initial banner advertisement was for AT&T, a company specializing in telecommunications, which has gone through a great number of changes during the Internet age. The advertisement itself appears upon an early source of online reading that reflects current trends in the loss of print to online news articles and readings. These traits indicate the earlier times of Internet advertising that this advertisement took place in.

Regarding the style of the advertisement, it was a simple banner ad, of the type
seen ubiquitously online throughout the Internet age. The idea that this initial effort at online advertising displayed a style which remains in use today, despite the numerous advancements in technology and complexity in online advertising, is indicative of a successful start. In the appendix is a depiction of this initial advertisement. Note that it uses color and text yet no major graphic is employed. (Graphic Index Exhibit 1).

After that initial effort in advertising, banner ads became the most prominent early form of online advertising, along with the later use of pop-ups. While time and technological progress have led to more complex methods and advertising techniques, these simple forms have remained since their creation and are still the most commonly seen. Advertisers had now seen the potential for marketing on the Internet, and were beginning to apply practices that had been of benefit in other media to the Internet as well. Banner and pop-up advertisements had become similar to print advertising, with the advantage of lower production costs, leaving the need to pay for printing and transportation for distribution out of the overall cost. However, advertisers also soon began to apply other methods to advertising online, in ways that worked only through the medium of the Internet.

In addition to banner and pop-up advertisements, a common form of advertising, still in use today, is that of search-based advertising. Search-based advertising allows companies to place links to their websites or text advertisements for their products next to results when Internet users are using search engines. Media planning often addresses the need for search-based advertising advantages when handling a business’s online advertising, with search-based advertising considered no less than essential for businesses in multiple industries such as retail, insurance and other markets to succeed with Internet
advertising (Milano). The first business to apply search-based advertising was Info-Seek, an early Internet search engine, in 1995 (Cho). Info-Seek was followed swiftly by other search engines and establishing one of the most well-known methods of online advertising.

Later methods emerged to supplement the search-based advertising method. In 1996, Yahoo and Procter & Gamble applied a method of “pay-per-click” or “cost per click” payment in combination with search-based advertising, implementing a system still applied today (Cho). With this system, the number of “clicks” on an advertisement attached to a search indicates the amount of exposure that each advertisement is obtaining by paying for the ability to be attached to the search. With this number measured, a monetary amount is charged to allow that advertisement to remain up and running in its place next to the search.

This also began the practice of bidding for placement in search-based advertising. With the first search results often being the most popular, what became of particular importance to advertising clients is the assurance that their ads will be seen by people doing online searches, leading to bidding between clients for ad placement. Like any other media, choice of advertisement placement is vital to Internet advertising, and media planners often find that this basic search-based advertising takes priority, particularly because putting a client’s advertisements first in the searches is considered so vital when consumers use search engines to find websites from which they make purchases (Microsoft Advertising). It has become a key component of advertising through the Internet to fight for highest placement in search-based advertising, demonstrating that as an online advertising method, it has become not only highly effective but almost
absolutely essential to guarantee a stronger degree of success than competition.

Over time, the programming of these search engines changed and adapted. In 1998, a system which evolved into modern day search-based advertising began, when programming allowed search engines to introduce “labeled text-ads correlated to keywords” (Cho). Search-based advertising, much like banner and pop-up advertisements, has become a mainstay of advertising in the age of the Internet. In modern search engines, particularly Google, Yahoo and Microsoft’s MSN, the money provided by search-based advertising is a major source of funding and is still something that is used as a commodity when business is done between them (Cho). This indicates the continued progress of Internet advertising as a segment of advertising spending and business overall. In addition, it demonstrates consistency between advertising in different media, in that practice such as targeting of select markets and demographics was still underway. The initial intent of search-based advertising, which continues to this day, is that advertisers appeal directly to people already interested in their product, service or something related.

With both businesses and advertisements reaching the Internet, other forms of media began the transition as well. Magazines, newspapers and television began to enter the digital realm as well. With them came a vast opportunity for the businesses to combine online advertising with other, more tried-and-true methods. Over time, video advertisements came about while Internet advertising overall became far more advanced. While early methods of Internet advertising have remained, these advances led to the modern age of Internet advertising, with new methods of measuring effectiveness, new methods of applying creative thinking and new methods of planning successful
Section 3: Media Planning Adapting to the Internet

In this Internet age, with the multiple available methods of communicating with audiences raising an entire spectrum of options for advertising methods, a need emerged for proper media planning to ensure that advertisements were used effectively and in proper amounts. Advertising through the Internet, just like advertising in any other medium, required proper planning and spending, which has increased over time.

