

# A Model of Periodization of Radio and Internet Advertising History

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## Abstract

Internet advertising is barely 20 years old. Beginning in the 1960s as a computerized communications network for scientific research, the Internet was opened to commercial use in 1991. Marketers were slow to adopt its use, however, and the first attempts at Internet advertising were met with fierce resistance from consumers. Then in late 1994 when *Wired* magazine sold the first banner ad on its website it signaled the emergence of a new mass medium for advertising. The development of advertising on radio followed a similar path, beginning as a communications medium used only by the technically-inclined, who reviled any attempt to use it for commercial purposes. In the histories of both new media, after a series of similar phases of events, the business model of advertiser-supported content was eventually adopted. This conceptual paper presents a narrative history of radio and Internet advertising, focusing on the development of forms of advertising on the new medium. It is interpretive historical marketing research, informed by postmodern historiography. As a contribution to marketing history it proposes an original theoretical model of Periodization of Radio and Internet Advertising History, which organizes the history of radio advertising and the history of Internet advertising into four phases of development: Technology, Content, Advertising, and Advertising Becomes Content. The two histories are compared in terms of the similarity of events, social sensibilities, and turning points as they move through the phases of development. *Keywords: Internet advertising, history of radio, advertising history, media studies, periodization*

## Introduction

When the World Wide Web emerged as a new mass medium for communications in the early 1990s it was quickly embraced by consumers, but when the first advertising appeared on a website in 1994 it was just as quickly despised by those consumers, not to mention harshly criticized by Web developers and ignored by most reputable marketers. It is not the first time this has happened in the history of a new medium. In the early 1920s when the first advertisement was heard on radio a similar pattern of development, use, and reactions occurred. Consumers were embracing radio and demanding more programs to listen to, but when the selling of advertising was suggested a way to pay for the creation and broadcasting of those programs consumers were outraged. Eventually the selling of advertising on both media was grudgingly permitted, but only after years of public debate during which the very idea was railed against by critics and scorned by the public.

This paper presents first a brief history of the development of radio advertising (when radio was a new medium), then a brief history of the development of advertising on the new medium of the Internet, followed by a comparison of the two, as the basis for the theoretical model of organization through which the similarities can be understood:

Model of Periodization of Radio and Internet Advertising History

Period	Description
<p><b>PHASE I: TECHNOLOGY</b></p> <p><b>RADIO 1899-1923</b> <b>INTERNET 1990-1995</b></p>	<p>The new medium is the realm of technicians who build their own equipment with which to access it, and who are the sole consumers of communications transmitted. They care only about the capabilities of the new technology, and focus on testing and improving it. As the technology improves, an audience of non-technical consumers emerges. There is no formal advertising but some experimentation with using the new medium for commercial or marketing purposes.</p>
<p><b>PHASE II: CONTENT</b></p> <p><b>RADIO 1912-1925</b> <b>INTERNET 1993-1998</b></p>	<p>Consumers are established as a class of users separate from technicians. The technicians continue to improve the technology, making it easier to use and thereby causing the consumer audience to grow. Consumers demand content, driving the emergence of a third class of users: content producers. Production of content for the new medium becomes an industry</p>
<p><b>PHASE III: ADVERTISING</b></p> <p><b>RADIO 1922-1929</b> <b>INTERNET 1994-2001</b></p>	<p>The consumer audience is large enough for marketers to want to reach them. Many new forms of advertising are developed, but controversies rage over the use of the new medium for advertising. Content producers are established but struggle with revenue models. Eventually advertising is accepted, though grudgingly, as the only practical solution to the business problem.</p>
<p><b>PHASE IV: ADVERTISING BECOMES CONTENT</b></p> <p><b>RADIO 1930-1949</b> <b>INTERNET 2001-2008</b></p>	<p>Advertising on the new medium is firmly established but sophisticated consumers continually seek ways to control or avoid it, driving advertisers to develop new forms of advertising that blur the distinction between advertising and content.</p>

Following the methods of periodization as described by Hollander (2005) and Witkowski and Jones (2006), the progression between phases can be described as periodization by turning points, so long as we apply the term “point” loosely. The turning point between Phase I Technology and Phase II Content is indicated when the non-technical consumer audience for the new medium becomes a large, identifiable group and begins to demand original content. The turning point between Phase II Content and Phase III Advertising occurs when content production has become an industry and the business model of content-supported advertising has been agreed upon. And the turning point between Phase III Advertising and Phase IV Advertising Becomes Content is recognized when consumers become

accustomed to advertising and seek ways to avoid it, driving the advertisers to invent new forms of advertising that blur the distinction between advertising and content.

### **A Brief History of Radio Advertising**

The technology phase that laid the groundwork for the development of advertising on the new medium of radio can roughly be bounded by the years 1899-1923, when inventors and hobbyists and, slowly, consumers began to learn about the possibilities of the new medium that would eventually be called radio. The precursors to radio were telegraphy, the transmission of Morse code over wires across long distances; and telephony, the telegraphing of sound across wires (Barnouw, 1966). One of the first technologists to imagine sending voice transmissions through the air was Alexander Graham Bell, who invented the radiophone, a device powered by a battery and connected to a telephone receiver, that was able to communicate over very short distances ("Telephoning At Sea," 1907), but the fact that the transmissions could be received by anyone with a receiver, rather than only the particular person they were intended for, was considered problematic and unnecessary.

Lee de Forest, the self-proclaimed Father of Radio, disagreed with the wisdom of the day. He thought it might be possible one day to send voices through the air, so he invented devices to improve the technology, and make it easier to use: "The feature about my radio telephone is that it does not need a trained operator. Any person of average intelligence can operate it (Carneal, 1930, p. 202). Meanwhile, amateur hobbyists toyed with "crystal sets" and other homemade radio listening equipment. As their hobby began to reach the consciousness of consumers, there evolved a fascination among non-technologists with the nuts and bolts of radio technology, especially with the setting of new distance records.

When in 1923 U.S. President Harding delivered a speech to the Volunteers of America, which was broadcast via AT&T's New York radio station, WEAf, the RADIO column explained the technical details of the broadcast to its readers ("RADIO: Harding to Talk By Wireless," 1923). There was also great interest in the number of words being transmitted even though, technically speaking, discreet words mean nothing to a sound wave. Journalists in the early 1920s regularly reported noteworthy developments in radio in terms of the number of words that had been sent, for example, "The naval communications service transmitted about 4,500,000 words during the first quarter of the fiscal year 1923... The next largest user was the Department of Agriculture with nearly 500,000 words ("RADIO: Harding to Talk By Wireless," 1923). There was also a keen interest in measuring distance. Early hobbyists asked one another, "How far have you heard?" "Distance was the thing in those days," recalled Frank Edwards (1956, p. 20), "If you could identify a program and the station that was broadcasting it you could send in a post card and that station was under federal instructions to acknowledge your message with a DX card."

