

## Chapter 8

# More Cost-Effective but Confusing Advertising Options: Digital Marketing Opportunities Changing Daily

**Kenneth E. Harvey**

*Xiamen University Malaysia, Malaysia*

### ABSTRACT

*Since 2006, American newspapers have lost nearly two-thirds of their advertising revenue, and a similar tipping point has now hit broadcast and cable television. In 2016, digital advertising expenditures in the U.S. surpassed TV advertising for the first time, and by 2021, digital is expected to surpass all traditional forms of advertising combined. Traditional advertising is dying, and the battle between the digital competitors is heating up, leading to diverse and rapidly changing advertising opportunities. And yet, marketing executives say they are confused and frustrated by all the changes. This chapter documents the new and continuing trends that are reshaping the advertising landscape.*

### INTRODUCTION

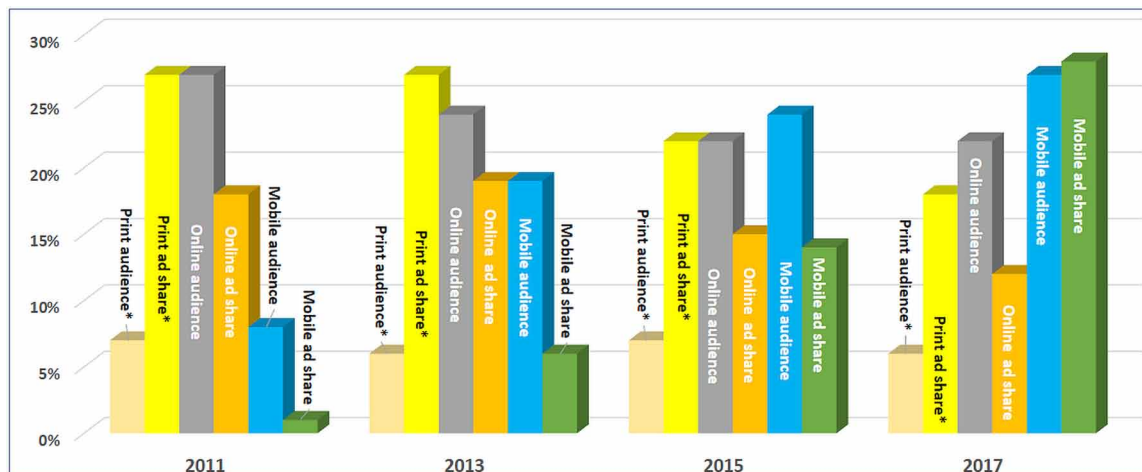
In 2011 eMarketer published a Media Mismatch report, showing that Americans were spending only about 5% of their media time reading newspapers, but newspapers were still collecting nearly 17% of all advertising revenues. At the same time, Americans were spending about 8% of their media time on mobile devices, yet mobile advertising revenues were miniscule – 0.5% of all ad expenditures and barely visible on eMarketer’s chart. I told my media management and advertising students, “Watch what happens over the next few years. Advertising always follows the audience, as illustrated in Figure 1. It may take a while, but it will happen. In a free market, opportunities like this act like a vacuum, sucking in innovation and investment.” At the time, almost all mobile advertising took the form of SMS messaging, but since then companies like Google, Twitter and Facebook have adapted their advertising to take advantage of multimedia content and the increasing mobile audience, while newspaper ad revenues have

DOI: 10.4018/978-1-7998-9020-1.ch008

### More Cost-Effective but Confusing Advertising Options

continued to fall precipitately. An eMarketer table published in 2014 suggests that even in 2011 their calculations of the time spent with newspapers was exaggerated or perhaps skewed by excluding some “other” types of media advertising (eMarketer, 2011; eMarketer, 2014). Revised data for 2009-2014 showed that time spent with newspapers dropped from 3.1% in 2010 to 1.6% in 2014 while time spent on mobile (non-voice) soared from 3.7% in 2010 to 23.3% in 2014. Subsequently, in 2016 U.S. newspapers lost another 8% of their circulation – the 28<sup>th</sup> consecutive year of decline, and advertising revenues that fell 8% in 2015 fell an estimated 10% in 2016, now totaling only about one-third of what the industry was accumulating before it hit its tipping point in 2005 (Barthel, 2017).