Internet advertising expenditures were correlated to Internet use, just as advertising spending would be correlated to in any medium. Logically, putting money into Internet advertising would not be sensible without knowledge that consumers were using the Internet. There is a need to limit such spending based on knowledge of how many people it can effectively reach. Use of the Internet began to rise in the late 1990s with the availability of consumer Internet and it began to reach levels approaching that of other media (Media Awareness). However, with the Internet still underperforming major media such as television and radio, the amount spent upon Internet advertising remained below ten billion dollars, significantly lower than the amount spent upon broadcast media (Economist). However, as the Internet rose in use, advertising spending quickly followed. In the late 1990s, before the dot-com bust, online advertising spending spiked from one quarter to the next. Consequently, the online advertising industry will no longer grow at such a furious rate.

“According to the New York-based ad tracking firm Competitive Media Reporting (CMR), there was $651.6 million spent on Web ads during this year's second quarter, representing growth of 52% over 1999's second quarter. That's a decline in growth compared with the 83% jump between second quarter 1998 and 1999. Likewise, from
1999's first quarter to its second the industry grew 18.7%, while growth for that period during this year was just 11.6%. (Forbes)"

It can be seen from the above excerpt that the late 1990s saw a vast expanse in Internet spending, though it still failed to outdo broadcast ad spending, which would only become a reality in the present times (BBC).

Until recently, even with the existence of the Internet, media planners focused budget spending on broadcast media, print media and alternatives such as billboards, bus advertisements and multiple miscellaneous media. The late 1980s and early 1990s, for example, saw the rise of cable television, talk radio and spending on advertising in the four major television networks (AdAge, Superhighway). As the 1980s and 1990s progressed, radio listening “rose almost two hours to 24 hours a week,” indicating that the advertising era before the Internet involved a focus on passive, listening media similar to some of the methods of advertising used on the Internet that do not require as much active engagement (Business Encyclopedia, Advertising). The increase in advertising that accompanied this was notable, with spending rising to amounts still above that spent on Internet.

While Internet advertising required a number of unique measurements for both advertising cost and benefit, traditional media have relied on a combination of GRP measurement and CPM to measure benefit and cost respectively (Ad Media). GRPs, or gross rating points, measure the amount of reach (percentage of the target market in the chosen marketplace) multiplied by the frequency with which the advertisements are placed into the media and communicated to the public. CPM is a measure of cost-per-thousand, which allows media planners to compare different media on the cost for one ad to be seen by 1,000 people. It is usually formulated by multiplying the cost of one
advertising by 1,000 and then dividing it by the number of people or homes reached. In the case of newspapers, this number is replaced by circulation (Jiad). These numbers, until recently, were not applicable to the Internet. Due to this, the Internet required alternative methods of measurement.

In the year 1997, with the Internet beginning to gain staying power in society and encountering increased attention in regards to advertising, other media continued to reign above it at every point (Encyclopedia of Business). The Internet only received approximately $500 million at this time, with outdoor advertisements such as billboards receiving almost three times the amount, placing Internet advertisement spending at the lowest amount in the records (Encyclopedia of Business). With this information it can be concluded that while the 1990s saw a rise in the use and abundance of the Internet as well as methods of advertising through it, it remained largely undervalued as an advertising medium, and only in the new millennium was there a rise in its use.

Within the modern advertising landscape, the Internet has overtaken numerous media to become the primary medium for advertising. Both print and broadcast media have been outperformed and, in some ways, usurped, by the progress of the Internet, with print being commonly acknowledged as a quickly dying medium and even television being slowly but surely overtaken (Orbit)(BBC). It has already reached the point that newspapers, a once lively medium that attracted advertising for multiple reasons, has been surpassed by the Internet in the collection of advertising revenue, as displayed in the graph following this paragraph. As the graph indicates, the rise in Internet spending over the last three years, accompanied by a reduction in spending upon newspapers, has marked and cemented the success of the Internet as both an information source and
advertising medium (Orbit)(Graphic Index Exhibit #2).

However, the Internet’s rise in the advertising world is not limited to its outperformance of a medium many argue is already near death. The Internet has also risen to nearly outperform broadcast media in the same way. According to a recent article from Wired, television advertising spending still dominates by a margin of more than $30 billion dollars of raw advertising funding in America (Wired, Ad Spending). These results indicate that while broadcast media have not been fully dominated by the Internet in terms of advertising spending, every other form has been, with the article itself explaining that “in absolute terms, TV ad spending remains king, with $60.5 billion projected for 2011. That’s far more than the $28.5 billion expected for Internet ad spending, followed by $21.4 billion for newspapers, $15.7 billion for radio, and $13.9 billion for magazines” (Wired, Ad Spending). Unfortunately for those relying upon television as a primary advertising medium, this advantage is not predicted to last for much longer. With the aforementioned growth rate of advertising online, as well as the loss of time paying attention to television advertising due to advancements such as DVR technology, one could easily say that it’s only matter of time before the Internet outdoes the raising of ad revenue by television. In fact, the United Kingdom is already facing the situation predicted for the United States, with advertising funds for UK television now being defeated by the spending on Internet advertising (BBC). It could be argued that this is due to the recession that has hit Europe as hard as the United States, as the BBC report cited that television advertising fell while online advertising rose. Nevertheless, this indicates a similar problem to that faced in America, a loss of reliability in other media that is driving more and more advertising to the Internet.
In the era before the Internet, advertising was still a major component of each form of media available. In the 1980s and 1990s, advertising spending grew by over five percent a year, with spending going from approximately $118 billion in 1988 to approximately $128.6 billion in 1990 (NYT, 1988) (AdAge, Superhighway). Before the emergence of the Internet, media planning was focused, as stated above, on the advertising placed into broadcast media. Media planning involved the calculation of frequency, the number of times members of a target market would view the advertisement through these media, and reach, which represents the amount of a given target market that would view the advertisement. This method is also used for other advertising media such as print media and billboards, and involved a great deal of calculation on the part of media planning specialists (Ad Media).

