

The Analysis of Advertising Media Transformations and Directions of Changes of Media Selection by Companies Based On Trends and Advertising Expenses

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Abstract - By analyzing the transformation of advertising media, we can observe what changes and how fast they occurred on the advertising market. Forecasts show that there is still a large area for further development of advertising tools. In addition, the amount of advertising media revenues clearly indicate that interest in advertising among businesses was, is, and will exist - only the preferences for advertising media and ways to reach the target with advertising message change. The author of the article analyzed the literature in the field of transformation of advertising media in particular periods, and reviewed reports on trends for the coming years and made the analysis of advertising spending in Poland and in the world, which showed the rate of change and the direction followed by companies in their advertising campaigns planning.

Keywords— media, advertisement, advertising spending.

I. INTRODUCTION

WHEN a company is committed to making a profit from the sale of its products, it plans the action that will allow a client to learn about the products and / or the company itself. To make this happen, it uses available ways to promote business. One of them is advertising. Thanks to advertisements client learns about the product or / and the company and takes further steps. The demand for advertising services largely depends on companies that sell consumer, entertainment, financial, technology and telecommunications products. They generate the largest advertising revenue. The profitability of individual companies depends on creative skills, skillful management, customer relationship and constant observation of changes occurring in the market both in terms of customer needs and the possibility of new advertising activities. Analysis of activities in the past may, for companies, become an inspiration or a clue of, what actions, despite the passing time, still do not depreciate, which of them can be streamlined and enter the current market and how important is the time to make changes in order to be competitive .

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II. TRANSFORMATIONS OF ADVERTISING

Today, the operating advertising market and the advertising agencies differ significantly from their original predecessors. Advertising underwent its transformation in the field of various media, which gradually developed in the past. The first agency operating on mediating basis in placing advertisements in newspapers was founded in England by William Tyler in 1786 [1]. However, the first advertising activities date back to ancient times, when the concept of marketing did not exist - this time called the pre-marketing marketing era lasted until the last decades of the eighteenth century.

The first actions focused on the plates, signboards in taverns, paintings, posters painted on papyrus, the walls of cities or engraved in the stones and the human voice, which argued for the offer. The oldest preserved advertisements constitute Babylonian clay tablets praising writer's services, seller of medicinal ointments and shoemaker. The ancient Romans gave trade names to the sold goods. They packed products and marked them with stamps, letters, pictures. In this way the importance of the brand was growing, though it was not called in that way yet. Since most of people could not read, advertising messages were based mainly on images [2]. Only at the end of this era, the first primitive form of printing appeared, which was very actively developed in the subsequent period known to eras of mass information.

The breakthrough for advertising was the moment of the invention of the printing press by Johannes Gutenberg around 1456., when the merchants and craftsmen did not have to appear in places full of people to advertise their products as the advertisements were reproduced and distributed in all the streets.

The first leaflet was printed by William Caxton, Londoner, and included instructions for clergy during Easter, which was hung on the doors of churches. In this way, it became the first outdoor advertising in England [3]. The first ad in the form of scattered leaflets was the brochure printed about 1525. Press releases in different European countries appeared between the sixteenth and the eighteenth century. They were developing the fastest in England, Germany, France and the Netherlands. The oldest known European press advertising comes from

England in 1625 and from France in 1730. In the US, the first printed newspaper was "The Boston News Letter" in 1704r, in Poland in the eighteenth century we had "Pocztą Królewska" and "Polskie Nowiny". The first advertising newspaper was created in France in 1633. It was founded by Theophrastus Renaudot [4].

Initially, the ads and print ads did not stand out from each other with anything special, until 1865 when photography was used for the first time in order to attract more customers [5].

The press, however, was not the only media as the use of traditional forms of advertising - exhibition advertising, signs and print ads continued. Moreover, in 1848 London first horse-drawn tram was used to advertise products through advertisements that appeared on the outside and inside means of communication. In the seventeenth and eighteenth centuries posters and advertising posters were very common. In Europe, in the eighteenth and nineteenth centuries people could meet the first mobile street advertising placed on special trolleys, on the backs of hired people or special hats, etc. [6].

In the nineteenth century the main advertising media were in the form of printed newspapers and posters which it tested a variety of ways to attract public attention.

In 1909 first image of the famous people as a way to convince people to the product was used. This was done by Pepsi-Cola in print ad, using Barney Oldfield, a motorist - well-known in those days [7].

