

The nature of the Advertising, PR and Marketing Industry

In the last decade, advertising, PR and marketing have changed almost beyond all recognition. Technological developments have influenced the conceptualising, designing, production and delivery of campaigns resulting in greater integration between the disciplines, as the boundaries between them blur and shift. Arguably the transition has led to an increase in the globalisation of the disciplines, allowing companies to make use of agencies in other regions and countries. Digital communication allows for phone and video conferencing, making, at least for the open and technologically minded, face-to-face meetings redundant.

In a letter to Marketing Week, Steve Griffiths (Managing Partner of DLKW Dialogue) argued that proper use of digital technology allows communications to be 'relevant, more personal, more engaging, more useful, cheaper and more connected' and that 'the agencies that get it right [in today's world] will be those that use solid marketing principles but are also prepared to explore digital.'¹ Rob Gray (contributing reporter to *Revolution*) offers a viewpoint that could be taken to explain the importance of digital technology: 'there are very few fresh marketing ideas around. Most of the innovation currently taking place is through the reinvention of old ideas for the email channel.'² Original thought and innovation, as intellectual commodities, are in limited supply and cannot be created or made by whim. However, the two fuel each other and recent technological development has provided practical commodities for original thought and innovation, inspiring fresh ideas and transforming the fields of advertising, PR and marketing.

Taking advertising as an example, David Reed (contributing reporter to *Marketing Week*) argues that 'the core techniques' which have remained unchanged for 'decades' are 'tired.' Reed cites Sean McIlrath (creative partner at Heresy) as saying, 'I have noticed from endless consumer focus groups that people nowadays talk about being able to see the marketing strategy. They can

¹ Steve Griffiths, Letters (Marketing Week - May 13th 2004) p.20

see what an ad is trying to do. They even say things such as: 'I'm not in the target market'.³ Sean Brierley (contributing reporter to *Marketing Week*) suggests that such attitudes are, at least in part, the fault of the advertisers. Brierley states that, 'many brands use the "emotional sell", but ads that support this approach are often so sickly sweet they only serve to alienate consumers.' Consumers know that 'businesses and brands are there to make money' and 'by removing the commerce from ads, consumers feel conned.' Underestimating the intelligence and perception of one's customers is risky behaviour and Brierley claims that, 'it is this that has helped to breed consumer cynicism over the years, because the experience does not match up to the emotional promise of advertising. Brands do not solve world hunger, bring people together or lure your ex back. They are there to satisfy your consumption needs'⁴ and everyone knows this. Advertising needed to change and technology appeared to facilitate this.

McIlrath highlights that consumers are no longer accepting what Seth Godin (author of *Unleashing the Ideavirus*) describes as interruption marketing - marketing which interrupts us in our activities, often without explicit permission from the receiver. The internet initially only offered another avenue for interruption marketing and not a new approach. Alan Mitchell (contributing reporter to *Marketing Week*) refers to recent research by Yankelov in the US that states that 69 per cent of consumers express interest in products 'that enable them to block, skip, or opt out of being exposed to marketing and advertising.' Mitchell adds that within the UK, 'up to 50 per cent, of (UK) consumers are now opting out of receiving marketing messages, even from companies they already do business with.'⁵ This has huge implications for legitimate e-marketers as ISPs are addressing the issue by filtering emails with imperfect techniques, leading to the deletion of legitimate marketing messages.⁶ Mitchell picks up the theme propagated by Godin, that 'today's 'Google generation' is more likely to search for information on products it desires than rely on traditional advertising.'⁷ Godin suggests that traditional advertising such as TV commercials, billboards and

² Rob Gray, *Marketing inspires email innovation* (Revolution - May 2004) p. 52

³ David Reed, *Under the influence* (Marketing Week - January 8th 2004) p.33

⁴ Sean Brierley, *Shouting sweet nothings to sell them pipe dreams* (Marketing Week - April 22 2004) p.29

⁵ Alan Mitchell, *Rethink needed to solve the consumer value crisis* (Marketing Week - May 13th 2004) p. 30

⁶ Colin Grimshaw, *Marketers could count the cost of spam* (Revolution - May 2004) p.52

magazine advertisements be replaced by 'ideaviruses'⁸ (viral marketing). Viral marketing uses email as a medium but because the consumers do the networking (in the passing on of the message), it is not interruption based, is more interactive and therefore more appealing to the consumer.