Media planning focused, over time, on a shift between media. While skilled media planning often involved coverage in a versatile number of media, it often focused more heavily on one form than another. In the Advertising Encyclopedia of Business, which discussed the Internet media spending in 1997 and pointed to it being the lowest amount of media spending in that year, it listed the amount spent in the same year on television alone to be $15.2 billion and newspapers alone to be $17.4 billion. Ignoring that today’s media planning would never put that amount into newspapers, these numbers are staggering. What must be kept in mind is that newspapers, magazines and broadcast news were still going strong and had not yet been outperformed by the Internet’s bloggers and amateur journalists, and had not yet themselves come to rely on the Internet for readers. Blogging did not begin to become widespread until late 1998 and early 1999 (Rising Popularity). However, one must also examine the media spending that occurred
in years before the Internet had even risen to this level. In the 1980s, for example, spending had begun to foreshadow the current landscape as advertising began to lower in print media, with magazines and newspapers losing 4% and 3% respectively, with the money formerly spent in those media now increasing television spending by 5% (AdAge, Mergers). As this decade progressed, as can be seen by later spending in other years, more and more funding was placed into television, a medium that reached more people and did not actively engage them as print media did. This pattern also implies that while the Internet is, at times, a form of active engagement, in many ways, it also has qualities like those of a passive medium, a television-like medium that attracts advertising and consumers because it doesn’t demand attentive engagement. While it may seem cynical to assume that the form that asks the least of its audience is the one that gains the most engagement, and following that, ad spending, it seems that this becomes an increasingly solid argument as time progresses.

Section 4: The Internet Dominates Advertising

One law of the universe is that there is no end to energy, and that it simply transforms (Thermodynamics). It feels that a similar situation occurs with advertising media planning over time, with the transformation of energy being a metaphor for the transference of spending from one advertising medium into another. With a glance at the current atmosphere and contemporary media environment, it can be said that while traditional media are losing advertising revenue to the Internet and other new media, there is no doubt that more money than ever is being used for advertising and marketing.

“The brand contact perspective shows how the role of media planners has expanded. First, media planners have moved from focusing only on traditional media to integrating traditional media and new media. New media -- cable and satellite television,
satellite radio, business-to-business e-media, consumer Internet, movie screen advertising and videogame advertising -- is playing an increasingly significant role. Spending on new advertising media is forecast to grow at a compound annual rate of 16.9 percent from 2005-2009, reaching $68.62 billion by 2009, while traditional media advertising is expected to rise only 4.2 percent on a compound annual basis during the same period to $192.28 billion” (Ad Media).

The transition into the Internet-dominated era of advertising, as stated above, was not initially welcomed by media planners due to the fact that it had not yet become so common to everyday life. Even earlier media planning writings of the Internet era such as this Internet article predicted that later spending on Internet advertising would increase, indicating that while the transition was not immediate, nor was it heavy at first, the Internet had been acknowledged as a medium that would eventually achieve dominance. At the beginning of this Internet advertising era, spending was low and media planners valued it very little, as evidenced by the lower amounts of investment in the Internet in earlier years (Forbes). It is therefore necessary to further investigate how media planners handled the Internet during this early Internet advertising period and better appreciate the strength it now holds in the current advertising climate.

Until the last few years, it was not understood that print media, including magazines, would be put into the position to fail that they now are. In 2001, magazines and newspapers were still circulating and evidence was still pointing to print media as a viable method of reaching consumers, with some arguing that 2001 was actually a “peak” for the circulation of print advertising (Print Circulation). Ad spending on magazines and newspapers remained strong at over $44 billion for newspapers and $11.1 billion for magazines, defeating the amount spent on television by almost 16 billion and the Internet by almost 50 billion (AdAge Fact Pack, 2002). Media planners had by this time witnessed the potential of Internet advertising, although a decrease in both print and
Internet media ad spending was recorded from 2001 to 2002 (AdAge Fact Pack, 2004). The gradual amplification in advertising spending for the Internet had led to a decrease in spending in other categories over time. Note that in the modern advertising climate, the Internet is dominant over print by a vast degree and rapidly approaching dominance over television, and it becomes shocking that such changes could occur almost gradually. The use of print media for advertising had been a mainstay throughout the 20th century and yet the birth of a new technological era brought with it a change to advertising so drastic that it almost seems to be a new world entirely, with the formerly heavy advertising revenue of print media continuing to reduce as Internet spending encounters a resurgence.

