

Ad Century

Milestones in advertising
over the past 100+ years

Inform Era

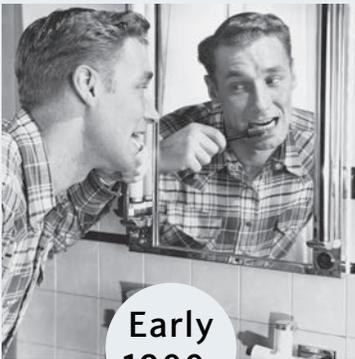
1900-1920

More than just about selling, advertising aimed to inform, creating a whole use-case for products.



1900

U.S. advertising revenues total
\$261 million (1.26% of the GDP)¹



Early
1900s

Pepsodent toothpaste advertises at a time when brushing with toothpaste was an alien concept. ²



1906

Advertising in regional papers, W.K. Kellogg positions his cornflakes as a breakfast food. ³



1915

Crisco shortening runs advertisements that explain how it's made and how it can be used in cooking — even offering recipes in ads and in a cookbook. ⁴



1920

KDKA in Pittsburgh becomes the first radio station in the U.S., opening doors to commercial broadcasts and scheduled programming. ⁵



1920

U.S. advertising revenues total
\$1.4 billion (1.61% of the GDP)¹

1922-1996

As consumers become more familiar with brands, advertising slowly shifts to persuasion mode.



1922

U.S. advertising revenues total
\$1.3 billion (1.72% of the GDP)¹



1922

The first broadcast commercial airs, when one of AT&T's radio stations starts selling 10 minutes of airtime for \$100.⁶



1923

National Carbon Company's *Eveready Hour* becomes the first regular series of broadcast entertainment and music to be advertiser-sponsored.⁷



1923

Ad agency Lord & Thomas releases the book *Scientific Advertising* by Claude Hopkins, publicising techniques such as coupons, sampling, copy testing, demonstrations and the "preemptive claim."⁸

1935

Arthur C. Nielsen invents the market-share concept, as Nielsen auditors begin surveying store shelves to determine sales patterns.⁹



1941

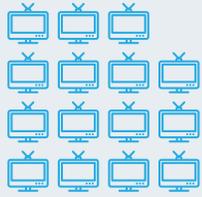
After the FCC allows ads on TV, the first-ever TV spot, for Bulova watches, airs during a Brooklyn Dodgers-Philadelphia Phillies baseball game on WNBT in New York.¹⁰



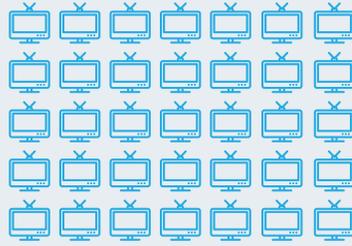
1960

The 1960 U.S. Census begins to offer segmented research on lifestyles as well as per-capita income and population density.¹¹

1969



1959



1969

Spending on TV advertising grows from \$1.5 billion in 1959 to \$3.5 billion in 1969, solidifying TV as the leading advertising medium. ¹²



1972

Qualitative research becomes fashionable as market research moves into the prediction of social change and marketing trends. ¹³



1975

The first known example of personalised advertising occurs in a mailing by the Dutch edition of *Reader's Digest*. ¹⁴

Niche-audience cable networks launch



1975

Three years after its founding, HBO becomes America's first national cable TV network delivered by satellite — and the first premium channel. ¹⁵



1977

The religious-themed CBN Satellite Service launches. (The network evolves into The Family Channel in 1981, then ABC Family in 2001.) ¹⁶



1979

Nickelodeon, the first cable network for children, launches. ¹⁷



1979

ESPN launches, becoming America's first sports cable network. ¹⁸



1980

CNN, the first 24-hour cable news network, debuts. ¹⁹



1981

MTV launches, running round-the-clock music videos that are essentially ads for records. ²⁰



1982

Product placement soars with the release of the film *E.T.*, resulting in a 65% profit growth for Reese's Pieces.²¹



1985

The first cable network focused on science and technology, the Discovery Channel, premieres.²²



1994

HotWired, the precursor to WIRED.com, runs the first internet banner ads from 14 companies.²³



1996

To satisfy client requests for targeting capability, Yahoo! launches keyword-based search marketing.²⁴



1996

U.S. advertising revenues total \$104.9 billion (1.29% of the GDP)¹

Transact Era

1998-2017

A new phase where advertisers aim to help consumers make transactions.