Although consumers are arguably becoming less open to (and therefore susceptible to) advertising, Public Relations, 'the practice of getting attention and shaping public opinion', is becoming ever more successful. Economist Jaime de Pinies noted, in a report commissioned by the Council of PR Firms, that 'despite the budget cuts, it appears that public relations as a discipline is increasingly valued by the firms in this survey.' The tools of PR include 'publicity, advertising, public affairs forums, lobbying public officials, and any and every other means that gets a message out to the public.' However, the common understanding of PR is the placing of stories in the media. The goal is to create the illusion that the message is the product of impartial journalism, and not advertising, which the consumer recognises and is resilient against. Sir Tim Bell (of Bell Pottinger) comments that, 'A strong story placed in the newspaper, picked up by everybody else, will actually have more impact than an advertising campaign.'⁹

As explained above, technological developments have impacted heavily upon advertising, PR and marketing industries, but has the consumer been opened up to the new methods or have they merely become more interrupted? Consumer apathy has largely matched the pace of technology - what was new only a few years ago is now outdated. Banner advertisements are a case in point here; on bare, dull sites, banners added colour and interest. However, banners now fill web sites to the extent that they are part of the background, something to be ignored as we seek out what interests us. Likewise, pop-ups are losing their impact and some sites are now withdrawing such advertising.

Niall Cook (Director of netcoms at PR firm Hill and Knowlton) explains that 'you can pretty much match the things you'd do in traditional PR with online

⁷ Ibid, p.31

⁸ Seth Godin, *Unleashing the Ideavirus* (New York: Do You Zoom Incorporated, 2000)

⁹ Corporate Watch UK, *Public relations and lobbying industry: an overview* on www.corporatewatch.org.uk/profiles/prjndustry/pr1.htm, Completed April 2003. Will Collin (of communications planning agency, Naked) isn't quite so positive, stating that 'having your brand mentioned in passing in editorial is not the same as an ad - the quality of the brand message isn't as complete. But it is a hell of a lot cheaper' in John Stones, *Spinning out of control* (Marketing Week - February 5th 2004) p.26

tactics. It's often the same things - you're just using the internet as a channel.¹⁰ PR revenues are up but story placement is likely to diminish if the patterns of consumer awareness continue. A great advantage of the internet is its excellency as a medium for viral marketing. Jamie Hill (contributing reporter to *Marketing Week*) states that 'with no standard method of measurement of the popularity of a viral ad, it is understandable that some are cynical about the medium and believe the appeal of viral campaigns have been exaggerated by enterprising PR companies looking for favourable press coverage.'¹¹ But campaigns do get talked about and ultimately, this is the purpose of PR activity. New ideas are essential as the Google generation is more aware of its options and requires high quality messages to gain and maintain its attention.

Many see the changes in technology as positive, Emma Chablo (Marketing Director for SmartFocus, a data management and analysis software vendor) claims that 'technology takes away the hard work and gives marketers more time to be creative.' Chablo explains this saying, 'For many years, marketers have had to queue outside the IT department to get their requests processed ... marketers can now have databases at their fingertips, combined with the tools to interrogate them.'¹² But are marketers up to the task? Sonoo Singh (contributing reporter to *Marketing Week*) draws attention to in-store technology such as plasma screens being used by stores to get closer to consumers.¹³ However, Daniel Thomas (contributing reporter to *Marketing Week*) paints a very different picture in drawing attention to the Euro 2004 advertisement fiasco saying that 'while the similarities between the Euro 2004 ad campaigns for Canon and Carlsberg is embarrassing for both companies, it also demonstrates a lack of original thinking in UK advertising.'¹⁴ Many sources accuse advertising agencies as being lazy and uncreative and Reed explains that 'agencies are having to turn to sophisticated psychological methods in order to find out what makes consumers tick - and, more importantly, buy.'¹⁵

The World Advertising Research Centre (WARC) for the Advertising Association's Advertising Statistics Yearbook 2002 reported that after nine years

¹⁰ Casper van Vark, *Your reputation is online* (Revolution - March 2004) p.42

¹¹ Jamie Hill, *We're not immune to viral marketing - yet* (Marketing Week - March 25th 2004) p.15