Accompanying this effect on print media is a change on broadcast television and radio, both of which also faced gradual yet impactful losses over the last decade. “Broadcast media,” as the term that will be used to describe radio and television, forms a stronger combined front in advertising than print media. While the Internet is now currently approaching a position to dominate broadcast television in advertising spending, it has been overwhelmed for years by spending on broadcast television. With over 72 billion dollars of spending in 2001 and 76 billion dollars in spending in 2002, radio and television easily eclipsed Internet advertising to a more severe degree than print media (AdAge Fact Pack 2002, AdAge Fact Pack 2004). Reliance upon the use of broadcast media has declined as the Internet, with sites such as the popular video service website Hulu, having decreased the use of television entirely, and digital video recording technology decreasing the amount of time spent viewing commercials (Koeppel). With that technology becoming more abundant, the amount spent on Internet advertising has increased in part to offset the losses from television advertising, which cannot be relied
upon to the same degree due to the ability to simply skip the advertising through the use of a DVR (Mermigas).

The advertising revenue being invested into Internet advertising has increased more and more substantially by the year, with each year since 1999 being documented to show a substantial increase in Internet advertising revenue (IAB 2009). In the year 1999, for example, the second quarter revenue for Internet advertising was at $934 million, not yet breaking $1 billion. This changed drastically, as in only one year the amount spiked to over $2 billion in the second quarter of 2000 alone, and this trend progressed further until it got as high as $5.7 billion in the second quarter of 2008 (IAB 2009). Disregarding slight drops in the early half of 2009, likely due to the common explanation of the recession, this trend continued positively every year, growing dramatically in the revenue spent on Internet advertising alone. In the year 2011, for example, the second quarter revenue has been revealed to be over 7.6 billion, more than 1.4 million above the second quarter spending in 2010, demonstrating yet again that higher and higher amounts of advertising expenditure is taking place online as it grows in strength as an advertising medium (IAB 2011). For obvious reasons, there has not been a published documentation of these figures for the year 2012, though it is certain that more revenue is constantly being pulled into Internet spending as the technology becomes more ubiquitous with technology aside from computers being used to provide the Internet to consumers.

Compare these reported figures to the current advertising climate with more specific focus on the year-to-year progress of recent years. Advertising spending had been decreasing from 2001 to 2002, possibly related to the “dot com” bust, but as the decade went on and advertising spending increased, the shift became more evident
From 2010 to 2011, as reported by AdWeek, a serious change was seen and suspicions of the print industry’s fate were not contradicted.

“Online ad spending will see the biggest rise at 13 percent, followed by cable television (10 percent) and cinema (6 percent). The future still looks pretty bleak for print media, though. The report forecasts that ad spending in print publications will actually drop: newspapers will take a 8.6 percent hit this year, while business publications should expect a 4 percent drop, and consumer magazines a 1 percent dip” (AdWeek).

Gone are the gradual shifts of funding, with thirteen percent going straight to online ad spending in 2011, along with a significant rise in cinema and cable television. Magazines are, surprisingly enough, encountering only slight losses, and newspapers are predictably facing an intense loss of almost a tenth of overall ad revenue. While it may seem presumptuous, should the pattern of advertising revenue loss continue for print media, it would not be shocking to find that newspapers will be entirely removed from paper form within another decade.

Another interesting element to report from this information is that of cable television. Notice that radio and broadcast television are not mentioned at all, despite the emphasis placed on the advertising revenue of cable television. This indicates, as discussed earlier, that Internet availability of broadcast television shows and, of course, piracy has created a reduction in demand and viewership for actual broadcast television. This has driven a rise in cable television viewership, along with higher quality television on cable, and therefore brought a rise to cable television revenue. Accordingly, in January of 2002, 83.7% of homes received cable channels, indicating an increase in the viability of its use as an advertising format much like the increasing popularity and use of the Internet at around the same time (Ad Media). As with the predictions made of print
media, it may be that Internet broadcast of television and radio will decrease and eventually overwhelm and destroy actual broadcast media.

The domination of the Internet as an advertising medium has become clear enough that even some of the most established media planning methods and organizations that focus on media viewership are shifting to focus additional effort on the Internet (Stelter). Nielsen, the most well-known and recognized organization for measuring television ratings, has begun to measure the reach and frequency of advertising on the Internet in the same way that the success of advertising on television has been measured (Stelter). This change in measuring methods is already being adapted by advertising agencies and is enabling advertisers to better measure the success of advertising by making two different measurement methods into one.

