The Contribution of Marketing to Advertising Development

Francois A. Carrillat, University of South Florida, USA

Marketing and advertising are nowadays closely related. However, the field of advertising has evolved substantially aforesight before the marketing domain was developed enough to have a significant impact. This paper examines the influence of the marketing domain on advertising through two major periods. The first one covers the years anterior to 1900 up to the early 60s: this is the period when the information paradigm (rooted in the economics of information approach) was dominating. The second one covers the years 1961 to present when the market power paradigm was dominating (due to the growing influence of marketing). In addition, the main contributions of marketing to the body of advertising knowledge are emphasized, especially the different models of persuasion built upon the information processing work of social psychology.

The marketing domain represents one of the most important impacts on the development of advertising thought and practice among the diverse scientific fields that influenced advertising. The advertising field was already well established when the first academic work related to marketing emerged. In effect, instances of communication that can be labeled as "advertisements" can be traced back centuries ago. For example, one of the oldest advertisement in the English language was written back in 1477 (Caxton): a notice posted in the almonry of the Abbey of Westminster announcing the publication of the "Salisbury Pye" (a book of direction for the conduct of religious services).

Advertising pervaded the North American culture as early as the 18th century. In 1789, George Washington ordered clothes for himself and his wife by mentioning an advertisement seen in the New York Advertiser (Boyce 1954). The first advertising agency in the U.S.A. opened in Philadelphia in 1841, it was run by Volner B. Palmer, while in 1875 a book titled "The History of Advertising" was published in the U.K. (Bartels 1962). Also, manifestations of rejections of advertising by consumers was already common during the 19th century. Presbey (1929) reported that, in 1863, consumers expressed discontentment toward the excessive persuasive power of advertising, the lack of respect of the advertisements for the content of the medium, or the pervasive use of advertisement in magazines.

The marketing field started growing during the early 19th century. The first marketing class was offered at the University of Michigan (1902) and was taught by E. D. Jones (Bartels 1962), in addition, the first class offered that included "Marketing" in its title was taught at the University of Pennsylvania in 1905 by W. E Kreusi (Bartels 1962). The first marketing textbook "Marketing of the Farm Products" was published later, in 1916 by Wely.

Advertising had time to develop and to shape before the emergence of marketing. However, the contribution of marketing to advertising has been tremendous, as demonstrated by the quick growth of the advertising literature after 1903 (Bartels 1962). Although one could argue that other social sciences such as economics, psychology, communication, sociology and anthropology impacted advertising as well, none has done it as forcefully as marketing (although indirectly their influence is present since marketing borrows theories and concepts from these scientific fields).

The contribution of marketing to advertising can be divided into two phases: the first one started at the early stages of advertising and dominated until the 60s: this is the information period (pre 1900-1960); the second one started during the 60s and still dominates today: this is the differentiation period (from 1961 to present).

THE DOMINANCE OF THE INFORMATION PARADIGM (pre 1900-1960)

The Economics of Information Approach

Originally advertising has been considered as a mean of transmitting information from the seller to the buyer. Based on the premises of neo-classical economics, consumers seek perfect information and advertising helps them fulfill that goal. This view was dominant during the production and sales orientation era of marketing (Houston 1986), until the rise of the marketing concept. This led Bartels (1962) to point out that one of the contributions of
advertising to the marketing thought was the ability of advertising to be "a mass helper of personal salesmanship" (p. 65). During the 60s the economics of information theory (Stigler 1961; Telser 1964) formalized this orientation of advertising. Moreover, practitioners relied heavily on this paradigm as well. Roser Reeves during the 60s and David Ogilvy in the 80s grounded their practice in this paradigm. Roser Reeves (1961) noted that positioning could be achieved through the unique selling proposition of advertising in order to accomplish differentiation; in the same vein, David Ogilvy (1983, p. 159) pointed out that "promise, large promise, is the soul of an advertisement."

**Pioneer Work on Advertising**

The information orientation of advertising is grounded in the work of Karl Knies who saw advertising as a means of conveying information: "advertising makes public information about someone's offerings or needs [p. 49]" (quoted by Fullerton 1985, p. 277). Karl Knies published in 1857 "The Telegraph as a Means of Communication" (Fullerton 1985) in which, through the elucidation of the telegraph development, he elaborated a theory of advertising as well as a theory of communication and of mass-media communication. Originally trained as an economist and as a philologist, he was a well-known scholar based in Germany who was praised by Schumpeter (Fullerton 1985) at a time when Germany was the leading country in academic research, especially in economics.

