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## Advertising: Targets, Techniques, and Technology

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“Many a small thing has been made large by the right kind of advertising.”

—*A Connecticut Yankee in King Arthur’s Court*, by Mark Twain

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### Introduction

Why do we see so many advertisements? And why do businesses collectively spend billions of dollars on advertising each year? The answer is simple: **Advertising** is persuasive communication designed to increase or create **demand** for products or services by influencing consumers’ **choices** about **spending**. More spending by **consumers** means more sales and a greater potential **profit** for businesses.

In the dynamic and crowded **marketplace**, advertising is the showcase and a tool for persuasion. Using slogans, logos, jingles, and unique packaging, businesses create a “brand personality” to capture attention and drive consumer choices. For example, even toddlers can recognize McDonald’s golden arches. The arches influence preferences for McDonald’s and increase demand for its products. Advertising strengthens the loyalty of current users, builds repeat business, and can send a persuasive message to other consumers to switch brands.

[When addressing](#) the American Association of Advertising Agencies [in October 1926, President Coolidge emphasized the power of advertising:](#) “Advertising creates and changes this foundation of all popular action, public sentiment, or public opinion. It is the most potent influence in adopting and changing the habits and modes of life, affecting what we eat, what we wear, and the work and play of the whole Nation.”

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### Advertising Is a Business

Advertising is a fast-paced, growing, and ever-changing business—it is an industry itself. To cultivate demand, advertising agencies go to great lengths to present their products with the most-effective descriptions and design. They pay attention to the words, colors, and shapes they use, and they carefully choose the right type(s) of media to reach their audiences.

Additional comments President Coolidge made in his October 1926 address focused on the demand for publicity: “It constantly requires publicity. It is not enough that goods are made; a demand for them must also be made.”

And constant publicity and creating a demand is expensive business. In its report on advertising in the United States, Statista highlights that U.S. advertisers spend hundreds of billions of dollars each year,

reaching \$425.90 billion in 2024. The **cost** of advertising depends on factors such as the size of a print ad, length of run time for a radio or TV ad, and size of the potential audience. The Super Bowl is an example of incredibly expensive advertising. This massive audience is a great opportunity to influence the spending of millions of consumers. Statista researcher Michele Majidi reports that the average cost of a 30-second Super Bowl TV commercial in 2024 was 7 million dollars.

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## Advertising Techniques and Venues

To create a demand for products, advertisers determine the target audience by identifying who will be interested in using the product. A clear message tailored to interests and needs of this audience can introduce a new product, share a promotional offer, or share benefits of using the product. For example, to a targeted audience of older consumers who may have some hearing loss, an advertisement for hearing aids may emphasize affordable pricing, invisible design, and results of usage by a satisfied well-known or famous person. An [April 2017 Page One Economics article](#) explains that most advertisements use a combination of techniques to persuade and convince consumers of the value of the product.

### *Common Advertising Techniques*

- Gimmick—Uses clever ideas or devices
- Glittering generalities—Presents luxury, wealth, and glamour
- Bandwagon—Gives the impression that everybody is buying and using the product
- Testimonial—Well-known or famous person shares information about the product
- Just plain folks—Presents product as traditional, old-fashioned, and “homey”
- Humor—Aims to be funny or amusing
- Statistical approach—Uses numbers and facts to convince
- Expert approach—Uses a person who is or acts like a professional in the area

After the target audience is identified, selecting an appropriate venue is crucial for reaching the right audience. How will the advertising message be best conveyed? For example, advertising for beauty products is more effective in a lifestyle magazine than in a newspaper. Each venue serves a purpose according to the message, the target audience, and affordability.

### *Common Advertising Venues*

- Television
- Radio
- Billboards
- Magazines
- Email
- Telephone
- Mail
- Newspapers
- Internet
- Mobile devices

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## Timeline of Advertising in the U.S.

The article goes on to explain that, in the mid-1700s, advertising was almost nonexistent; it relied on print, and there was very little of that. The Advertising Hall of Fame describes how, during this time, Benjamin Franklin became known as our country’s first outstanding figure in the fields of advertising

and publication. He is referred to as “the original voice of America, selling products and services... through written and spoken word.”

Then came changes in advertising venues after the introduction of radio:

Radio broadcasting began on a large scale in the 1920s. The Golden Age of Radio began around 1925, and in 1926 the National Broadcasting Company (NBC) made plans for radios to be in 26 million American homes. This Golden Age of Radio enhanced advertising and moved it from the written word to other methods of communication: music, jingles, and the spoken word.