The First World War has shown that advertising does not necessarily serve only the function of impelling to buy, but it can also be a useful tool in the dissemination of ideas, as in the sale of articles and this was also referred to in the newspapers [8].

20 years of the twentieth marked the birth of radio advertising. Although, at first it was to be regarded as a medium free of commercials, ads quickly appeared there due to the cheapness and availability of the radio. In 1921 commercial radio station KDKA in Pittsburgh began broadcasting radio ads [9]. In 1922 it was followed for the first time by the US New York station Wind & Earth & Air & Fire that broadcast spoken advertisement of a construction company. At the beginning of the 30s there were early forms of radio product placement within the emerging radio soap operas. Special radio ads change could be observed in the 60s of the twentieth century when searching for how to reach the local youth through the emission of music created a completely different form of relation to earlier trends [10].

The interwar period witnessed a lot of mass communication forms and many ways of advertising messages. When in 1927, the Englishman John Logie Baird patented a new invention in the form of television, the world of advertising sensed a new opportunity and started to enjoy a better time. The first TV ads have appeared in the US, due to the fact that work on the development of television sourced from commercial and not, as in England, Germany or Russia, from state resources [11]. In 1939 began television advertising in the first US commercial television WTMJ-TV

operating in Milwaukee, Wisconsin [12]. But only in 1946 it broadcast the first nationwide advertising spot of the Ford car.

In Europe, the national launch of the station took place late due to the war. At the beginning, only private televisions published advertising. In South America and Africa emissions spots met no reservations. United Kingdom, France, Switzerland, Belgium, the Netherlands and the Scandinavian countries treated television as a public service, hence the advertisement there was not transmitted. In Italy, the ads were only broadcast at night and in Germany ads were allowed for 20 minutes per day. In Finland, Australia, Japan, Australia and Canada ad broadcasting took place only in private stations. The development of the production of television advertising has prompted numerous advertising agencies to track the visual medium [13].

In the mid-twentieth century, the advertising industry already had at its disposal daily newspapers, magazines, cinema, radio, television, large format posters, billboards, shop windows, neon signs, mail and transport. This period is called the era of testing, as it analyzed the mass media and consumers - their tastes, needs and decision-making processes, ways of using the media, etc. [14].

Another moment that deeply revolutionized the world of advertising was the emergence of the Internet. The development of the Internet as an important advertising medium has contributed to the development of numerous advertising agencies [15].

The first ad banner was posted in 1994 on the online magazine "HotWired". It was also the moment when computer network was first time used for commercial purposes [16].

Initially simple forms of ads targeted to all Internet users appeared, and over time the personalization of advertising has gained importance, advertising campaigns automation, focus on each client individually based on their network behavior. The advertising is encountered not only on the screens of our computers but also on other mobile devices - phones, smartphones, tablets, etc. They come as various forms of banner advertising - permanently associated with the website or appearing automatically on our screens based on our 'path' of past purchases and visited pages. Computer games as well as the games themselves have especially dominating website ads.

At the beginning of the twenty-first century, many Internet users spent their free time hanging out at various chats. The Polish market has become very popular also for Gadu-Gadu. First Polish social networking includes Epuls and Fotka.pl, where users could be in contact with all their friends, discuss issues on forums, write miniblog, post pictures, or be informed about important events. At that time, the US market was boomed with services such as MySpace since 2003, Facebook founded in 2004 and YouTube created in 2005. MySpace and YouTube as the first sites enabled users to share multimedia content such as music or video on a large scale. It was then that the companies recognized the potential and placed their advertising there [17]. Therefore today, social media have become for most entrepreneurs already the

primary channel of advertising, which shows their share in the advertising market, the ever-increasing advertising spending in the medium and forecast trends for the coming years.

III. TRENDS

Rynek reklamowy ulega ciągłym przeobrażeniom. Jak pokazuje historia klasyczne formy reklamy nie przenikają, lecz przechodzą swoje metamorfozy, występują w nowych odsłonach czy też mają szersze możliwości. Rynek wykorzystuje dostępne kanały przekazu by móc wykorzystać je do reklamowania dóbr i usług. Prognozy na rok 2015 wskazują, że upłynie on pod znakiem reklamy internetowej. To tu przede wszystkim rozwijać się będą możliwości dotarcia z przekazem reklamowych do konkretnego odbiorcy.

The advertising market undergoes constant transformation. As history shows, classic forms of advertising do not just overlap, but go through their metamorphosis; there are new scenes or they have more opportunities. The market uses all available channels of communication to be able to use them to advertise goods and services. Forecasts for 2015 indicate that this year will pass under the domination of Internet advertising. It is primary place for development to reach a specific recipient with the advertising message.