The creation and adaptation of such a system is a sign that media planning is not only shifting toward the Internet but also consolidating. 600 advertising campaigns have already begun to use this system, a new method of advertising measurement that demonstrates the need to consider the Internet not only as the most powerful or most often-applied medium, but also one that incorporates elements of other media (Stelter). This standardization of the advertising measurement that combines television and Internet advertising measurement could be interpreted as a sign that the Internet is not only taking the advertising revenue and space once used in broadcast media, but that the use of these measurement methods on the Internet is likely to lead to an overall consolidation of the two media as the Internet takes on all traits exhibited by television as a medium. As television loses more and more advertising revenue to the Internet, and the Internet grows more and more in capability and features, it is possible that Nielsen’s current combination
of television and Internet measurement methods will turn entirely into a method for measuring the Internet.

Section 5: Case Studies of Media Planning

The following are accounts of earlier advertising campaigns from both early advertising and later examples involving Internet advertising. Something that has been advised to media planners numerous times, that should be mentioned in this writing, is that the use of the most cost-efficient methods (in terms of CPM) is not always necessarily the best. Overuse of one medium limits reach in the long run and the use of non-traditional media or multiple media enable campaigns to reach a larger amount of the target audience. The examination of the following campaigns and case studies will display both the progression of Internet usage in media planning and demonstrate effective and ineffective media choices. In addition to this, observe the following examples in terms of thinking, both critical and creative, on the part of those constructing the campaign. Aside from choosing the right or wrong media for communicating with consumers, note the key mistakes made and the mistakes of incorrectly adapting to new media.

A move once made by the Kodak camera company mirrored a now common tactic of media planning. One technique used in the era of Internet media planning is that of website sponsorship (Online Sponsorship). When using this technique, an advertiser purchases every piece of ad space granted by an available website. This strategy was applied by Kodak when a special issue of *Time* magazine was published and distributed for free. Kodak purchased every piece of advertising space in the issue, which gave them the advantage of exclusive advertising and a wide audience of *Time* magazine due to the
free distribution it received to subscribers (Sissors).

Internet media planning uses this sponsorship method when an advertising client decides that an appropriate website would be not only an effective method of reaching target consumers but also of relevance to the client’s product or service. In this same vein, the issue of *Time* was a tribute to photojournalism, which had been going on for 150 years at the time of publication and celebrated through the special issue. This choice was a crucial factor and led this stunt to be highly effective (Sissors).

The message of this stunt was that exclusive sponsorship can be an effective advertising method, but must be used with both a well-chosen advertising space and make efficient use of media planning budget. While it also brings to mind efforts of a “scorched earth” advertising policy, in which no space is left open for other advertisers to enter, Kodak’s intention was to pull this stunt and stand out briefly in a single issue of the magazine. This effort succeeded and enabled Kodak to make major increases in exposure for relatively low costs. Having reviewed this effort, one can see that the use of exclusive sponsorship can be a valuable method when used strategically.

Another example of well-chosen and successful campaign strategy was that of Internet Marketing Inc. and the handling of Anthony Robbins’ companies. Anthony Robbins is a life coach and motivational speaker who, through multiple companies, organizes speaking engagements and other events to generate revenue (IMI). With a limited budget from Anthony Robbins’ companies, IMI had to create a strategy that would optimize “landing pages, aggressive PPC, and display banners for retargeting” (IMI). The strategy of IMI included combining an optimized landing page, which showed off both the necessary information regarding the speaker with a higher-than-
expected display quality that caught the attention of viewers. For a low amount, this first step in improvement, an optimization of a website, led to more positive reception that kept viewers intrigued.

In addition to website optimization, the use of PPC (Pay Per Click) advertising came into play. Rather than purchase PPC advertising only for Anthony Robbins’ name, funding was invested into each event’s name in PPC advertising. This strategy, which ultimately required only $10,000 of investment, led to a payout of $100,000 (IMI). Ultimately, this example provided not only a lesson in investment choice and payout, but displayed the importance, even in current times, of considering all advertising options available online. While viral marketing has risen in popularity, this example proves the validity of search-based and PPC advertising, both of which have been available since the middle of the nineties, as online advertising methods.

Another example of online media planning from IMI is the case of Oceania Cruises. Oceania Cruises is a luxury cruise line that was in need of organization in its online marketing, which at the time consisted of multiple social media methods such as separate Facebook pages (Oceania). The problem that IMI was hired to help solve was that of its online disorganization. The separate Facebook pages and online marketing methods executed by Oceania Cruises were scattered, lacked consistency and were not united or cohesive enough to truly aid Oceania Cruises.

To solve this problem, IMI was hired to research the market, social media marketing methods and develop an online media plan that would create a more coherent and successful social media campaign. The final results of this change done by IMI was an example executed well enough to be regarded almost as a “60 page business plan for
social media” (Oceania). In the end, Oceania Cruises obtained over 12,000 more fans on Facebook than held when they started and the campaign was regarded as a complete success.

Both Oceania Cruises and Anthony Robbins demonstrated that Internet media planning employs diverse tactics and requires appropriate planning. The differences between various methods of online advertising had to be considered, as they were with the case of Anthony Robbins. In addition, one must consider the simple requirement of organization. To simply throw up a twitter account or Facebook page is not enough, a proper Internet marketing campaign requires coherence and focus. These necessities and tactics are currently employed by every successful Internet campaign, while others are failing in the social media aspect for the very reason that it is assumed that little effort is necessary.

