

THE FUTURE OF ADVERTISING

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Skeptics who forecast the demise of advertising ignore the fact that business and other enterprises have an innate need to communicate with their publics. Hence, the real question is not will advertising continue to be an important tool of business communication (the answer to that question is yes!) but simply,

What Forms Will Advertising Take in the Future?

As the means or media through which advertising messages are conveyed evolve, it is important to stress that the fundamentals of effective communication simply need to be adapted and expanded to fit these new forms. For example, the fundamental principles of effective persuasion articulated by Aristotle 2,350 years ago can be applied just as directly to selling high tech gadgetry via interactive advertising on the Internet as they can to a public debate in ancient Athens.

Rather than dreary, the future of advertising is bright and unlimited. As unlimited as the imaginations of the marketing communication professionals who are constantly seeking more effective and efficient means to promote the brands and companies they represent. Advances in computer and communication technologies are opening up an unprecedented opportunities for advertising people. Now is a time of great excitement and opportunity for the advertising industry..

The function of the economic system is to supply products and services for the use and enjoyment of the consumer. A substantial portion of our economic system is devoted to the fulfillment of wants and desires which go well beyond the basic necessities of life. Advertising is an integral part of this activity and one of the most visible elements of the mass distribution system.

One of the primary roles of advertising is to provide information about products or services to potential buyers. The classified sections in newspapers represent advertising in this most basic form. This type of advertising effectively improves the operation of marketplace and can therefore be regarded as playing a useful role in the economy and to society.

Annual advertising expenditures total over 132 billion dollars. It is important to recognize, however, that most of this money does not go to the advertising industry. The majority of these funds are used to subsidize the communication's media, an industry which has become dependent upon these essential advertising revenues. For example, this is virtually the only source of income that commercial radio and television stations have, and it constitutes about two-thirds of the income for newspaper and magazine publishers. Without this

financial support, the media communications industry would cease to operate in the manner in which it exists today.

As companies attempt to reach their consumers more effectively, database marketing, home shopping channels, infomercials, and electronic couponing are emerging as the most cost effective way to deliver their message. These new channels of information distribution offer variety, convenience, flexibility, and customization. While traditional print and broadcast are becoming more customized too, they have not moved at the pace of these new technologies.

The fastest growing new information channel today is the Internet.. Unlike interactive cable television which seems to be getting more expensive and complicated all the time, the Internet offers two-way, graphical, worldwide communication with technology-oriented early adopters. These users are well-educated, upscale individuals who have chosen to access information from a worldwide web.

This is the first medium to deliver an almost instant global audience. It is the new form of mass communication and provides users with a new economy of information distribution and acquisition. Advertising on the Internet has become the most significant new development within the industry. Much of the interest is being fueled by small entrepreneurial companies who are able to take advantage of change much faster than their larger corporate competition.

As this new information delivery system grows and is able to effectively and efficiently deliver information to a mass market, advertising will be a part of the future for two reasons. First, the fact is that for products and services directed to mass markets, advertising is the most cost effective means of promotion. Second, the financial subsidy that advertising will provide this new mass medium will be as important as it was for the traditional media that operate today. Advertising will provide the primary source of income for the future expansion of the Internet. Advertising will continue to be an economic fact of life in a mass distribution economy because it has consistently worked better and cost less over the long run than other alternatives.

It is inevitable that certain advertising media decline over time (e.g., network television) and others flourish (e.g., data base marketing communication). Such ebb and flow in terms of the media available to advertisers is predictable and healthy just as the evolution of a species is in the natural world. So, advertising is a kind of combination of psychology, art and economics, and we can only predict what forms it will take in a couple of decades.

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