¹² David Reed, *Getting Technical* (Marketing Week - February 5th 2004) p.39

¹³ Sonoo Singh, *A case of screen angst* (Marketing Week - April 29th 2004) p.35

¹⁴ Daniel Thomas, *Safety first, creativity* (Marketing Week - April 22nd 2004) p.22

of uninterrupted growth, UK advertising expenditure had fallen by 2.6% from £17 billion in 2000 to just over £16.5 billion in 2001, according to the latest figures compiled, representing a decline of 4.4% in real terms (after adjusting for inflation). The figure includes agency commission and production costs and covers newspapers, magazines, directories, television, radio, outdoor advertising, cinema, direct mail and the Internet.¹⁶ This is a worrying statistic for the agencies unprepared for change.

To counteract consumer evolution, brands are evolving. Richenda Wilson (contributing reporter to *Marketing Week*) looks at the Guinness Storehouse and BBC Mailbox, saying, 'the role of design in building brand values is about more than just looks. It is about creating a physical and emotional experience.'¹⁷ Consumers can now visit and experience the brands as physical entities. Corporate Watch UK states that 'while marketing (including advertising and promotion) is about selling products and services ... PR is often concerned with selling persons, government policies, corporations, and other institutions.'¹⁸ Personification of branding makes it more open to what PR can offer.

Will Collin (communications planning agency, Naked) states, 'Unilever says it devotes a greater part of its allocated budget for Lynx to PR compared with its other brands, as it feels that it is a more effective way of reaching its target market of teenage boys.' Today's teenager is extremely savvy, having been showered by advertising since birth, however, he lacks the confidence of an adult and can be targeted very easily using indirect methods. Jasmine Montgomery (strategy director at brand analysis agency Futurebrand) suggests that it is the target audience that allows Unilever to do this with Lynx, 'In the main, brands that use viral marketing are those that have a sexy, young image and that don't mind using this type of medium to be a bit more racy and risqué than they would be elsewhere.'¹⁹

John Stones Hill (contributing reporter to *Marketing Week*) states that, 'PR can also be spun out of advertising ... Children's charity Barnardo's admits that

¹⁵ David Reed, *Under the influence* (Marketing Week - January 8th 2004) p. 33

¹⁶ UK Advertising Industry worth just over £16.5 billion in 2001, down 2.6% on 2000 on <http://www.adassoc.org.uk/pressoffice/newsreleases/nr105.html>, Issued on: 27 May 2002

¹⁷ Richenda Wilson, *Can you feel it?* (Marketing Week - December 4th 2003) p.35

¹⁸ Corporate Watch UK, *Public relations and lobbying industry: an overview* on www.corporatewatch.org.uk/profiles/prjindustry/prl.htm, Completed April 2003.

¹⁹ Jamie Hill, *We're not immune to viral marketing - yet* (Marketing Week - March 25th 2004) p.15

its recently banned ad campaign - showing children with syringes, cockroaches or methylated spirits in their mouths - deliberately courted controversy to give it maximum exposure.²⁰ Advertising, PR and Marketing are one and the same thing today. Reed states that 'back in the Fifties, advertising guru David Ogilvy made the point that, "the greater the similarity between products, the less part reason really plays in brand selection".' and argues that 'since that time, marketers have focused on understanding the subconscious motivations that drive consumer choice.' Reed points out that, 'While marketers shy away from the idea that consumers could be persuaded to buy products they may think they do not want, at its heart this is precisely the job of marketing.'²¹

So in considering the advertising, PR and marketing industry one must note that consumers are more aware than they were even 10 years ago, technology is the new tool for combating the apathy that has emerged from consumer awareness and those that succeed in the new world will be those that utilise the new technology - creating not replicating campaigns - and pay attention to the ever increasing power of the brand. Traditional advertising is still very popular with agencies but creative uses of new technology are becoming more visible. PR companies are enjoying success but already the cracks are beginning to show as consumers accused Barnardo's advert of being a PR stunt, the consumer is becoming aware and is already less open. Strategies that will work will be those that embrace consumer awareness and offer rather than force information.

²⁰ John Stones, *Spinning out of control* (Marketing Week - February 5th 2004) p.26

²¹ David Reed, *Under the influence* (Marketing Week - January 8th 2004) p.33