It took approximately twenty years before the idea of using radio technology to deliver content to consumers evolved. The first "content" to be transmitted via radio waves was simply amateur technologists talking to each other. Serious technologists like de Forest would broadcast their voices for the purpose of testing the abilities of their equipment, and would periodically announce who and where they were, so that other hobbyists, experimenting with receiving devices, would know how far they were hearing. It was common for the listener who heard from far away to call or write to the sender of the transmission, to let him know that he had been heard. (de Forest, 1950, pp. 228-229).

Only after World War I did non-skilled consumers begin to listen to the radio. With this separation of audience from content producers, content development entered a new phase. The first radio station in the U.S. was created as an experiment by the Westinghouse Company, a manufacturer of radio receiving sets. A major problem during the early years of the Content Phase was that the only people creating content were technicians at radio manufacturers, and only for the purpose of demonstrating and selling their equipment (Yates, 1923). In addition to radio manufacturers, early radio stations were owned by a strange assortment of businesses, from department stores to laundromats; churches, educational institutions, newspapers; even a poultry farm. Before licenses from the government were required, anyone could call their homegrown operation a radio station, so long as they had the resources to create content and the equipment to transmit it—and so they could produce and broadcast any sort of content they wished.

In 1922 AT&T established radio station WEAf in New York City as an experiment to test the viability of toll broadcasting, a business model that allowed them to sell time "on the line" to broadcasters (Banning, 1946). The company created a sales department to support the selling of online time. They were subsequently criticized as having "mercenary advertising purposes" and as being

“positively offensive.” There were few customers, as most marketers at that time preferred to build their own radio broadcast stations, and create their own programming—which was typically people discussing the company’s products.

Still, the more businesses became involved in radio, and the more consumers became aware of it, the more pressing became the question of who will pay for all that equipment and programming. In 1924 a *New York Times* Sunday feature called upon leading experts to offer their suggestions ("Radio's Big Issue--Who Is To Pay Artist?" 1924a). David Sarnoff opined that radio would be supported by wealthy patrons of the arts. United States Secretary of Commerce Herbert Hoover proclaimed that there was no problem, that radio manufacturers should continue to derive profits from selling radio sets. He also made a point of saying that any suggestion of selling advertising to support broadcasting would ruin the industry. Paying for content was a financial model that was also considered, but among all the suggestions the one that had the least support among station owners, content producers, journalists, and consumers, was advertising. When *Radio Broadcast* magazine announced a contest to solicit suggestions from the public, The winner, a Mr. H.D. Kellogg, Jr., of Pennsylvania, suggested the creation of a Federal Bureau of Broadcasting, whose task it would be to collect a tax of \$2 on each tube sold, and 50¢ on each crystal used in a radio receiver. His solution, though valiant and imaginative, was never seriously considered ("Who Is to Pay for Broadcasting--and How?" 1924b).

By 1925 it had become common practice to link a company’s trademark or product with an entertainment program in a form of sponsorship called indirect advertising. Some felt this would solve the problem of who should pay for broadcasting (Reeves, 1929). The public, however, continued to complain: “The plea of broadcasters that they cannot afford to entertain the public for nothing and therefore they must accept advertising...does not make any impression on the intelligent portion of the radio public. No one asked these broadcasters to erect and operate their stations” ("What is Going to Happen to Radio Advertising?" 1925). Eventually it came to pass that since no one *but* advertisers was willing to pay for broadcasting, the answer to the question became moot, and the development of advertising on radio moved into its next phase.

Broadcast historians agree that the first radio advertisement was aired by WEAF on 28 August 1922 (Lichty and Topping, 1975, McChesney, 1993, Smulyan, 1994). It is considered the first advertisement because it was the first time that a third party—neither the maker of the equipment nor the owner of the station—paid for air time on a radio station to communicate a commercial message to a mass audience. This historic radio advertisement was 15 minutes in length (referred to as a “continuity”), and paid for by the Queensboro Corporation, a real estate developer that created the neighbourhood of Jackson Heights in Queens.

The bold move by WEAF to broadcast direct advertising spawned a vigorous debate. The Technical Committee of the U.S. federal government’s Department of Commerce issued the following resolution: “It is recommended that direct advertising in radio broadcasting service be not permitted, and that indirect advertising be limited to a statement of the call letters of the station and of the name of the concern responsible for the matter broadcasted” ("Urges Federal Rule Over Radiophones," 1922). Nevertheless, by 1924, radio broadcasting that included advertising had become widespread, and the public was beginning to accept, however grudgingly, that the radio entertainment that they enjoyed so much needed to be financed in some way. Once that the concept of third party radio advertisements had been accepted, marketers and broadcasters turned their attention to developing new forms an advertising message might take.

Spot announcements were small units of time, typically five minutes, scripted by the advertiser and either read live or electronically transcribed by the radio station’s professional announcers (Hettinger and Neff, 1938). There were also dramatized radio commercials; advertisements that were scripted and performed by actors. Later, the singing commercial or “jingle” evolved from the theme songs of sponsored programs. The agreed upon protocol that the new medium of radio should never be used for direct advertising began to erode in 1929 when the “selling type” of commercial announcement was developed. As late as 1931 NBC still forbade direct advertising but CBS, the newer network that was fighting for sponsor income, spread the word that it would permit advertisers to mention price. The competition forced NBC to change its policy, and soon afterward the phrases direct advertising vs. indirect advertising ceased to exist in broadcast terminology.

What all these forms of early radio advertising had in common was that they were clearly distinguished from the broadcast content, making it possible for the sophisticated radio listener to tune them out—figuratively, if not literally. Thus the significant change marking the next phase of development of radio advertising is the attempt by advertisers to blur the line between entertainment

and advertising. If advertising could become integrated with content it would no longer be possible for listeners to avoid it.

One way to integrate advertising with content was to create advertising characters and integrate them into a radio program. Promotional advertising linked to consumer products, such as the Kellogg Singing Lady, was all the rage in 1932 (Barnouw, 1966, p. 242). As sponsored programs developed through the 1930s a distinction evolved between programs created by the radio stations and sponsored by third party advertisers, and “sustaining programs,” which were produced solely by the broadcaster (Arnold, 1931). But clear delineation between advertising and content was not what advertisers wanted, however, and so they began to push the limits of the boundaries.