Another well-executed media strategy was that of W Promote, an online marketing agency, which was employed by Southern California Edison. Southern California Edison was an electric company that wanted to expand awareness of its online pay services in order to encourage customers to use it, thereby spreading awareness and the business of Southern California Edison. To spread awareness of SCE’s online features, it hired W Promote to aid in efficient media buying (W Promote).

Over a three month period, the campaign planners at W Promote were able to construct a media campaign that outperformed campaigns executed in previous years by other media companies employed by Southern California Edison. It employed search options, display page advertisements and the now almost ubiquitous social media connection method (W Promote). Ultimately, one may believe that these methods,
particularly social media, would not be a wise choice. After all, the consumers using SCE services are likely to already employ online services if they have access to search engines, display pages and social media. However, proper media purchases and advertising placement led to, as stated above, a campaign more successful than any precedent set by SCE’s previous advertisers (W Promote).

W Promote performed an intelligent and precise media purchase, and even boasts upon the W Promote website that “We took advantage of the advertising potential of Google, Yahoo, MSN Search, Google Display, and Facebook. These initiatives were combined with three network media buys, including Yahoo Display, ValueClick Media, and Dedicated Media. Our superior media plan proved not only to be highly cost-effective, but far surpassed SCE’s initial goals” to prove the success of the campaign (W Promote). In the end, the efficiency of advertising spending for SCE was improved dramatically, nearly doubling the effects expected for the money spent on advertising. This example provides proof that while at times, simple logical thinking can rule out certain approaches to media purchasing, there are times where one must apply statistical observations. By making such observations and employing careful, precise purchasing, W Promote was able to exceed expectations and launch a successful Internet media campaign.

The observant media planner will also notice that there is not even a mention of conventional media in this campaign plan. The W Promote Agency was working with a client already accessing the Internet to reach its customers but nonetheless also no doubt relying on more traditional media, such as billboards and mail inserts to reach customers. Rather than choose any form of traditional media to help promote the use of online bill
paying and account access, W Promote advertised Southern California Edison entirely through means such as search engines and chosen, targeted websites (W Promote). This indicates a progression in current media planning terms toward a society more reliant than ever on the Internet for both the purposes of advertising and addressing the matters of everyday life. Because of this shift, it can be projected that the future of advertising will be impacted heavily by a shift toward the Internet not only due to the increase in available Internet vehicles and methods but also due to a shift away from every method that has been relied upon in the traditional advertising world and media in general.

Consider that the campaign’s success was considered beyond all expectations (W Promote). At a glance, it would not make sense, given that advertisers were already putting their services online and advertising online for something already made available online. However, when one considers the overall shift in recent years toward the Internet as a sign of a greater shift of media preferences in society overall, it becomes clear that such an effort is simply a far more effective and efficient method of advertising that comes about when using the Internet exclusively for certain campaigns. The aforementioned drop in advertising rates for television and magazines, as well as the basically dead newspapers, indicates that there is a significant change and reliance on the Internet as less a medium of its own and more of a “net” that gathers and converges the multiple media that have come before it. With this in mind, one can project that the future of advertising, even considering modern changes, will be not only less reliant on traditional media and more so on the Internet, but there will be more massive shifts to come.

In these last examples, we have seen major success in the use of the Internet as an
advertising and marketing communications tool. Time and again, the Internet has been shown to surpass other forms of media as a way to not only perform research and advertise but also acquire information that is typically provided by other media. In 2012, it was found that while people of older generations are sticking to traditional media such as television, radio and magazines for information, younger people, known as “millennials” and Generation Y, are growing more adjusted to acquiring all information through the Internet (Edelman). As Edelman General, an advertising agency that focuses exclusively on the use of Internet advertising, and in particular the use of social media for advertising and publicity, once discussed in a recent article,

“Social-networking, micro-blogging, and content-sharing sites (Twitter, Facebook and Tumblr) witnessed the most dramatic percentage increase as trusted sources of information about a company, rising by 88, 86, and 75 percent, respectively. Search engines and news/RSS feeds also saw a jump (18 percent together). The findings suggest that some of the trust that audiences have in social media was transferred from other media” (Edelman).

As discussed before, there is a shift from the use of traditional media to Internet. However, the discussion earlier pointed out the use of the Internet for reading and television, the absorption of media for entertainment, this “jump,” as the Edelman General group puts it, points out that it has also become a more trusted source for information and research, indicating that in both research and entertainment value, the Internet is now surpassing the traditional media.

**Section 6: The Future of Online Advertising**

This act of surpassing of traditional media indicates, as predicted, that there will be a great change that will turn not only the Internet, but mobile phones, viral marketing, and the technique of augmented reality into techniques for marketing products and services. One prediction that can be made about the future of advertising is that
augmented reality, a form of virtual reality currently still in development for interaction with current technology, will become part of the future marketing and advertising lexicon.