1998

U.S. advertising revenues total \$120.7 billion (1.33% of the GDP)¹



1998

Google introduces search-based advertising, launching the Transact Era; the next year, ad revenue hits \$85 million.²⁵



2001

Advertising revenue dives as the dot-com bubble bursts, triggering a major economic recession. Particularly hard-hit: newspaper classified ads and online advertising, which drops 30% between 2000 and 2002.²⁶



2004

Just two months after launching at Harvard, Facebook starts running ads — the first being for moving services, T-shirts and other products for college students.²⁷

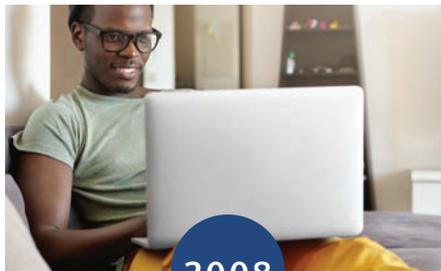
2005

YouTube is founded, creating a world where anyone can be a content creator — undermining the traditional studio system and providing a new revenue stream for advertisers.²⁸



2007

Netflix begins on demand video service with 1,000 movies and TV shows from NBC Universal, Sony, MGM, Paramount, Warner Bros, etc.²⁹



2008

Hulu — a joint venture between NBC Universal and Fox — launches. Ad supported at first, this streaming service is now subscription-only with no or limited commercials.³⁰



2008

The Great Recession triggers a 20% drop in total ad revenues by 2009, but no decline in online ad revenues. Total revenues finally recover fully in 2015, while online revenues have, by then, increased 250%.³¹



2012

By analysing past shopping habits, Target's algorithms learn to detect that a customer is pregnant, triggering personalised ads for baby products.³²



2014

CBS launches CBS All Access, the network's over-the-top subscription streaming video on demand service with exclusive original programming.³³



2015

Powered by an AI personal assistant, Amazon Echo debuts, becoming the first home speaker powered by voice control — further breaking down user-interface barriers.³⁴



2015

Dish launches Sling TV, the first virtual multichannel video programming distributor.³⁵

2016

Digital advertising sales, led by social and online video, surpass linear TV ad sales in the U.S., pulling in \$70 billion (compared with \$67 billion for national and local TV).³⁶



\$70bn

Digital advertising sales, led by social and online video.



\$67bn

National and local TV ad sales.



2016

U.S. advertising revenues total
\$190.8 billion (1.03% of the GDP)¹

¹ Zenith Optimedia. ² Tim Wu. The Attention Merchants. New York: Alfred A. Knopf, 2016, page 55. ³ <http://adage.com/article/adage-encyclopedia/kellogg/98734/>. ⁴ <http://www.genderfoodculture.com/wp-content/uploads/2015/07/1915-Pure-food-from-a-clean-factory.jpg>. <https://i.pinimg.com/736x/f0/81/dd/f081d4674a01908ea261807f39ead--in-contrastto-print-advertising.jpg>. <http://www.crisco.com/our-heritage>. ⁵ ANA, One Giant Leap, 2010. ⁶ ANA, One Giant Leap, 2010. ⁷ ANA, One Giant Leap, 2010. ⁸ Advertising Age, Lord & Thomas, 2003. ⁹ Nielsen, Celebrating 90 Years of Innovation, 2013. ¹⁰ Fortune, The First 'Legal' TV Commercial Aired 75 Years Ago Today, 2016. ¹¹ Advertising Age, 1960's Creativity and Breaking the Rules, 2005. ¹² Advertising Age, 1960's Creativity and Breaking the Rules, 2005. ¹³ Admap, A History of Research, 2010. ¹⁴ Advertising Age, 1970's Positioning and Watchdogs, 2005. ¹⁵ <https://www.britannica.com/topic/HBO>. ¹⁶ <https://newrepublic.com/article/123067/long-strange-history-abc-family>. ¹⁷ http://nickelodeon.wikia.com/wiki/History_of_Nickelodeon. ¹⁸ <https://www.britannica.com/topic/ESPN-Inc>. ¹⁹ <https://www.nationalgeographic.org/thisday/jun1/cnn-debuts/>. ²⁰ ANA, One Giant Leap, 2010. ²¹ Advertising Age, The 75 Moments, 2005; DigiDay, "Is That Our Product Placement?" A Brief History of Native Advertising, 2015. ²² <https://corporate.discovery.com/blog/2012/06/17/celebrating-27-years-of-discovery/>. ²³ WIRED, Oct. 27, 1994: Web Gives Birth to Banner Ads, 2010. ²⁴ DigiDay, "Is That Our Product Placement?" A Brief History of Native Advertising, 2015. ²⁵ <https://www.google.com/intl/en/about/our-story/>. ²⁶ The New York Times, With 2001 Half Over Experts Forecasts for Spending Become Even Gloomier Than Before, 2001; Barclays research. ²⁷ "This is What Facebook's First Ads Looked Like." <http://mashable.com/2013/08/15/facebook-first-ad>. ²⁸ Telegraph, How YouTube Changed the World, 2015. ²⁹ <https://qz.com/887010/netflix-nflx-launched-streaming-video-10-years-ago-andchanged-the-way-we-watch-everything>. ³⁰ <https://www.britannica.com/topic/Hulu>. ³¹ CNN, Newspapers Fold as Readers Defect and Economy Sours, 2009; Barclays research. ³² AMA, The Past, Present, and Future of AI in Marketing, 2016. ³³ <https://www.cbsnews.com/videos/cbs-news-launches-cbsn-streaming-network/>. ³⁴ LA Times, Remember When Amazon Only Sold Books?, 2017. ³⁵ <http://www.broadcastingcable.com/news/next-tv/slinging-away-pack/167372>. ³⁶ AdAge, Digital Advertising Tops TV in US for the First Time, 2017