Advertiser sponsorship of radio evolved from the days where the sponsor’s name was mentioned only in the title of the program, to product names being incorporated into the program script, to eventually entire programs being created around the products, blurring the distinction between commercial message and entertainment. Fictional characters such as Betty Crocker were created by advertisers, and content was created around the characters. And popular radio programs such as the George Burns and Gracie Allen show, blurred the distinction even further. For example, in “Gracie Wants George to Become a Doctor,” a 25 minute radio play featuring comedy team George Burns and Gracie Allen, the entertainment *is* the advertising, and the advertising *is* the entertainment. The play opens with Gracie offering George a cup of Maxwell House coffee. She then says, “You know Maxwell House is always good to the last drop!” The entire story revolves around a hospital scene, where a woman is having a baby, and the jokes all involve a mention of coffee—but not just coffee, Maxwell House coffee.

The new advertising principle for radio, according to Dygert, was the need to merge the advertising message with the programming content to the fullest extent possible. Dygert believed that the radio advertiser’s success depended entirely on how well he presented his advertising message as entertainment.

### **A Brief History of Internet Advertising**

Throughout the early 1990s there was a keen interest by hobbyists, scientists, academics, journalists, governments, and consumers alike in the technology behind the Internet. The period was characterized by Jetsonian dreams of what riches and conveniences the new technology might bring, but tempered with a healthy skepticism, especially where advertising was concerned. The availability to consumers of the Web browser called Mosaic is generally considered to be the event that signaled the transformation of the Internet from the realm of scientists to the realm of the consumer. It was hailed as the first “killer app” of network computing (Markoff, 1993).

As the Internet moved from the realm of computer scientists into the consciousness of modern society and the popular press there were many who feared the technology, so to quell these fears tech-savvy journalists would use analogies to explain the Internet. For example, to explain how to navigate the vast, unorganized publications on the nascent World Wide Web, *Time* magazine explained, “It’s like driving a car with a clutch...Once you figure it out, you can drive all over the place” (Elmer-Dewitt and Jackson, 1993). The Internet itself was described as “a peculiar blending of the personal computer and citizen’s band radio” (Verity, 1994a), and *Newsweek* magazine said, “Traveling the Net in these pioneer days is like a journey to a rugged, exotic destination—the pleasures are exquisite, but you need some stamina” (Levy and Hafner, 1995). Connection delays were described as traffic jams on the information highway, and the highway metaphor led to descriptions such as “Electronic potholes, information bottlenecks and data speed traps,” and “data routes currently blocked by construction” (Collins, 1994).

Journalists wrote of the wonders the information superhighway was sure to bring, tempered with skepticism about whether the average consumer would actually want them. In the late 1980s when future Vice President Al Gore, then a U.S. Senator, introduced legislation to fund the development of the National Research Network, even the computer scientists wondered whether the project held any benefits other than for scientific research (Markoff, 1988). Experts warned that the information highway would inevitably bring with it sleaze and crime, and that the sheer amount of data being transmitted would necessarily mean that everything a consumer did online would be recorded in a database and subjected to nefarious use (Carey, 1994).

The normal sentiment towards advertising on the Internet during the technology phase was one of resistance, if not outright hostility. These feelings were propagated by the scientists at the National Science Foundation in the United States in the 1980s, the people who first built the high-speed data lines that later became the backbone of the Internet. When this early network was built commercial use of it was expressly prohibited, a prohibition that was not lifted until 1991 (Elmer-Dewitt and Jackson,



1993). During the Clinton administration, when Vice President Al Gore enthusiastically promoted the development of the information highway, there were many who objected to Gore's focus on encouraging commercial use of computer networks, and who believed instead that the proper use of the fledgling Internet was to provide free information to all, and thereby to promote worldwide democracy (Levy, 1997). The very idea of advertising on the Internet "caused Internet veterans to gnash their teeth" (Verity, 1994b).

They did more than gnash their teeth, as the story of Laurence Canter and Martha Siegel, the first rogue advertisers on the Internet, is testament to. In 1994 the couple, a husband and wife law firm in Arizona, created a tiny text ad to promote their services and, rather ingeniously, wrote a program to automatically post it to 5,500 Internet bulletin boards. The responses to their actions ranged from a user who sent the couple thousands of phony requests for information to one who threatened to visit their crappy law firm and burn it down. *The New York Times* wrote, "Advertisements are beginning to appear all around the network, usually followed swiftly by messages of outrage and dismay from longtime denizens of cyberspace" (Lewis, 1994).

Journalists were skeptical, too. They warned that advertising on the new medium would never work: No one will see advertising messages unless they seek them out, and there are no conventional advertising spaces available, in any event. And even if an advertiser were so foolish as to place an ad on an Internet page, when consumers see it will they bother to click on it? For what value could an Internet ad have, otherwise? (Verity, 1994b). Internet culture was considered to be something set apart from society, a culture not geared to normal business activities, and one that did not tolerate advertising. "It's a perfect Marxist state, where almost nobody does any business" (Elmer-Dewitt and Jackson, 1993).

Despite the resistance to commercial use of the Internet and advertising on the Internet (or perhaps because of it), there were questions about who will pay to keep Internet services affordable for the average consumer (Hass and Levinson, 1994). As the technology phase of Internet advertising history gave way to the next phase, content development, that question began to be asked in earnest. During this phase, consumers were firmly established as a class of users separate from technicians, who assumed a support role where they continued to improve the capabilities of the new medium. Meanwhile, others were discovering that consumers were not interested in the technology but *were* interested in the information and entertainment that it might deliver. Mosaic permitted everyone who had access to a computer to become both a producer and a consumer of information on the Internet, and so the first content producers were amateurs, like Tom Jennings of San Francisco, who posted a picture of his toilet and received ten visitors a day to view it (Dunn, 1995). There were websites with nothing but pictures of eyeballs, or of Cindy Crawford; fan sites for soap operas where industrious viewers would write and publish daily summaries of the shows; and one very popular site called Hamster Dance, which featured nothing but dancing cartoon hamsters. The more original content they could create, no matter how silly it might seem, the larger the audience grew—until, eventually, the production of content for the Internet had become an industry separate from the business of developing the technology.

As these weird and wonderful websites proliferated, there was a corresponding wave of publication of magazines with names like *NetGuide*, *Internet Underground*, *ZD Internet*, *The Net*, *Internet Life*, *Websight*, and *Internet World*, most of which published only a few issues, and almost all of which published, during their short lifespans, guides to what was new, interesting, and cool on the Web.