These transformations are the result of the further development of technology that makes consumers and businesses differently perceive the advertising message [18].

Among the predicted and observed changes and actions that will have an impact on the advertising market, we can point out the following [19]:

- More in-depth study of users in the network and personalization of messages using Big Data,
- Automation of marketing activities. Creating real-time advertising for specific audiences,
- The creation of joint communications on different devices at the same time to increase the effectiveness of communication (multiscreen)
- The integration of data with advertising campaigns from traditional and digital sources
- Advertising meshing used as a source of control of advertising of the type multiscreen [20].
- Cross measurement as a way to more precise information on the effects of marketing activities by integrating data from various social media [21].
- Using short, engaging videos on microvideo consumer as an opportunity for smart solutions of paid marketing,
- Optimization of the advertising message in different devices depending on the age and type of activities performed [22].
- Combining smart, engaging advertising creative elements with existing algorithms media buying. The companies will work on programmatic systems to so that they are attractive for watching people, based on various factors and preferences (colors, layers of verbal advertising, consumer digital behavior or their psychological characteristics) [23].
- Communication with the consumer based on geolocation data. Behavioral mechanisms will be employed to personalize

consumer experiences and measurement of store display or outdoor advertising,

- More widespread use of native advertising. These forms are located in a conspicuous place on site, often refer to the interests of the consumer, thereby increasing their effectiveness. Consumers repeatedly click on it, because they do not realize that they are a form of advertising. Research carried out by IPG Media Lab suggest that native advertising is much better than traditional advertising. Consumers are watching this type of advertising by 52% more likely than banner ads and are more induced to share it with friends or family [24].

- More focus on mobile advertising efforts. The company will use the fact that the phone is now our digital avatar more and more. As shown by the survey conducted in 2014 by Millward Brown, mobile devices play a dominant role already for 65% of people around the world.

- Digital billboards matching the needs of the environment to increase interest in and communication with passers [25].

- Yet more advertising through the social media. IAB AdEx survey shows that in the second quarter of 2014 advertising expenditures on social media increased about 74 per cent. Internet users, besides basic fanpage, will be increasingly accosted by interactive applications encouraging them to take specific consumer behavior [26].

All the above mentioned trends show how they are changing the media in relation to activities from the past and in which direction will companies follow. Internet is permanently inscribed in the advertising campaigns of companies and the fact that the consumer is more aware of ubiquitous advertising, however, does not mean the end of the activities of the media and weaker years for advertising agencies; it is quite the opposite, as evidenced by advertising expenditures in recent years and forecasts for the future.

IV. ADVERTISING SPENDING AND FORECAST FOR THE FUTURE

As the results of Magda Global and ZenithOptimedia show, worldwide advertising industry generates annually about 520 billion dollars. In addition, it is expected that global ad expenditure will grow in 2016 by 6%. This is influenced by economic recovery in Europe and North America, as well as steady growth in developing regions of Asia and Latin America [27]. Statistics of the World Advertising Research Center (WARC) verify the forecasts for 2015 and found that the increase will be at a lower level and will amount to 2.3%, which is the result of reduced advertising revenues from companies established in six major advertising markets [28]. However, forecasts of Starcom MediaVest Group and Starlink for the Polish market indicated that in 2015 the advertising market will grow by 2,7-3,3%, which breaks a two-year bad period (Fig.1).

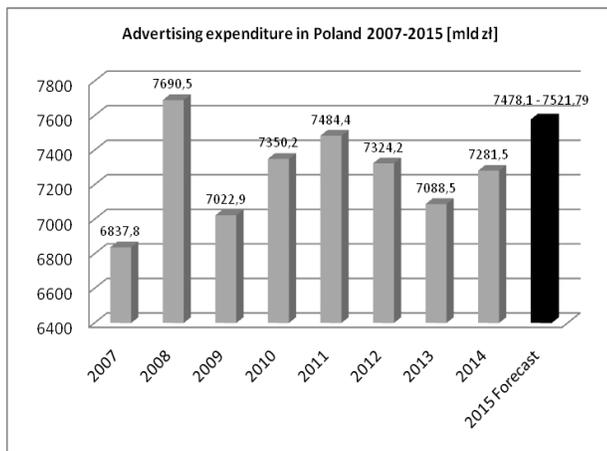


Fig. 1 Advertising Expenditure In Poland 2007-2015

Source: own study based on the advertising market report after the second quarter 2014.