The impact of Karl Knies was not limited to advertising: he had a huge influence on the development of marketing thought in general. One of his students in historical economics was Richard T. Ely. He was greatly influenced by Knies' thinking. Richard T. Ely has been one of the originators of the functionalist marketing school of thought several decades after he returned from Germany during the 1870s. Karl Knies published his book (bolstered by the abolition of the Prussian law, which was greatly impeding advertising development) at a time when Germany was entering an era of fast economical development during the industrial revolution (Fullerton 1985).

His perception of advertising as being, primarily, a way to inform people was based on two factors. First: his fundamental belief that communicating is inherent to the human condition. Second: the physical separation of the seller and the buyer (since Europeans were now able to move, travel and communicate thanks to the progress of the transportation industry and the improvement of communication means like the telegraph). His view of advertising as being essentially an informational tool led him to develop a theoretical framework about media communication, and brought forth the idea of targeting an audience through the usage of the right medium at the right time.

He defined the six purposes of marketing as saving time and effort to buyers, stimulating competition, attenuating price differential, maintaining equilibrium between production and consumption, rendering consumers knowledgeable, and providing information on economic and cultural conditions.

Several factors explain that, despite its innovative aspects, his work had been neglected for 40 years after its publication. First, at that time, the acknowledged science of the business discipline was economics; therefore investigating business through another approach was not evaluated of a similar academic value, especially as respect to theoretical sophistication. In fact, marketing was considered as a second branch of economics during its early stage of development (Bartels 1962). Second, he was very far ahead of his time, which created a lack of understanding of his work by his peers. Third, Karl Knies was more famous for his work in economics than in marketing, therefore his students or colleagues were more familiar with his work in economics.

**The Lagged Impact of Marketing**

In spite of its inception during the early 20th century, marketing did not play a significant role in shaping advertising thought until the period 1913-1915; rather psychology was the most influential source of knowledge for advertising between 1900 and 1912. The information paradigm was in vigor and psychological work primarily focused on the influence of advertising in information processing. For instance, in 1903, Walter Dill Scott applied psychological concepts (such as attention, association of ideas, suggestion) to advertising. In 1913 Harry L. Hollingworth focused on the response to advertisement and especially on the notions of appeal and memory. In 1916, Henry F. Adams mathematically investigated advertising effectiveness (Bartels 1962). Around the years 1910-1915, the dominance of psychology faded away and a multi-disciplinary approach started playing a significant role in advertising. In 1915 was published "Advertising: its Principles and Practices" co-authored by a an advertising manager at Texas-Instrument (Harry Tipper), a psychologist researcher from Columbia University (Hollingworth), a business English professor from New York University (George B. Hotkins) and a faculty from the New York school of Fine Arts: Frank A. Parsons (Bartels 1962).
First Marketing Influence on Advertising

Since there was no real marketing specialist before the year 1910 (Bartels 1962), the first significant and proper influence of the marketing thought on advertising took place after the 1910 period. The first main contribution of marketing concerned the study of channels. Paul Cherington ([1913] 1976) epitomized the transition of advertising between a psychological and a marketing approach. Faculty member at the Harvard business school (where he taught one of the first marketing course in 1909 (Bartels 1962)), trade journal editor and director of research at the J. Walter Thompson Company, his eclectic professional responsibilities reflected the diversity of the forces influencing advertising. Cherington was a scholar who not only influenced advertising but also greatly shaped the whole marketing domain. Therefore, his contribution to advertising is rooted in his view of marketing itself. In 1921 he published “The Elements of Marketing,” the first marketing book devoted to the functional approach, in which he clustered marketing functions into categories and in which he presented marketing as the science of the activities between producers and consumers (Bartels 1962). This thinking is identifiable in his advertising related work published in “Advertising as a Business Force” in 1913. In this book he identified three major components in the advertising process: the article, the consumer and the means by which one reaches the other. From his point of view the advertising major concern was to solve problems created by the conflicts occurring in the channel distribution system; in other words, advertising could regulate the flows of information among the channels partners.

Neil H. Borden stemming from a teaching perspective published in 1927 “Problems in Advertising” in which he compiled files form the Harvard Business School and other materials (Bartels 1962). He covered topics such as the role of advertising in sales, the use of research for determination of advertising policy, the preparation of products, and the determination of copy and selection of media.

In 1932 Agnew ([1932] 1958) developed the field of cooperative advertising and studied media efficacy by analyzing the practice of space buying and the notion of media planning in his book “Advertising Media”. His work denoted a heavy reliance on the economic information paradigm by putting the emphasis on the quantitative aspect of advertising.