There were also "online services," an early precursor to websites. For example MTV.com was built in 1993 by Adam Curry, one of the hosts on the American music video television network, MTV, who describe it as an "on-line service...a one-stop shop for all your entertainment needs" (Lewis, 1993). When asked how he would make money from his venture, Curry said, "[it] will have to come from a new form of advertising. The traditional advertising model won't work. People on the Internet will be offended by pure advertising" (Lewis, 1993). The Whole Earth Catalog, which had been a book in the 1960s, morphed into The WELL (an acronym for the Whole Earth 'Lectronic Link), an area of Internet space where members communicated about beekeeping and goat farming, among other things (Brown, 1994). Established news providers were also venturing onto the World Wide Web. The *San Jose Mercury News*, Silicon Valley's main newspaper, moved online in 1994 (Report, 1994). The Associated Press went online with their own website in late 1995 (Markoff, 1995), and was joined by *The New York Times* in January, 1996 (Lewis, 1996). Eventually, the major publishers and entertainment companies ventured onto the Web in earnest. As these major content providers began to plot their Internet delivery strategies, they also wondered how they were going to pay for it.

The debate about who will pay for the Internet took place on two levels: who will pay to build the infrastructure and, by extension, what will it cost to deliver service to consumers; and who will pay for all that content to be created? Subscription models were attempted and quickly abandoned, for example, The Discovery Channel ventured onto the Internet with a splash in 1995. They invested \$10 million, hired 25 people, and started up the Discovery Channel Online to create content for the Web. The original plan was to charge a subscription fee, but they “ran from the idea screaming” once they realized how difficult it was to get consumers to pay for online content. (Swisher, 1996). Many other publishers experimented with a subscription model online, including *Business Week*, *The Economist*, and *The New York Times*, but quickly found themselves competing for revenue with online-only publishers such as Microsoft and Yahoo! who generated income through the sale of advertising (Wasserman, 1998).

The first true Internet advertisement, that is, the first time a third party—neither the creators of the content nor the owners of the website—paid to place their advertising message on a content website, was a small graphic which came to be called the banner ad. The first banner ads were sold, and ran, on HotWired.com, the online property of *Wired* magazine, in October 1994, a fact that is regularly and routinely mentioned by Internet historians (see, for example, Cho and Cheon, 2004). But before the term banner ad entered the lexicon companies were creating “interactive areas” or “Internet home pages,” which they considered advertising. These pioneers struggled to find a way to make these “advertisements” communicate useful information to consumers that might bring them closer to a sale, but were hindered by the fact that this type of Web advertising relied entirely on the consumer’s desire to navigate willingly to the site.

In 1996 advertising on the Internet meant, to most companies, building a website. Even after the introduction of banner ads there was a great deal of misunderstanding about what, exactly, was an ad, and how Internet advertising worked. Acting simply on the principle that all Internet advertising is bad, some technically inclined Web enthusiasts began to invent ways to circumvent them. These were the people who felt very strongly that the Web was no place for commercial activity. A programmer named Axel Boldt created a program called NoShit (it was later renamed WebFilter) for the sole purpose of stripping banner ads from any website (Frauenfelder, 2001). A software engineer named Barry Jaspan wrote a program called InterMute to “stop banner ads from ever reaching your eyes again” (Tanaka, 1999), and another programmer named Nic Wolff developed a program to strip out all the graphics, including advertisements, from the popular website Salon (Frauenfelder, 2001). These programmers were rebelling against two things which they passionately felt were not in keeping with their philosophy of the purity of online content: the fact that graphics slowed their ability to view and read websites; and the fact that advertising existed on them at all.

But by 1998 Internet advertising in the United States generated more than \$1 billion in revenue, and the figure has been steadily climbing ever since. A change in the acceptance of the medium by agencies and advertisers was becoming apparent: they were beginning to realize that just because one needed a computer to access the Internet (and therefore view the advertisements), didn’t necessarily mean that one was interested in computers. The American IAB announced in 1998 the beginning of a concerted effort to develop standards by which to measure audiences. If this could be accomplished, it would go a long way toward establishing the medium as one worthy of respect by traditional advertisers and their agencies, since traditional mass media advertising is bought and sold on the basis of audience size, distribution, and demographic and psychographic characteristics.

The perception of value was changing. Internet advertising was no longer being thought of as something that was only for technical companies and online vendors. Major advertisers were assigning an increasing percentage of their advertising budget to online advertising and, as a category, Internet was making gains on traditional forms of mass media advertising, such as radio, newspaper, and out-of-home. Perhaps more telling, the Internet was being recognized as a major mass medium for advertising. In its annual report on the 100 leading media companies in the U.S., *Advertising Age* magazine ranked Google at 19 and Yahoo at 21, the only two companies on the list whose revenue in 2005 derived entirely from the sale of Internet advertising (Endicott, 2006).

Online advertising during these years was sold on a CPM (cost per thousand impressions) basis. In terms of measuring the effectiveness of their advertising dollars, marketers focused on clickthrough rates, but others argued that the number of clicks was meaningless; what mattered was the branding effects of Internet advertising. As the years passed, the branding side of the branding vs. clickthrough argument gained more and more support. Online advertising was maturing, and advertisers began to recognize that online advertising was valuable for building brand recognition; that it wasn’t just about

clickthrough rates and e-commerce sales. New metrics were being developed by media sellers and online agencies to gauge the effectiveness of an ad spend, and integrated campaigns, those that involved both online and offline media, were being tested and measured through audits, focus groups, and message recall statistics (Sweeney, 2000).

The branding vs. clickthrough debate illustrates that the conversation surrounding Internet advertising had changed from whether to how. As Phase III draws to a close Internet advertising is firmly established as an industry and its proponents face a new problem: now that consumers have become accustomed to online advertising they strive to avoid it. In the next phase, Advertising Becomes Content, online marketers must find new ways to hold the consumer's attention, and the line between advertising and content begins to blur.

By mid-1998 Forrester Research reported that major content websites were becoming desperate for cash to offset the expenses of creating desirable content (Charron et al., 1998). The sale of online advertising was "only a partial panacea." Content sites were turning to the users, or consumers, for new revenue streams. The problem, however, was that consumers had been trained over 70-odd years of electronic media consumption to believe that content should be free. Despite their complaints about banner ads and pop-ups, consumers were more willing to put up with advertising in exchange for free content than they were willing to pay for content in exchange for not having to view ads.

Meanwhile, in 2000, after the infamous dot-com bust, content sites that had staked everything on the sale of advertising began to be viewed, if not with outright suspicion, at least with hesitation by investors. New models began to emerge. Some websites, such as iVillage, were called "commerce-content hybrids" (Welch, 2000), and sold products in addition to advertising space. Others, typically the business-to-business websites that had never sold advertising space, began to focus on the production of original content as a way to attract traffic to their sites. A company called Onvia, an online marketplace for small businesses, invested in building its own staffed newsroom to create original content such as management tips for small business owners, news for entrepreneurs, and product reviews. The company's spokesperson was quoted in the same article as saying, "Pure advertising-driven sites are going to find it hard, over time, to grow their revenue without other income streams" (Welch, 2000). So online marketers were stuck in a conundrum: consumers loved online content, but weren't willing to pay for it; content was expensive to produce, and, for most companies, it wasn't what they did best.