*Figure 1. Disparity between media audience and media ad share. This figure shows statistics from alternating years for the three media types for which audience share and ad share have fluctuated the most. The Print media include newspapers, magazines, directories and signage. Sources: Several eMarketer studies (2011, 2014, 2017a, 2017b, 2017c)*



In 2015 I reviewed data from several studies related to cable and broadcast television and concluded that TV was then coming to its tipping point – almost exactly 10 years after American newspapers had hit their tipping point – but the TV market had just not yet adjusted (Harvey, 2016). Data are increasingly supporting that conclusion.

In 2017 Americans will have spent almost exactly 12 hours of every day tuned in to some kind of media, but the traditional media -- TV, radio, newspapers and magazines -- absorb less of Americans' time and attention now than do the digital media (5:28 traditional vs. 5:53 digital), according to eMarketer (2017a). Nonetheless, digital still lags behind in advertising revenues, with an estimated 41% -- \$83 billion of the \$205 billion estimated for all U.S. ad expenditures (eMarketer, 2017b). And mobile advertising has climbed from that miniscule 0.5% in 2011 to 28.5% of all ad expenditures. While the time Americans spent with digital surpassed that of traditional media in 2017, digital ad expenditures in America are not projected to exceed that of the combined traditional advertising until 2021.

Besides the decline of audience among traditional media, the cost of digital advertising per hour of adult exposure is a fraction of the cost of traditional media, as shown in Table 1, providing further incentive for marketers to move more advertising online. The cost of digital advertising is less than 1/8

27 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:  
[www.igi-global.com/chapter/more-cost-effective-but-confusing-advertising-options/282969](http://www.igi-global.com/chapter/more-cost-effective-but-confusing-advertising-options/282969)

## Related Content

---

### Global Community Extraction in Social Network Analysis

Xianchao Zhang, Liang Wang, Yueting Li and Wenxin Liang (2013). *Social Media Mining and Social Network Analysis: Emerging Research* (pp. 156-171).

[www.irma-international.org/chapter/global-community-extraction-social-network/73250](http://www.irma-international.org/chapter/global-community-extraction-social-network/73250)

### A Survey of Research in Real-Money Trading (RMT) in Virtual World

Mohamed Nazir and Carrie Siu Man Lui (2017). *International Journal of Virtual Communities and Social Networking* (pp. 34-53).

[www.irma-international.org/article/a-survey-of-research-in-real-money-trading-rmt-in-virtual-world/180674](http://www.irma-international.org/article/a-survey-of-research-in-real-money-trading-rmt-in-virtual-world/180674)

### Engaging Millennial Students Through Social Media Usage and Its Impact on HBCU Persistence

Antwon D. Woods and Kenisha Shelton (2023). *Research Anthology on Applying Social Networking Strategies to Classrooms and Libraries* (pp. 424-433).

[www.irma-international.org/chapter/engaging-millennial-students-through-social-media-usage-and-its-impact-on-hbcu-persistence/312933](http://www.irma-international.org/chapter/engaging-millennial-students-through-social-media-usage-and-its-impact-on-hbcu-persistence/312933)

### Perception of Social Media Use by Distance Learners in Nigeria

Airen Edale Adetimirin and Jide Ayoola (2023). *Research Anthology on Applying Social Networking Strategies to Classrooms and Libraries* (pp. 1704-1715).

[www.irma-international.org/chapter/perception-of-social-media-use-by-distance-learners-in-nigeria/313005](http://www.irma-international.org/chapter/perception-of-social-media-use-by-distance-learners-in-nigeria/313005)

### The Visibility of Political Websites during Electoral Campaigns

J. Paulo Serra (2013). *International Journal of E-Politics* (pp. 27-38).

[www.irma-international.org/article/the-visibility-of-political-websites-during-electoral-campaigns/101755](http://www.irma-international.org/article/the-visibility-of-political-websites-during-electoral-campaigns/101755)