Stay on top of this and other topics at barclays.com/ib

© Copyright Barclays Bank PLC 2017

Disclosures

PERSONAL USE ONLY

All information contained herein shall only be used by the recipient for his/her own personal reference. Any other use, including any disclosure or distribution to of any information to any third party, requires the express written permission of Barclays.

FOR INFORMATION PURPOSES ONLY

This information has been prepared by the Research Department within the Investment Bank of Barclays Bank PLC and is distributed by Barclays Bank PLC and/or one or more of its affiliates (collectively and each individually, "Barclays"). The views expressed in this publication are those of the author(s) alone and are subject to change without notice. Barclays has no obligation to update this publication. This information is intended for informational purposes only and should not be regarded as an offer to sell or a solicitation of an offer to buy the products or securities to which it applies. No representation is made that any returns will be achieved through its use.

INFORMATION PROVIDED MAY NOT BE ACCURATE OR COMPLETE AND MAY BE SOURCED FROM THIRD PARTIES

All information, whether proprietary to Barclays or a third party, is provided "as is" and Barclays makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included herein. Other than disclosures relating to Barclays, the information contained in this publication has been obtained from sources that Barclays Research believes to be reliable, but Barclays makes no representations that the information contained herein is accurate, reliable, complete, or appropriate for use by all investors in all locations. Further, Barclays does not guarantee the accuracy or completeness of information which is obtained from, or is based upon, trade and statistical services or other third-party sources. Because of the possibility of human and mechanical errors as well as other factors, Barclays is not responsible for any errors or omissions in the information contained herein. Barclays is not responsible for, and makes no warranties whatsoever as to, the content of any third-party website accessed via a hyperlink contained herein and such information is not incorporated by reference.

INFORMATION PROVIDED IS NOT INDICATIVE OF FUTURE RESULTS

Any data on past performance, modelling or back-testing contained herein is not necessarily indicative of future results. All levels, prices and spreads are historical and do not represent current market levels, prices or spreads, some or all of which may have changed. The information referenced herein or any of the results derived from any analytic tools or reports referenced herein are not intended to predict actual results and no assurances are given with respect thereto. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity).

NO LIABILITY

To the extent permitted by law, in no event shall Barclays, nor any affiliate, nor any of their respective officers, directors, partners, employees or third party licensors have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified or advised of the possibility of such damages or potential loss, arising from any use of the information provided herein.

NO ADVICE

The information provided does not constitute investment advice or take into account the individual financial circumstances or objectives of the clients who receive it. You should consult with your own accounting, legal or other advisors as to the adequacy of this information for your purposes.

NO USE FOR VALUATION PURPOSES

No data or price information should be used for any valuation, trading, settlement, accounting purposes or other related functions.

NOT AVAILABLE IN ALL JURISDICTIONS

Not all products or services mentioned are available in all jurisdictions. No offers, sales, resales, or delivery of any products or services described herein or any offering materials relating to any such products or services may be made in or from any jurisdiction except in circumstances which will result with compliance with any applicable laws and regulations and which will not impose any obligations on Barclays.

TAX DISCLAIMER

Barclays does not provide tax advice and nothing contained herein should be construed to be tax advice. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

INTELLECTUAL PROPERTY

© Copyright Barclays Bank PLC (2017). All rights reserved. No part of this document may be reproduced or redistributed in any manner without the prior written permission of Barclays.

Barclays Bank PLC is registered in England No. 1026167. Registered office 1 Churchill Place, London, E14 5HP.