For websites run by companies that were in the business of producing original content such as newspapers, the sale of advertising continued to be the primary source of online revenue, but the emphasis began to shift from the size of the audience, to the value and relevance (to the consumer) of the content. The mantra changed from "content is king" to "context is king." With paid content deemed a failed business model the new way to generate advertising revenue through the new medium was to create content that was, in itself, advertising.

BMW Films debuted on the Web in 2001, with a series of short films tarring the same James Bond-type character played by Clive Owen, and referred to only as The Driver. Each film was directed by a famous movie director, and featured a BMW car. In each film The Driver had to drive another character to a destination, during the course of which some serious stunt driving was experienced. The films of BMW Films were never aired on television, at least not in a paid media space. They were "released" and aired only at [bmwfilms.com](http://bmwfilms.com). They were clearly advertising for BMW, but they were also entertainment—content. The BMW Films model was quickly copied by several major advertisers. Crispin Porter + Bogusky created Subservient Chicken for Burger King, a website on which a man dressed in a chicken suit stood in a shabby living room and executed commands typed onto the screen by site visitors; and American Express produced a series of webisodes starring comedian Jerry Seinfeld and a cartoon Superman (Walker, 2004). Gary Ruskin, executive director of Commercial Alert, an organization devoted to "curbing commercial culture" and revolting against the advertising industry, referred to Subservient Chicken and Seinfeld and Superman as "opt-in entertainment" and said, "[This] strategy is going to work as people get more and more fed up with advertising" (Walker, 2004).

Others, even more radically, began to suggest that perhaps advertisers should start underwriting the programming itself (Klaassen, 2005). In other words, they dared to muse, what if advertisers paid for content production *directly*, rather than indirectly? In a grand \$40 million experiment Anheuser-Busch, brewer of Budweiser, launched its own "online TV network" called Bud.tv in 2007. The website was a mixture of Budweiser advertising and original short programs, all created by the company's advertising agency. A short film called Swear Jar, ostensibly a television commercial for Budweiser



but one that because of its adult humour and strong language was never actually aired on television, was available on Bud.tv and was widely circulated via email and social networking sites.

Jay Chiat, founder of TBWA\Chiat\Day in Los Angeles, predicted that in the future consumers would have a more favourable attitude toward advertising because they would no longer be intruded upon by advertising that was irrelevant to them. He described his vision as not so much entertainment *with* advertising, as entertainment *as* advertising (Chiat, 2000), and he was right: The next step of the evolution of online content and the blurring of the distinction between advertising and programming was something that eventually came to be called branded content, or branded entertainment. Marketers began to view content as something they should own, rather than “rent.” By 2008, the phrase branded entertainment was appearing regularly in the advertising trade press (Hampp, 2008). Procter & Gamble, one of the largest marketers in the world, created a business division called Procter & Gamble Productions, to develop branded content. They developed a program called The Procter & Gamble Productions Comedy Hour (Steinberg, 2007), which harkens back to the 1930s when P&G sponsored radio soap operas—so named because of the sponsor’s flagship products.

### Comparing the Four Phases of Advertising on Radio and Internet

There are many noteworthy similarities between the development of advertising on the new medium of radio and the development of advertising on the new medium of the Internet some 90 years later. Both histories can be conceptualized as having passed through four phases which are described herein as Technology, Content, Advertising, and Advertising Becomes Content. In terms of structure these phases can be visualized as overlapping time periods, without distinct starting or ending points, but rather as one era phasing in as another phases out. Though the events, turning points, and markers of each phase are the same in both media, the length of time spent in each is different. In the older medium of radio each phase is longer than the corresponding phase in the newer medium of the Internet. Furthermore, the length of time required to pass through all phases was much longer for radio.

#### *Phase I, Technology: From Galena to Silicon*

Early in the last century galena crystals were a necessary part of every radio boy’s home-made radio receiving set. Despite its exotic-sounding name galena is not a valuable mineral but as the crystalline form of lead it functions as a natural semiconductor of electric current. In modern electronics galena has been replaced by a more powerful semiconductor, silicon, after which the virtual geography of California’s Silicon Valley, the epicenter of the Internet, was named. The physical appearance of silicon is remarkably similar to that of galena—both are unglamorous dark grey rocks. This apparent parallel in the development of radio and the development of the Internet is, of course, trivial. But there are many striking similarities between the early years of radio and the early years of the Internet that are not so trivial.

The early radio technicians were mostly young male hobbyists known collectively and colloquially as the radio boys. Similarly the early Internet technicians were mostly male, and known as geeks. Radio boys searched the ether and Internet geeks searched cyberspace for likeminded souls with whom they could converse and share information. The radio boys were inspired by the novel *Looking Backward 2000-1887* (Bellamy, 1887), set in a utopian future where everyone has “musical telephones”—a system whereby the performances of singers and musicians at local concert halls are transmitted live into people’s homes via telephone wires. Two similar novels inspired the computer geeks. The first was *Neuromancer* (Gibson, 1984), which describes a dystopian society where characters “jack in” to the global computer network in cyberspace called the Matrix, using a cable that connects their brains to their computers. The second was *Snow Crash* (Stephenson, 1992). Set in a dystopian futuristic California where suburbs are corporate franchises and pizza delivery is controlled by the mafia, it describes a world of “universal phone locator codes,” “electronic communications nets,” and a virtual reality called the Metaverse, which people access by wearing goggles connected to their computers. Inside the Metaverse people are projected as 3D versions of themselves called “avatars,” a term which Stephenson is credited for having popularized. What all three novels have in common is that they became required reading among the technologically-inclined young men of their time, inspiring them to build the technology they described, and giving them a vocabulary with which to talk about it.

Throughout Phase I as these forward-thinking, risk-taking, creatively ambitious young men tinkered with bits of wire and metal in pursuit of their hobby they were bound by no rules but their

own. They were technology pioneers, going where no one had gone before and making it up as they went along. The early days of radio and the early days of the Internet were similar in that they have both been characterized as having a “wild west” sensibility. Spar and Bussgang (1996), and Ester Dyson (1995), among many others, describe the technology phase of the Internet as a new frontier; a land without rules, awaiting the government to send in the cavalry to establish and enforce them.

