

## Hidden messages Is new technology empowering consumers -- or marketers?

The Boston Globe

By Joseph Turow | August 27, 2006

During most of the 20th century, those in the advertising and marketing business made two basic assumptions. The first was that communication was one-way, from creators to audiences. Everyone understood that people couldn't really talk back to their TV set or magazines; they either agreed with what they saw or read, or they didn't.

The second proposition was that people paid attention to the ads. Of course, advertising professionals knew that readers skipped ad pages and made excursions to the kitchen or bathroom during commercials. Yet they took this as part of the challenge: their job was to create ads that would make people pay attention.

Today, marketers can't rely on those same assumptions. Where the old-media system was one-way, today's new media technologies allow consumers to talk back -- and tune out. On Internet message boards and blogs, people can slam products they don't like, celebrate certain brands over others, and help shoppers find the cheapest prices. Equally disturbing to marketers, new technologies -- from digital video recorders like TiVo to pop-up killers and spam filters -- have given consumers more power to avoid advertising. And studies show that they use that power. A 2005 report from the market research firm Yankelovich Partners warned marketers that 69 percent of American consumers "said they were interested in ways to block, skip, or opt out of being exposed to advertising."

Advertisers see these changes as a direct threat to the way they've done business for decades. James Stengel, Procter & Gamble's influential marketing chief, proclaimed in a much-discussed 2004 speech that "consumers are less responsive to traditional media" and "are embracing new technologies that empower them with more control over how and when they are marketed to."

New technologies do give consumers unprecedented leverage over the marketplace. It's crucial, however, to realize that marketers are using these same technologies to undermine that leverage, making it harder than ever for audiences to escape, and resist, their advances.

One method, a practice called "seeding," builds on the long traditions of publicity, product placement, and public relations. As Barb Iverson, a top executive for the Weber Shandwick public relations agency, wrote recently in *PR Week*, the goal is a "communication effort [that] can enlist, equip and harness the power of trusted, informed and credible messengers."

Increasingly, as marketing executive Dave Balter noted last year in *Advertising Age*, this can mean "hiring actors, or shells" -- apparently ordinary people who reflect the target audience -- in clandestine campaigns that "may consist of seeding chat rooms, blogs and forums with paid-for messages." Even real space isn't safe: such hired messengers might be seen, Balter went on, "hanging out in a Starbucks with the product conspicuously displayed, awaiting the unwitting passerby to start a dialogue." Procter & Gamble's Tremor program, for example, solicits teens to talk up products to friends online and off -- without asking them to disclose that they are being compensated.

Marketing executives have told me that such "seedings" are common, but because some in the industry consider the practice "an ethics quagmire" (to quote *Marketing magazine*), it's hard to know just how common, as most practitioners don't make their specific activities public.

Meanwhile, marketers are also honing their ability to follow consumers wherever they go, using another method made more powerful by the changing media landscape -- a method they call "behaviorial targeting." If you have been looking up information about cars on the web, you may well start receiving car ads even when you're not on auto sites, as ad companies can now track and deliver ads to you across hundreds of sites.

What's more, the ads you see on the Web are increasingly tailored to what marketers perceive as your demographic -- based on your age, where you live, your education, and your movements online and off. The latest technology, not yet implemented but coming soon, enables websites to customize the selection of articles and videos that reach you depending on what they know about you from your registration data, your movements on their site, and even information about you that they've purchased from a third party.

For now, such targeting is the province of the Web, but it won't be long before it migrates to television and even to offline stores. A firm called Visible World already has technology that can customize cable TV commercials on the fly. And Stop & Shop supermarkets in New England has tested a "shopping buddy" that can change the discounts it offers you as you walk through the store based on your buying history.

Of course, marketers have long used hidden strategies to sell us merchandise and ideas. These new approaches, though, go far beyond previous practices. The executives I've spoken to insist that they're necessary in the hypercompetitive new media environment, and that leading edge marketing and media firms will continue to customize ads and tailor content to consumers in ever-narrowing niches. "We are not in control anymore, but that's OK," Benjamin Palmer, president of a hot Internet ad firm called The Barbarian Group, was recently quoted in *Advertising Age*. "If we do this right, we can actually have a good relationship with 'the consumer' for once."

That's the current line of many marketing and media practitioners. The problem is, from a consumer standpoint, they are not doing it right. Media firms are creating a new world order in marketing communication to make sure that their messages get through to us -- and in ways that make it increasingly difficult for us to know who the messenger is, whether the message is trustworthy, and whether we're getting the same offer as everyone else.

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