Later, there was a new world of advertising in television:

In 1936, there were only 200 television sets in use, but by 1992 there were 201 million televisions in the United States. In 2004, more than 98 percent of American households had a television and the average home had more than two. In 2016, on average, American adults watched about 5 hours of television per day.

Television has the capability of providing visual, auditory, and emotional appeal to a massive audience; its advertising is one of the most-effective ways to persuade consumers with compelling messages. In exchange for these benefits, advertisers pay a hefty price. From Statista’s report on U.S. advertising, TV and video advertising is the largest market, with a volume of \$144.60 billion dollars in 2024.

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## New Technology Changes Advertising

In its Invention of the Internet essay, History.com discusses the evolution of the internet beginning in the late 1960s and continuing to 1991, when the World Wide Web was introduced. With this development, online retail companies began to sell products directly to consumers; and, of course, online advertising began. The essay follows the development of online advertising into the first decade of the 2000s, when social media platforms emerged. As Facebook, Twitter (X), Snapchat, TikTok, and Instagram became popular, these new venues opened for advertisers.

Expenditures for social media advertising is growing. The Statista Research Department reveals that social media ad spending stood at \$72.3 billion dollars in 2023 and is estimated to reach over \$81 billion in 2024. According to the [2024 Social Media Fact Sheet](#) from Pew Research Center, YouTube and Facebook are the most widely used platforms.

History.com additionally reveals that “by around 2015, more people accessed the internet from smartphones than from other kinds of computers.” Now, according to the [2024 Mobile Fact Sheet](#) from Pew Research Center, 91% of Americans own a smartphone.

Smartphones paired with the internet has ignited growth in digital advertising spending. According to [Federal Reserve research by Marto and Le](#), digital advertising accounted for about 50% of total advertising spending in 2015 and in later years is estimated to have reached as much as 65%.

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## Current Advertising Trends

Advertising continues to change. According to the U.S. Census Bureau, spending on newspaper advertising continues to trend downward. The [decline in newspaper advertising](#) revenue is substantial: \$1.98 billion in 2021 down from \$3.64 billion in 2013. On the other hand, [online advertising continues to trend upward](#), with growth reaching \$239 billion in 2022 from \$49 billion in 2013, as shown in the

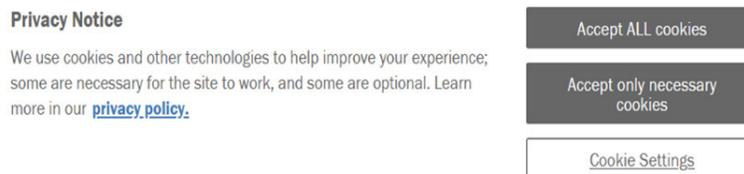
figure below. Additionally, Statista reports that the U.S. advertising market is shifting toward more personalized and targeted digital campaigns.



SOURCE: Sources of Revenue: Online Advertising Space for Internet Publishing, Broadcasting, and Web Search Portals, U.S. Census Bureau via FRED, Federal Reserve Bank of St. Louis; accessed December 3, 2024.

## Personalized Digital Marketing

Have you gone to a website and noticed the Privacy Notice? Did you pay any attention to accepting all cookies? The image below shows a sample privacy notice.



What are cookies anyway? Computer cookies are small files stored on your computer that web servers use to collect and save browsing information about a user’s online activities and preferences. This enables websites to remember users and provide a more-personalized and efficient browsing experience.

As reported in a Norton.com article by Emily Nemchick, cookies are also used as marketing and advertising tools. If you accept all cookies, you are accepting cookies often used by advertisers to track your online activity. This can lead to personalized advertisements based on your browsing and purchase history. Let’s say you’ve visited a website and searched for athletic shoes—and then notice you’re getting advertisements for athletic shoes on Facebook: Cookies tracked your online activity!

Researchers Marto and Le show that collecting information by tracking online activity increases the number of products offered. From 1995 to 2015, the number of products made available to consumers increased 115%. During this time, digital advertising is credited with about 39% of the increase. In this way, personalized advertising can benefit both consumers and advertisers.

The future of cookies is subject to change as benefits of personalized advertising are weighed against the interest and increasing concern for web privacy. Currently, you can select “accept only necessary cookies” in the privacy settings to prevent online activity tracking.