As non-technical consumers began to use technology to access the new media in their homes the wild west metaphor gave way to a new metaphor, one that these consumers would be more comfortable with: the highway. Journalists endeavoring to explain radio to the general public described the “ether lanes” that handled radio “traffic,” and called upon the government to regulate broadcast frequencies so as to control the “congestion” of the wireless “air traffic.” In early 1994 *Wired* magazine devoted two pages to discussing the metaphor of the highway as applied to the Internet, and argued that the worldwide information network was more like a railroad—but railroad imagery was old fashioned and far less inspiring than the vision of a friend-packed convertible sweeping freely across the country in the open air. Al Gore is generally credited with having coined the term information superhighway to describe the Internet, and the term evolved as information highway, info highway, infobahn, and sometimes “I-way,” the term used by Canter and Siegel throughout their book about how to get rich using it (Canter and Siegel, 1994).

Metaphor was necessary because terminology was still in the experimental stages. The phrase “online service,” for example, had been used to describe America Online when it began operations in the 1980s, long before the Internet was available to the average consumer. Early websites, before the term website (or Web site) had yet been adopted, sometimes referred to themselves as online services, borrowing a term with which they were familiar. The first radio transmission devices were called radiotelephones, also borrowing a noun with which consumers were familiar; and radio sounds were described as being sent across the ether, as if to create a vision in the consumer’s mind of something solid, like a wire.

The use of radio and Internet as adjectives was common during the Technology Phase, to assist consumers who were unfamiliar with the terminology. In the early 20<sup>th</sup> century the words radio and wireless were commonly used to modify every type of sound transmitted via the new medium: radio dance, wireless talk, radio opera, wireless music, etc. Even the phrase wireless radio was used for a time, until people understood that it was redundant. The main adjective in Internet terminology was *electronic*, usually shortened to e-, a word which means to operate by means of a microchip or other computerized controller. Electronic mail, or e-mail is not mail embedded with a microchip any more than a radio dance is a dance that takes place in the ether. Neither of these adjectives applies literally to most of the nouns they were attached to, yet in both cases the adjective or prefix was used to excess—e-mail, e-commerce, e-purchasing, e-resumé, e-docs, e-marketing—until the end of the Technology Phase, when common usage settled on only a few e-terms. Even shorter lived was the use of the I-prefix, the I standing for Internet. For a very short time the Internet technology magazines used the terms i-mail and i-commerce, but they never caught on. Neither did Canter and Siegel’s I-way. William Gibson’s term cyberspace, on the other hand, caught on like wildfire and spawned its own prefix, cyber-, which was used liberally during the early years of the Internet. After the success of *Neuromancer* similar works of fiction, including the movie *Bladerunner*, were described as cyberpunk, themselves a part of cyberculture. Cyber had a connotation of cool, and so anyone who wanted to be cool appropriated it for their own use.

In the early years of both radio and the Internet the first wide public use of the new medium was by politicians giving speeches. U.S. President Harding was the first politician to “talk by wireless” or address the people via radio, and Vice President Al Gore was the first politician to “talk online” to the people. In December, 1993 Gore gave a speech to the National Press Club in which he outlined his plans to change the regulations surrounding telecommunications. In emphasizing the necessity of regulation, he drew a parallel to the early days of radio by describing the technology-related reasons for the sinking of the Titanic.<sup>1</sup> Since the men running America had never been known to concern themselves with trivial nonsense and fads, these speeches by a president and a vice president signaled to Americans that the new medium was something to be taken seriously.

Soon a fascination with the nuts and bolts of the technology, and with measuring whatever could be measured in association with it, developed in the news media and attracted the interest of consumers. People who had once feared being struck by a radio wave were placated when the technology was compared to ripples in the water. In Phase I of radio as a new medium the descriptions of new feats of radio transmission always included the detail of how many words had been sent. This

fascination continued until the numbers became too large to count or measure, and people began to understand that number of words didn't matter, that a radio broadcast that could be heard from one side of the country to the other was far enough. When consumers began to go online in the early 1990s some feared that accessing the Web from their home computers also allowed anyone on the Web to access *them*. Others, mainly those without home computers, feared the equipment would be too difficult for them to use and so scoffed at what nonsense might be out there "on the Internet." Just as with radio, it fell upon the news media to quell these fears by describing how easy it was to go online, and what wonders of information the Internet could bring into the home. There was a fascination, too, with reporting the number of websites that existed, and the average number of pages and links each had, until they, too, became uncountable and people ceased to care.

In both the cases of radio and Internet during the Technology Phase the popular press first waxed, then waned, in their publication of articles about the new medium. In the 1920s a rash of radio magazines appeared on the news stands, some lasting only a few issues, others finding their niche and remaining in print for years. There were magazines for hobbyists who reveled in the technology and built their own sets; and there were magazines that described the programs and revealed the secrets of the radio stars. In the 1990s a set of Internet magazines appeared and almost as quickly disappeared. For the technical hobbyists there was *Web Techniques* and *Web Developer*. For the consumer there was *Websight* (which featured on its cover the notorious Heidi Fleiss, and a not-yet-famous Cameron Diaz), *Internet Life*, and *Wired*. For the business manager there was the long-running *Industry Standard*, *Red Herring*, and *Internet World*, and the shorter-lived *Web Week*, *Interactive Week*, and *E-Commerce News*. Today there are very few radio-specific and Internet-specific magazines, and those that exist are strictly for industry professionals.

During Phase I radio enthusiasts had no choice but to build their own radio receiving and transmission sets, as none were commercially available. They also had to learn code—Morse code. In the early 1990s Internet enthusiasts could purchase pre-assembled computers, however they had to install operating systems and set them up with networking hardware and software. They too had to learn code—UNIX and HTML. In both cases, the early technologists improved their machines to the point where non-technologists were able to use them.

#### *Phase II Content: Poultry Farmers and Dancing Hamsters*

The beginning of the Content Phase of the development of advertising on a new medium is identified by the existence of a clear distinction between two classes of users: technicians and non-technical consumers. These consumers are not interested in the technology for its own sake but in the news, information, and entertainment—the content—it delivers to their homes. In the early years of Phase II, though technicians have the technical and legal ability to create their own content, and many do, most prefer to direct their efforts at developing hardware and software. Consumers also have the freedom to create any kind of content they desire, however most do not have, and do not want to learn, the technical skills required. This situation drives the increasing demand for original content on the new medium.