The work of Otto Kleppner ([1933] 1966) had a major influence with the publication of “Advertising Procedures” in 1933. As a lecturer at New York University as well as a president of the Kleppner Company, he symbolizes the Integrative period of advertising (Bartels 1962). Kleppner ([1933] 1966) pointed out the importance of taking into account the media selection, and the copy writing of advertising. He was laying the emphasis on the informational content and especially on how to direct information to the right consumer. Above all, the main contribution of Kleppner ([1933] 1966) consisted of his concept of the “Advertising Spiral”. According to him, the advertising process follows three different stages: pioneer, in which advertising is purported for developing new markets for the product, competitive, in which advertising is designed for improving the competitiveness of the product within its markets, and retentive, where the goal is then to resist the assaults from other competitors. This conceptualization of the advertising spiral is similar to the stages of the product life cycle (Day 1981) knowing that the advertising spiral is anterior to the product life cycle (Conrad Jones is recognized as the father of the Product Life Cycle since he presented “Product Development for the Management Point of View” at the 1957 AMA national conference (Muhs)).

In 1942 and 1945 Borden published “The Economic Effects of Advertising” and “Advertising in Our Economy” in which he showed a neo-classical approach to advertising. According to him, advertising could not increase the overall demand since overall demand could only rise with an increase in total production. In addition, he constrained the role of advertising to the sustainment of the development of new products (Bartels 1962). As we will see, this view of advertising is acceptable within the information paradigm only, however within the market power paradigm, which assumes that consumers can get more than mere information from advertising, advertising is proved useful beyond the case of new product development.

DOMINANCE OF THE MARKET POWER PARADIGM (1961-present)

The theoretical basis of advertising thought changed progressively from an information orientation to a persuasion orientation: the market power paradigm. It considers that persuasion of the consumer through advertising stimulus results in strengthening the sponsored brand, product or company by leveraging its differentiation (Bain 1956) and by capitalizing not only on the cognitive components of the products or brand evaluation but also on their affective component (Vakratsas and Ambler 1999).

A Managerial Approach to Advertising

With the development of the marketing mix in 1960 and the advent of the 4 Ps coined by McCarthy ([1960] 1971) advertising became integrated with the tools available under the promotion variable. Through this
managerial perspective the contribution of marketing to advertising became substantial, and progressively the notion of advertising as a vector of information disappeared in favor of the notion of advertising as a vector of strength in the market place. The practice and thought of advertising mirrored the emerging marketing concept (Drucker 1957; Mckitterick 1957; McCarthy [1960] 1971). However, the information paradigm has not vanished completely (i.e., even today some academic research stem from this paradigm) such that the market power paradigm based on the marketing concept was not the only stream of thought. In effect, advertising was considered a surrogate of the sales force to some extent. For example, Alderson (1957) argued that one of the function of advertising belongs to a sales approach of marketing: “There are other cases in which advertising may be regarded as the fundamental means of creating demand while salesmen do nothing more than take orders and reap the harvest which advertising has produced” (p. 284).

However, in 1957 Alderson defined advertising not only as a sales tool but also as a positioning tool, symbolizing the coexistence of the two paradigms. Indeed, in Alderson’s thought the market power perspective has a very large influence not only on advertising development but also on the society. In effect, for him advertising is a privileged way to achieve mass consumption. In his system, core consumers, for whom a product is rightfully positioned (because it has the desired attributes), are ready to pay a premium price higher than the price peripheral consumers will pay (consumers whose desires are not met perfectly by the attributes). Consequently the premium is invested by the firm into advertising expenditures in order to repose its products in accordance with the peripheral consumers’ desires. Then, the demand and the experience curve shift upward allowing the firm lowering its costs. As a result, based on the market power paradigm, advertising actually decreases the price of goods. In his theory, advertising has a central role not only for positioning and for the life cycle followed by products but also for sustaining a mass-consumption society.

Ethical Concerns in the Market Power Paradigm

Consumers have pointed out some negative aspects of advertising as early as the 19th century, however, serious ethical concerns have emerged later. When considering the advertising within the information paradigm there is a notion of objectivity attached to it. In the market power paradigm, sources of bias are multiple since there is the intention of persuading consumers; therefore the market power paradigm is more inclined to ethical questions than the information paradigm. Reserves about the integrity of advertising emerged during the 60s. McLuhan (1964), a Canadian professor of English who coined terms like “Global Village” or “the message is the medium,” had some strong statements against the whole concept of advertising. In attempt to understand the influence of media communication on the destiny of humanity, he pointed out that the media content was shaped by advertisers: “content of the medium is like the juicy piece of meat carried by the burglar to distract the watchdog of the mind” (McLuhan 1964, p. 18).