Similar to the use of marketing within video games, where a virtual reality world or other form of video game interactivity is used to subtly insert product placement into the mind of a player as they play, augmented reality is used to attract consumers with interactivity and subtly influence the behavior through communications technology. According to an article by the website howstuffworks, “On the spectrum between virtual reality, which creates immersive, computer-generated environments, and the real world, augmented reality is closer to the real world. Augmented reality adds graphics, sounds, haptic feedback and smell to the natural world as it exists. Both video games and cell phones are driving the development of augmented reality. Everyone from tourists, to soldiers, to someone looking for the closest subway stop can now benefit from the ability to place computer-generated graphics in their field of vision” (How Stuff Works).

The use of augmented reality to advertise is implied and presented right there, with someone looking for a subway stop. Imagine a world where the field of vision, viewed through digitally augmented sunglasses, would be able to simply look up nearby restaurants or shops. The use of smartphone apps to find such places is already presenting an early version of this technology, with further modifications presenting the ability to present advertisements into someone’s vision directly and reducing the evasion of advertisements through ad blocking software on phones and computers (Elliott).

Augmented reality currently typically takes a form similar to a video game; with users applying a smartphone camera or perhaps other device at an actual location and
allowing certain modifications, such as new images or perhaps, in the case of smartphone and video game system cameras, adding objects that can be interacted with in different ways (How Stuff Works). The constant, almost addicted, behavior of people in the Generation Y and Millennial groups for the use of smartphones, blackberries, video game systems and other devices indicates that the current focus on social media also transitions into a focus on augmented reality as the technology advances. GoldRun is a smartphone application developed recently to use for the purpose of augmented reality. According to a report by Inc.com, GoldRun is able “…to offer AR experiences on their mobile phone… To this point, their best campaigns have been with Airwalk and an Esquire Magazine cover with Brooklyn Decker that allowed users to take their virtual photo with the supermodel upon checking in to certain Barnes and Noble locations” (inc.com). The possible uses for including augmented reality in such marketing gimmicks has already seen some exercise, though it demands that the technology advance further to be realized at its full potential. For example, the inclusion of augmented reality could increase the use of viral marketing and encourage not only further use of social media and smartphone use, but also change the way reality is seen overall and the way marketing interacts with everyday life. The use of interactive billboards, display banners in subways, and even creative presentation methods such as projections from lights above one’s head in a public building could be used in interactive advertising. The advent of holograms and interactive light technology is currently in development, but within a few years could present a method of allowing consumers to “touch” projections in the real world that would behave like computer windows or three-dimensional projections that would enable advertisers to put the same advertisements viewed on television and the Internet into
holograms capable of showing off the product in a way almost realistic enough to constitute a live demonstration.

Smartphone apps have already been developed for the purpose of promotion. Rather than rely on direct advertising, however, these apps rely on the ability to track locations for users and list nearby bars, taxis, and other businesses. For example, the Le Bar Guide does just as listed above and lists nearby bars, with the addition of ratings to indicate the quality of the bars (Elliott). And yes, this app is supported and backed by an alcohol company, Stella Artois, as a way to help promote both bar business and the sales of their products. In addition, there is already an app that allows the phone, via cellular signal, to find nearby Wi-Fi spots for the purpose of other devices such as laptops (Elliott). There is no doubt that this technology could be manipulated, and no doubt that such an app could be backed by businesses such as, say, McDonald’s, in order to only list McDonald’s locations or other such businesses that would want to advertise. The use of this augmented reality feature, already implanted on phones, as am manipulated way to advertise businesses and stealthily ensure business to a client that sponsor the service, is a process that is almost certain to occur in the near future.

There’s also the strategy of marketing that has become known as viral marketing, so named due to its nature of infiltrating consumer lives and minds through unconventional, intricate and deeply complex methods that require minimal expenditure and maximum creativity and involvement. Advertising has become so ubiquitous in the current capitalist marketplace that many advertising agencies and in house marketers have been forced to get more creative. A way to advertise through mystery, by making consumers take an interest in something they don’t understand or participate in an ARG,
an alternate reality game, has emerged and forced a whole new brand of “viral marketing” into the world (Wilson). To achieve this, companies have done everything from staging fake news events of attacks by monsters, to simply putting together trailers and advertisements for a movie without saying anything about the movie itself, such as was done with the infamously terrifying *Cloverfield* (Cloverfield). A surprisingly simple method, this viral marketing simply requires an advertiser to be creative, and promise a deep involvement for those who get involved in it as consumers, and the Internet age has introduced viral marketing as something that pulls in consumers more effectively than traditional advertising as it gets consumers further involved and intrigued in a far more active way than imagined.