The concept of content, however, was something consumers had to get used to. As radio evolved from telephony the notion of bringing, for example, a concert hall performance from a distant city into the family living room was viewed as an absurd extravagance, not unlike the notion of having a computer in one's living room through which one could download and consume music and video. During the early Internet years people could not imagine online content on a large scale, and when visionaries described the possibilities they reacted with disbelief: Why would anyone want 500 channels of entertainment on their computer screen? There is only so much news in a 24-hour news cycle, and delivering it once per day should suffice! Lee de Forest imagined that opera could be broadcast from a radio sending station into the homes of consumers where it would lift their spirits just as it lifted his sitting in the concert hall, yet his vision was not appreciated but mocked: What use do we have for sending out voices across the air to be received by anyone who might want to listen? If we want to talk to someone, we'll use the telephone! When Tim Berners-Lee conceived of the World Wide Web, a hyperlinked publishing system whereby anyone could broadcast their words so that others who were interested might read them, his colleagues likewise asked, Why would anyone want to do that?

The first content transmitted via radio, and likewise the first Internet transmissions, were simple communications between amateurs, but soon groups and organizations that included at least one

technically-inclined person began to produce content for an audience. Early radio content was produced by organizations like churches, schools, and poultry farms. Unfortunately, the costs of these amateur and small business endeavors quickly came to outweigh the benefits. Likewise during the early Content Phase of the Internet anyone and everyone with a little bit of know-how could publish a website. There were some truly original creations, such as the dancing hamsters of the Hamster Dance, but most amateur websites were home-made fan sites worshipping everything from Spam to Pamela Anderson, which typically did nothing more than cut and paste images from other media.

Eventually businesses began to set up their own websites. Most of the earliest corporate websites did nothing more than post basic information like their mailing addresses. If they had any functionality it was inward-facing and password protected. In the early years it did not occur to businesses to use their websites for any consumer-related purpose. The creation of a website was viewed as a technical thing, not a business or a marketing thing, and companies that marketed consumer products saw no need or use for new technology. There were, of course, exceptions to this rule but it accurately describes the state of the Web during the early years of the Content Phase.

Some of the first businesses to create websites for their consumer audience actually viewed them as content productions rather than as marketing communications. For example Levi's spent \$1 million U.S. to launch its website which was laden with pictures of old jeans, romantic stories about the history of the company, and questionable entertainment in the form of dancing buttons. The company orchestrated a major campaign to publicize the site, and followed it up with the announcement, a week later, that the site had received over one million "hits" on its first day. After that it was quiet because with no call to action, no product information, no sales drivers or purchase mechanisms, not even a list of retail outlets, no one returned to the site for a second visit. It may seem hard to believe today, but it took years before established retailers, brands, and manufacturers thought of using their websites to promote and sell their products. Companies that were in business to market their products and services were slow use the Internet as a channel, and the media was fond of saying, "Nobody makes money off the Internet!" as if it were ridiculous for any business to ever imagine it could. Early radio broadcasters, too, were surprised when musicians and performers first demanded to be paid, because they had never conceived of the idea that anyone could make money over the radio. Consumers, meanwhile, were not interested in business problems; they wanted news and information, and the more they got, the more they discovered about the benefits it could bring. Radio content and, later, Web content, gave consumers access to information they never before had.

Ironically, in both the cases of radio and the Internet, the well established content producers never thought to adapt their productions for the new media. In the 1920s newspapers had the talent and the means of production but it never occurred to them to deliver their news over the radio. And in the early 1990s not a single major newspaper had a website but there were dozens of online-only news sites.

As gradually consumers, content producers, and marketers came to accept the existence of the new medium they could understand it only in terms of old media, and this caused a paradigm problem. In the radio era AT&T was mired in the paradigm of the telephone and the telegraph. They owned the wires and charged a toll in periods of time for the use of them, therefore to them it was only natural that radio broadcasters should similarly pay for time on the line, as toll broadcasting. As content evolved on the new medium radio announcers were counseled to carefully consider the number of words they uttered, as everyone knows that too many words are overwhelming—at least they could be, for a telegraph operator. People understood that a telegram was something you "sent out," so radio consumers thought of talk and music as being "sent out" and "received" over the radio. Radio announcers were also instructed not to use the first person, because it was not done in print, and radio scriptwriters and early radio advertisers were advised to think of their products as radio pages and their audience size as circulation numbers. The paradigm problem was exacerbated by the protectionist attitude of members of the print industry, who continually warned that radio was a passing fad that would fail due to its lack of pictures, and that the very idea of radio advertising should offend consumers to the core—though print advertising was, of course, friendly.

In the case of the Internet more than one paradigm was applied to the new medium. Websites were thought of as places that one visits so most early websites included some sort of greeting on their home page. Eventually content producers and marketers realized that to speak to online consumers as though they were visiting a site for the first time is to assume they will never come back, and this convention was dropped. The print paradigm was used in two ways right from the beginning, and today we continue to refer to the sections of a website as pages, and online advertising continues to be sold in units of CPM. The paradigm of television has also been applied to the Web in the sense that some



content providers believe their content should only be available at a scheduled time, or for a limited time, after which it is “turned off.” In some cases the struggle with these issues has to do with artists’ rights and the question of who owns the content and for how long. Early radio broadcasters played recorded music which eventually led to artists demanding royalties. On the Internet, those early Simpsons websites were forced to shut down and today content sites are required to observe copyright laws.

Finally, the debate about who will pay for the new medium took place in both the cases of radio and Internet during the Content Phase. The question arose when early content providers, many of whom were amateurs or small businesses rather than media companies, realized that the production and delivery of content was expensive. In the case of radio the question of who will pay meant who will pay the artists whose music and voices were being broadcast. The question of who will pay for the equipment was less of a public debate since the early broadcasters, the department stores and the poultry farms, had built their sending stations with their own funds and for their own reasons, and most simply abandoned their efforts once it became too expensive. Those who remained in the radio business, however, needed to come up with a way to generate the revenue to support themselves. The public was happy enough to consume free radio content but when it was suggested they should pay for it they refused, and when broadcasters suggested selling advertising to pay for it, consumers rebelled. The suggestion of the winner of the public contest to invent a model to support radio without advertising basically amounted to a form of taxation, which no one in America was inclined to champion.

The debate over who will pay for Internet content was just as heated, though the only viable alternative to advertising-supported content was paid content, a model that was tried by many, and that failed each time. It is interesting that the language of the arguments against advertising-supported content in both cases was similar. The main argument was the simplistic, indignant stance that advertising did not belong on the new medium because it had not been created for that purpose, and besides, no one wanted it. Those making the argument in the news and popular press felt it was the principle of the thing; that it was clear to all concerned that advertising on radio would be “an inconsistency” between the purpose of the broadcaster and the goal of the listener. When broadcasters protested that they could not afford the costs of production their complaints were dismissed with the attitude, “No one asked you to do it.” Similarly on the Internet, journalists pointed out that consumers didn’t want advertising and expected all information to be provided free—the implication being that content providers should stop complaining and give consumers what they wanted.