In the same vein, Galbraith (1975) claimed that wants created by advertising are not legitimate but are artificial. What is the validity of these concerns? If we base our judgment on Alderson’s (1957) or Knies’s views (Fullerton 1985), it allows us reconsidering Galbraith’s (1975) statement. In effect, Alderson distinguished needs and wants based on two factors. Needs are abstracts and are naturally infinite while wants are concrete and finite because satisfying them takes resources; wants are the materialization of needs. From that perspective thirst is a need while a particular brand of soft drink is a want. Advertising cannot create needs it can just impact wants and modify them. Therefore, the ethical question rose by Galbraith needs to be reconsidered. Since there is an infinity of needs, any want, even artificially created by advertising, will correspond to something that individuals actually need.

More recently Twitchell (1992) epitomized this opinion when he considered advertising as a factor of acculturation in his book “Carnival Culture”. However, the rejection of advertising by consumers paradoxically coexists with the fact that consumers still appreciate some advertisements (MacDonald 1991). This can be explained by a research conducted by MacKenzie and Lutz (1984). According to their findings, general attitude toward advertising does not directly impact attitude toward the ad, but is mediated by the ad credibility. Therefore, disliking advertising in general does not imply disliking a particular ad.

Development of Advertising persuasion models

If the first persuasion model was probably the model AIDA (Attention Interest Desire Action), attributed to E. St. Elmos Lewis in 1898 (Vakaras and Ambler 1999); empirically based advertising models have gone through a fast period of development since the early 60s. Indeed, thoughts emanating from the market power paradigm became more systemized and led to the conceptualization of models of persuasion in advertising. Several causes can explain this phenomenon: the influence of the buyer behavior school of thought, the emergence of the marketing concept, the extension of the body of knowledge from the behavioral science (Sheth, Gardner and Garret 1988), the creation and refinement of marketing research techniques that stimulated empirical research in the marketing literature, and the development of mass media.

The advent of the marketing concept fostered the development of the buyer behavior school of thought since understanding the consumer became a priority. In advertising, as a result of this emphasis on consumer, a better understanding of the role of memory was achieved as
well as an investigation of new constructs such as attitude toward the ad or attitude toward the brand.

At that period of time, lots of information processing theories emerged. Carl Iver Hovland had a great influence on advertising practice and persuasion theory through its theory on message emanating from individuals (Hovland, Janis and Kelley 1953). He especially worked on the credibility of the source of communication and came up with four components that determine the extent to which a message was perceived as credible by the receivers: trustworthiness (whether or not the sender is perceived as telling what he thinks as being true), expertise (the perceived level of acquaintance of the sender with the topic), attractiveness (which is not only physical but also results from the closeness of the sender to the audience's ideas), and the power (the perceived power of the sender of the message compared with the power of the receiver).

Hierarchical Models of Persuasion

In 1961 the work of Lavidge and Steiner (1961) led the way for the category of Persuasive Hierarchy Effect. They posited that persuasion will occur through a sequence of cognition, affect and conative response, and that every stage is a precondition for the following stage to happen. Some other authors proposed some more refined hierarchical models later on (Colley 1961; Rogers 1962; McGuire 1968).

By 1970 appeared the first market response models (Rao 1970; Bass and Clark 1972). These models assumed that advertising effectiveness is best measured by the response of the market and therefore they focused on market related outcome variables such as market share, sales volume or purchasing behavior.

At the same period appeared the Cognitive Information models that relied on the economics of information paradigm (Nelson 1970, 1974). These models postulated that the main process involved in decision-making resulting from advertising exposition is cognitive based, which implies that consumers are rationale only and that relative weight of consumers' preferences are not modifiable (Vakratsas and Ambler 1999). In this category of models, Hunt and Einstein (1981) item-specific/relational elaboration theory represents a major contribution. They distinguished clearly between the item-specific and relational elaboration, and showed that a combination of the two processes is better for the best recollection of information (even though relational seems to be less subject to recollection decay since it is linked to other products and concepts). This conceptualization implies that consumers base their opinions on the specific attributes of a product and at the same time elaborate on similarities among concepts in order to categorize the advertised product. This allows consumers finding whether of not the product offers attributes (item-specific elaboration) that are unique to its category (similarities elaboration).