In the first half of 2015 growth was estimated at 2.8% [6]. In the year 2014 advertising has also experienced an increase to the previous year by 2.7% and amounted to 193 million PLN, and the market value amounted to 7.28 billion PLN [29]. The continuing recovery in domestic demand was influenced by investment and private consumption. Positive signals also flowed from the labor market - unemployment is down, average employment in the economy and the average real gross wage went up, which resulted in the purchasing power of wages. The revival, which suffered the euro area, however, may be not permanent due to the precarious situation of the Greek economy, as well as the US record slower growth than expected and the noted slowdown in the Chinese economy. This is particularly important, since one-third of global advertising spending is in one of the largest advertising market in the world such as the United States. The second largest market is China, which account for about 10%. Other leading markets are Japan, Germany and the United Kingdom [30].

In many developing countries, the key growth area is mobile advertising and marketing services.

Advertisers are increasingly using digital platforms to achieve greater market share. According to ZenithOptimedia, internet is the fastest growing medium and in the years 2014-2016 global ad spending will grow by 16% per year [31]. In addition, eMarketer forecasts indicate that by 2017 the share of total digital ad spending will reach 35%, which is also dictated by the rapid increase in spending on advertising in social media, which are growing annually by 30%. Brands are increasingly willing to change their advertising budgets and invest in digital media. Ads in mobiles, including online advertising delivered to smartphones and tablets, are the main engine of global growth in advertising. It is predicted that mobile advertising in 2015 will record a 60% increase compared to the previous year, and thanks to the growing popularity of smartphones and tablets spending in 2013-2016 will grow by an average of 49% per year [32]. As indicated by eMarketer, currently the highest global revenues from mobile advertising google and facebook reach a total of 40% of market share. Expenditure on advertising on mobile devices

are growing 5.5 times faster than stationary equipment.

The problem that arises, however, in the case of Internet advertising, which may considerably hinder the achievement of high profits, are ad blockers. These actions may affect the frequent choice for companies advertising on mobile devices than advertising directly on the Internet.

The report prepared by PageFair and Adobe pointed out that in January 2014, number of users for ad blocking amounted to 181 million, where a year earlier the figure was 121 million Internet users, and in 2010 21 million - isible significant increase of interest in this type of application. The highest growth rate is observed in the US market, where the number of programs to block increased by 48%. The largest percentage of people in Greece, where this method is used by 36.7% of Internet users. Poland also ranked high on the list with the result of 34.9%. Countries that now feel the least impact of these actions are Italy (12.8%) and France (10.4%). Preliminary calculations show that global financial losses in 2015 will amount to 21.8 billion. \$, And the number will continue to grow. Forecasts for 2016 show almost a 100% increase - \$ 41.4 billion [33].

Work on further mechanisms including blocking progress in Apple company, which is developing a system that will have built-in mechanisms to limit ads. Moreover, it is getting more and more opponents of ads displayed with the video content, which limit also significantly affects publishers and advertisers [34].

The second, in terms of global spending on advertising, medium is television, which according to ZenithOpimedia in the years 2013-2016 will amount to \$ 26 629 million in Poland this medium is currently the largest share of the advertising market - in the last half of 2015 it went to 1,983 billion PLN of marketing expenditure, which is 3.3% more than the year before. The mere sale of spots provide 70.5 million PLN more than a year earlier [35]. Another medium that Poland reported an increase is the radio, advertising revenues have fallen with the press and the cinema, and to a small degree with outdoor advertising.

The next quarters will show what will happen in the advertising market, will review the established financial forecasts and trends. The analyzes show, however, that the advertising market will grow faster searching for new ways to draw the attention of consumers.

V.CONCLUSION

The advertising market is changing, as the result of the changing needs of buyers and new opportunities. Time for introducing new products to stay ahead of competitors and meet consumer expectations will be reduced. In the coming years the companies will develop new or improved methods to streamline processes, both technical and creative, allowing them to penetrate deeper into the minds of consumers in order to generate tailor-made goods and services. This need is not just the result of a desire to make a profit by enterprises, but also of customer expectations, which were accustomed to the changes – resulting in frequent boredom with whatever is already known and search for something new. This is a gap

for advertising firms still to fill if they communicate a message about the news in the right time. This shows that as long as the consumer is susceptible to the action of "building" their needs, so long advertising market will continue to grow.

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