As Phase II draws to a close the creation and production of original content has been turned over to professionals and media companies, and though consumers continue to complain about the existence of advertising on the new medium the serious public debate is over.

### *Phase III Advertising: The Continuum of Continuities to Banner Ads*

Although throughout Phases I and II there was some experimentation with forms of marketing and promotion on the new medium the first real advertisement appeared on radio in 1922 and on the Internet in 1994. As Phase III opens content producers had begun to build advertising sales teams and develop advertising sales kits complete with audience demographics and rate cards. Marketing departments had expanded to include new media specialists, marketing plans included budgets for new media advertising, and advertising agencies opened new departments for new media production.

Advertisers during Phase III were trying out new forms of advertising. On radio the 15-minute continuity read by an announcer got shorter and settled into the spot. The format of one announcer reading the entire message evolved into dramatic ads with several actors, sound effects, and music. Jingles, or musical ads, evolved from the opening themes of sponsors’ programs. By the end of Phase III the terms continuity and indirect advertising had fallen into disuse, and ads began to be recorded in advance and used many times, rather than read live every time. The first form of advertising on the Internet was the banner ad, a standard rectangle measuring 468x60 pixels. As forms of advertising evolved the term banner ad came to mean a class of ads, square or rectangular in shape, with names such as button, vertical banner, and skyscraper. Other forms of online advertising that appeared were pop-ups, pop-unders, interstitials, and vokens.

The new medium also demanded that advertisers learn about its capabilities. Radio did not simply add sound to words and pictures, it *replaced* them. Actors were needed to deliver the message, but acting on radio was a very different talent from acting on the stage. Like Internet advertising, it demanded a new way of using the senses. Radio advertisers needed to learn how to use sound, and



Internet advertisers had to learn how to use interactivity. Fortunately there were many how-to books available for these new media marketing pioneers. A chapter in *Practical Radio Advertising* (Hettinger and Neff, 1938) called “Writing the Commercial Copy” discusses the special considerations of writing for radio. The professional copywriter, until that time, had been trained only in print media. Similarly, in the early days of Internet advertising when copywriters were first asked to write Web pages, they did so the same way they had been trained to write product brochures and other marketing collateral—in long, descriptive paragraphs. It wasn’t long before courses were being offered in writing for the Web.

The growth of radio as an advertising medium is due to insistent and forward-thinking marketers, who worked with their agencies learned about the new medium together—with the advertisers paying the tuition, so to speak. Decades later traditional agencies took a wait-and-see attitude toward the Internet, so marketers who wanted to advertise on the Internet had to create the ads themselves or, if they had the resources, set up their own in-house “interactive” divisions.

But while content producers and marketers were embracing the new medium in earnest, consumers continued to rebel. Just because they had lost the battle for free content didn’t mean they were going to accept advertising on the new medium lying down. They might not be able to stop advertising, but they could complain about it, boycott it, and sabotage it. Throughout Phase III *Printers’ Ink* magazine continued to call radio an objectionable advertising medium, and though their tirades were obviously designed to protect their own interests, they did have an effect in riling up the consumer. Similarly Internet-era magazines aimed at the technical crowd continued to complain loudly about advertising on the Web, in hopes of organizing consumers against it. During the radio era the Anti-Advertising Committee was formed, and during the Internet era software companies such as Gator attempted to provide the consumer with tools to block or remove advertising from their favourite websites.

During Phase III the consumer audience not only began to accept the existence of advertising on the new medium, but also learned to recognize it *as* advertising. Once learned, however, the consumer is able to develop counter-strategies to avoid hearing or seeing the advertising message. This presents a new challenge for advertisers, and signals the start of Phase IV, Advertising Becomes Content.

#### *Phase IV Advertising Becomes Content: Say Goodnight, Gracie*

The key driver behind the transition to Phase IV is that audiences accept advertising on their beloved new medium only grudgingly. The fact that consumers actively avoid advertising requires advertisers continually to develop new forms of advertising that will capture the consumer’s interest. The holy grail is to engage the audience with the advertising. What characterizes Phase IV, therefore, is the blurring of the distinction between advertising and content. On radio, Bill Goodwin pops into a radio play starring George Burns and Gracie Allen to remind us—and them—that Maxwell House Coffee is good to the last drop. On the Internet, banner ads change shape, size, and location in an attempt to blend in with the surrounding content.

The blurring of this distinction is difficult, at first, for the consumer of media to detect and so the result is that the advertising is harder to discern as advertising. When the distinction between advertising and content is blurry, the consumer loses the ability to distinguish between them, and therefore cannot avoid consuming the ad. Thus the marketer has achieved the goal of forcing the consumer to notice it.

The Internet as a mass medium allows marketers to make use of all the traditional methods of advertising communication: the printed word, static image, sound, and moving images; and for the first time, the marketer has the ability to use any or all of them simultaneously. Perhaps it is this flexibility that drives the ever-changing landscape of Internet advertising. New forms of advertising on the Web are being developed all the time, the most recent of which is branded entertainment, the ultimate blurring of the distinction between advertising and content—the advertising has become the content.

The fourth and final phase of the development of advertising on the new medium has no end—at least, not yet. In both radio and on the Internet (and also in print, and on television) advertisers continually strive to develop new forms of advertising in the hopes of engaging the complacent consumer who has learned to ignore the old forms. The only logical end to this phase, in theory if not in actuality, will be when all forms of advertising are indistinguishable from content. That, however, is unlikely to happen, for the thing that drives the players in this phase only serves as a driver so long as the endgame is never reached. It is only the continual development of advertising, driven by the desire to make it better and more effective; make it less irritating and more entertaining, that will ensure its survival on the new medium.

## Conclusion

The model of periodization of Internet and radio advertising history is offered as a contribution to the history of marketing. It proposes a method of organizing, and therefore a method of comprehending, these two histories according to a model of periodization. This model is not an attempt to construct a historical or predictive law, but rather is a theoretical construction imposed on reality through which one may view the development of advertising from a historical perspective. Though it is a theoretical model that generalizes the events in both the history of radio and Internet advertising, however, it is not offered as a *generalizable* model. Though perhaps one day in the future, when and if the next new electronic mass medium is invented, a future researcher may look back on this model and consider whether it applies, such an application was not the intent of this research. Furthermore, depending upon how one looks at it, the next new medium may already have been invented.

## Notes

<sup>1</sup> A copy of the audio file of Gore's speech was obtained from an unofficial website (museum.media.org) which claims to have made it available with the permission of the National Press Club Board of Directors.

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