Viral marketing has been applied to everything from movies such as *Cloverfield* and video games such as *Halo* and more everyday products such as Dove soap (Ignite). The secret was to create a mystery or emotional connection. With *Cloverfield*, for example, the first trailer showed everything from the point of view of a handheld camcorder, and recorded what appeared to be a major disaster or attack on the city of New York. There were no camera cuts, no shots of a monster or terrorist or anything that would explain the attacks on New York, and no introduction to characters, as there would not be any reason for characters in this causal-situation-turned-disaster to suddenly start introducing themselves. There was no title given in the trailer, simply the release date (Cloverfield). From there, people began investigating and found out more as more information was released, culminating in a major film success with less advertising and promotion than expected, earning a record breaking amount at the box office after advertising with little to no information revealed (MSNBC Entertainment). This
technique has been executed since the early days of the Internet, with films such as the
*Blair Witch Project* and restaurants such as Burger King adapting all their marketing to
work with the present technology and incorporate it into the everyday activity of
consumers to make it less intrusive and more intricate and involved for consumers
(Ignite). Just as Internet advertising itself has proven, the use of viral marketing speaks
well of the survivability and creativity of advertising. Even in media planning, the
element of advertising some believe to be “all about the numbers” and not about creative
technique relies on ingenuity and evolution as technology and lifestyles evolve and
progress.

Viral marketing and augmented reality are modern concepts that have advanced
the use of technology in advertising beyond the normal means of advertising even in a
digital age. The alterations made to the advertising climate and the demonstrated success
of viral marketing campaigns has led to some advertising agencies specializing entirely in
the designing, planning and implementation of viral marketing campaigns, such as Viral
Buzz, which points out on its homepage that it is capable primarily of designing viral
marketing campaigns (Viral Buzz). Viral marketing campaigns, such as those cited
before in regards to *Cloverfield* or *Halo*, demonstrate a rise in efficiency through
advertising that relies less and less on expenditure, increasing efficiency and turning
more and more people through their own actions into consumers. Meanwhile, augmented
reality is clearly the next step in the progression of interactive technology, combining
technology already employed with advances that make the technology even more
ubiquitous and interactive, turning life into something resembling either a constantly
available computer or a full-immersion video game.
This evolution of technology relies on the presence of the Internet. The end of the nineties and rise of the new millennium changed everything, with progress so rapid and changing that no one could keep up at first. Viral marketing and the multiple methods of both passive and active advertising used on the Internet, including video and still-picture advertising, have created an inescapable marketing technique as ever present and inescapable as the use of computers themselves. More than that, however, is the undeniable fact that computers are not the only method of reaching the Internet that is made available in the modern digital climate. The advance of technology capable of accessing the Internet, such as smartphones, tablets, blackberries and devices such as kindles, has created a new digital environment where it is almost possible to function without a full computer simply because the Internet is the one thing ultimately required to accomplish nearly any task. And just like advertising itself, the Internet will always be made available and exist in some form, even if it is required for that form to shift in order to continue existence.

Section 7: Conclusion

In conclusion, this paper has both demonstrated the strength of the Internet and shown the endless possibilities it has, as well as making one point; that the Internet is simply a permanent part of the world now and as such, the fundamentals of the Internet will carry on. The Internet is something that rapidly rose to great prominence in the lives of countless people across the world, and is now more common in everyday life than many other common items and conveniences. As the Internet continues to grow in uses and strengths, the technology interacting with it and evolving from it will continue, as will advertising. In the years of the Internet’s rise, it changed everything about the way
people live, conduct every day activities and interact with other people, creating a new forum for both mass communication and private correspondence, a new communications center that became far easier to use and access than many others. When the Internet became what it is today, it allowed people to live out entire lives through the computer, with many depending on it more than the phone for the purpose of professional and personal communication, and it comes as no surprised that this would also lead to a rise in advertising online that would ensure that advertising infiltrates the new technological lifestyle. There are further changes that will eventually be made to advertising.

Advertising is an adaptive form of communication that is constant, ever-present and, in a sense, indestructible. If there is one thing that can be said about advertising, it is this: advertising adapts to changes in the environment. Advertising will always be present, and though it may change in method and message, the concept will remain strong and ubiquitous for as long as there is the presence of capitalist market activity and a need for practical communication.
Graphic Index

Exhibit #1

Have you ever clicked your mouse right HERE? YOU WILL

Source: *(The longest list of the longest stuff at the longest domain name.)*

Exhibit #2

US Online vs. Newspaper Ad Spending, 2009-2011

billions

Source: *(Orbit Scripts)*
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Relevant Courses:
• Research Methods in Advertising and Public Relations
• Media Planning in Advertising
• Creative Design in Advertising
• Graphic Design Communications
• International Economics
• Labor Economics

Relevant Experience:
Sutherland Media                               (May-August 2009)
• Catalogued video library.
• Organized footage and video content.
• Handled release forms during filming

Results Radio                                    (January-May 2011)
• Graphic Design work
• Creating Banner Ads and sales materials

AAF Competition Nittany Group                  (September 2011- Present)
Media Planning Team
Performed research on demographic media usage and advertising placement

Additional Skills
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• Computer Office and Adobe Graphic Design Program proficiency

Additional Activities
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