Another type of hierarchical model is the Low-Involvement Hierarchy Model. It is based on the conceptualization that cognition leads to experience and that, only after this stage, preferences are formed. In that category Ehrenberg's (1974) model suggested that awareness precedes trial, which precedes reinforcement. Other studies will show that advertising acts as a reinforcer of habits while only experience shapes beliefs and attitudes (Winter 1973; Olson and Dover 1979).

Later, Petty and Cacioppo (1981) suggested the Elaboration Likelihood Model (proposed for the first time in 1977 by Petty for his doctoral dissertation). It distinguished between an elaborate (central route) and a nonelaborate (peripheral route) information evaluation. When people possess both the ability and the motivation they will rely on an elaborated thought process when evaluating information; when they do not possess the ability and the motivation they will rely on a less thoughtful evaluation of information such as classical conditioning, mere exposure, motor processes or heuristics shortcuts (Bagozzi, Gurhan-Canli and Priseter 2002).

Brand as the Level of Analysis for Advertising Models

At the beginning of the 1980s, advertising models have been refined through the integration of the brand as a unit of analysis not only in new conceptualizations of models but also in their empirical investigations. Indeed, Keith (1960) in “The Marketing Revolution” already expressed the idea that brand managers have a fundamental role as they represent the backbone of marketing. In addition, peculiarly to advertising, Lucas (1972) showed that brand managers have full control over their products in terms of advertising decisions (sales promotion strategy, copy) emphasizing even more the importance of brands when trying to model advertising effectiveness.

The first Integrative Models of advertising appeared in 1980. In these models the hierarchy of effects does not necessarily follow the sequence cognition, affect, behavior, rather the order of the effects depends on the context in which advertising operates (product category, level of involvement...). The FCB grid of Vaughn (1980) used degree of product involvement (high/low) and think/feel dimensions for classifying product categories and posited that different product categories imply different advertising effectiveness. Smith and Swinyard (1982) distinguished between higher order and lower order beliefs for introducing context specificity in their Information Integration Response Model (IIRM), which posited that lower order beliefs are impacted the most by advertising while higher order beliefs are impacted by experience and trials mostly. Later, Deighton (1984) conceptualized the 2-stages model: in the first stage advertising helps developing expectations about the brand while in the second stage product experience or trial will bring confirmation or disconfirmation of the initial expectations.
Hierarchy-Free Models ignore any type of hierarchical sequence of the effects. The anthropomorphizing stream of research includes treating brands as myth-making (Lannon 1994) based on anthropology (Lévi-Strauss 1963) and semiotics (Mick 1988) or advertising as drama (Stern 1994).

CONCLUSION

The field of marketing greatly shaped the advertising domain. In effect, advertising was tied to the information paradigm and as the influence of marketing grew it shifted to the market power paradigm. Also, advertising gained in efficiency and the amount of research undertaken about advertising has been tremendous through the influence of marketing. The influence of the consumer behavior school of thought (Sheth, Gardner and Garret 1988) greatly enriched knowledge of advertising, and the development of persuasion models in social psychology greatly contributed to the betterment of the knowledge of advertising mechanisms. However, the influence of marketing brought some issues inherent to the marketing discipline. Ethical concerns are of interest due to the influence that advertising might have on behavior. In addition, marketing and its heavy reliance on logical empiricism (Peter and Olson, 1983) did not produce marketing theory in advertising, but rather borrowed extensively from social psychology. Therefore, one can argue that the main contribution of marketing has been its tools and its empirical approach rather than its theoretical enlightenment. In the near future, the real challenge of the marketing discipline will be to produce its own theory pertaining to understanding and explaining better the advertising domain. In addition, even if nowadays the market power paradigm dominates research in advertising, the information paradigm is still present. Kuhn’s (1962) view, however, is that two paradigms may compete for only a short period of time until one stays and the other one definitely disappears. How can we explain the long-lasting coexistence of these two paradigms in advertising? One of the possible explanation might be due to the memory factor: when consumers have to remember products’ attributes the information paradigm prevails for explaining the increases in price elasticity, while the market power paradigm prevails for explaining the decrease in price elasticity when consumers have access to information concerning product’s attributes that do not come from their memory (Mira and Lynch 1995). This is consistent with the point of Borden in 1942 and 1945 (Bartels 1962) about the fact that advertising is only useful for new product development (if one considers the high need for information of consumers in that case). Nonetheless, the information and market power paradigms remain the drivers of advertising research conducted in marketing. The next step ahead might be the emergence of a competing paradigm that integrates the two approaches or that represents a completely new theoretical orientation.
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