## Conclusion

Advertising is a powerful tool that shapes consumer behavior, builds brand awareness, and drives economic activity. The purpose of advertising has remained constant over time—to create demand for products by influencing consumer preferences. Although the techniques and purpose have remained constant, advertising continues to be more data driven and personalized. The Connecticut Yankee, a Mark Twain character, referred to the “right kind of advertising,” and this can be described as a moving target. Changing times and technology advances continue to require critical thinking in the marketplace.

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## Glossary

**Advertising:** Communication used by businesses to persuade consumers to buy a good or service.

**Choice:** A decision made between two or more possibilities or alternatives.

**Consumers:** People who buy goods and services to satisfy their wants.

**Costs:** Things unfavorable to a decisionmaker.

**Demand:** The quantity of a good or service that buyers are willing and able to buy at all possible prices during a certain time period.

**Market (marketplace):** Buyers and sellers coming together to exchange goods, services, and/or resources.

**Profit:** The amount of revenue that remains after a business pays the costs of producing a good or service.

**Spending:** Using some or all of your income to buy things you want now.

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Name \_\_\_\_\_ Period \_\_\_\_\_

## Reading Q&A

# Advertising: Targets, Techniques, and Technology

After reading the article, complete the following:

1. According to the essay, what is the primary purpose of advertising?
  - a. To inform consumers about new pricing and packaging of products
  - b. To teach consumers how to make wise choices in purchasing
  - c. To create demand for products or services by influencing consumer choices
  - d. To provide jobs for advertisers that promote designing and creativity
2. Which of the following is an example of an advertising venue?
  - a. Billboard
  - b. Cookies
  - c. Customer review
  - d. Sales report
3. According to President Coolidge in 1926, what role does advertising play in society?
  - a. Advertising is a primary source of entertainment for consumers.
  - b. It is a minor influence in the economy or in economic growth.
  - c. It affects public opinion and shapes popular habits and modes of life.
  - d. It has little effect on consumers' purchasing behavior.
4. What is one characteristic of the "bandwagon" advertising technique?
  - a. It encourages consumers to buy a product because everyone else is buying it.
  - b. It uses humor to make the product appealing to all consumers.
  - c. It emphasizes numbers and facts to convince consumers of its worth.
  - d. It presents the product as a luxury item that is kept for special occasions.
5. How has the advertising landscape changed with the internet and smartphones?
  - a. Consumers are seeing fewer advertisements because of outdated techniques.
  - b. The use of print media has increased significantly in recent years.
  - c. Digital and personalized advertising have become more prevalent.
  - d. Advertisements are no longer tailored to individual consumers.
6. What is the primary reason advertising is considered an expensive business?
  - a. Advertisers must spend money on creating products to give as prizes.
  - b. There are high costs associated with choosing the right media and targeting the right audience.
  - c. Advertising costs continue to decline for television advertisements, such as during the Super Bowl.
  - d. Advertising is a small part of marketing strategies, so advertisers have to pay less.

7. What venue(s) did Benjamin Franklin use in advertising?
  - a. Television commercials
  - b. Radio and social media
  - c. Print and spoken word
  - d. Radio and television
8. Which advertising medium has the largest market volume in the United States as of 2024?
  - a. Radio
  - b. Television and video
  - c. Print newspapers
  - d. Social media
9. What is the primary function of “cookies” in digital advertising?
  - a. To collect and store users’ personal information for security purposes
  - b. To track users’ browsing activities and provide personalized advertising
  - c. To improve website design and slow down speed of browsing
  - d. To prevent users from visiting certain websites that are not appropriate
10. Which of the following trends in advertising has been observed in recent years?
  - a. A significant increase in print advertising
  - b. A decline in digital advertising expenditures
  - c. A shift toward personalized and targeted digital campaigns
  - d. The return of radio as the primary advertising medium
11. What is a key reason companies spend a significant amount on Super Bowl commercials?
  - a. To target local audiences effectively
  - b. Because it is a low-cost advertising venue
  - c. To market to a massive audience
  - d. To limit the exposure of their products
12. What should consumers do as a result of the growing and vast number of advertisements?
  - a. Remember the advertisements and buy as many products as you can.
  - b. Analyze advertisements and make wise decisions on spending.
  - c. Take the word of a famous personality who promotes the product.
  - d. Buy the same products as all your friends so you’ll be like everyone else.