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THE MAIN FEATURES OF ADVERTISING AND ITS ROLE IN ECONOMIC DEVELOPMENT

Abstract. The paper presents the principal characteristics of advertising and its function in the development of world's economy. The basic features of advertising are shown. The factors of advertising that lead to the economic growth are also examined.

Key words: advertising, marketing communication, economic development, world's economy.

Аннотация. В статье рассматриваются основные характеристики рекламы и ее функция в развитии мировой экономики. Показаны основные черты рекламной коммуникации. Изучены факторы рекламы, ведущие к экономическому росту.

Ключевые слова: реклама, маркетинговая коммуникация, экономическое развитие, мировая экономика.

Advertising is an audio or visual form of marketing communication that employs an openly sponsored, nonpersonal message to promote or sell a product, service or idea. Sponsors of advertising are often businesses which wish to promote their products or services. Advertising is differentiated from public relations in that an advertiser usually pays for and has control over the message.

It is differentiated from personal selling in that the message is nonpersonal, i.e., not directed to a particular individual. Advertising is communicated through various mass media, including traditional media such as newspapers, magazines, television, radio, outdoor advertising or direct mail; or new media such as search results, blogs, websites or text messages. The actual presentation of the message in a medium is referred to as an advertisement or "ad".

It is common knowledge that advertising is aimed at developing the market. Generally, advertising is the art of influencing human action and awakening of a desire to possess products and services. It is a mass persuasion activity duly sponsored by the manufacturer, retailer, or dealer for whom the advertising is done.

Due to its responsibility, advertising could be analysed in terms of five main features.

1. Paid form: Advertising is always a paid form of communication and hence commercial in nature. Thus, advertising can be distinguished from publicity which is not paid for by the sponsor.

2. Non-personal presentation: Advertising is a non-personal presentation. Whatever the form of presentation, advertising is always directed to a mass audience rather than to any individual. At times, advertising message may give the impression of a personal appeal. However, all the sensations are non-personal in nature.

3. Sell or promote ideas, goods and services: Advertising is aimed at promoting and selling not only tangible and physical goods, but also ideas and services. Most services such as banking and insurance are sold through advertising. For example, Posts and Telegraph Department advertises to promote the use of PIN CODE for fast delivery of letters. The scope of advertising is wide and designed to sell not only goods but also services and ideas.

4. Identified sponsor: Advertising always has an identified sponsor. In other words, advertising discloses or identifies the source of the opinions and ideas it

presents. On the other hand, the sponsor for publicity or propaganda can remain anonymous.

5. Inform and persuade: Advertising usually informs the potential consumer about products and services, their benefits and utilities. It also persuades consumers to purchase these products and services.

In short, these factors of advertising are considered to be important for analysing and examining the field of international economy.

Apparently, advertising brings many benefits to the whole economy. According to the research done by McKinsey & Company in March 2012, advertising fueled about 15 percent of growth in GDP for the major G20 economies over the past decade because it generates new business. The question then arises as to what role advertising plays in the economy.

To begin with, advertising affects the value of products. For example, with the help of advertising, brands could be better known and thus, the company's products would attract more consumers. As a result, advertising adds value to the product.

It is essential to emphasize that advertising can promote competition in the market. The firms with the same budget can take advantage of advertising in order to make their products stand out. However, there is the other side of the coin: Very small firms and newcomers can not compete with large firms since they have immense budget. Nonetheless, the companies, which eliminate advertising, work less effectively.

It also can't be denied that advertising affects overall consumers' demand. It gives information and increases primary demand. Advertising aims to maintaining consumers' choices and sustaining employment and companies' profits. Furthermore, advertising helps to maintain business cycle through industrial recession.

Moreover, in well-developed markets, advertisement refreshes and refocuses need for whatever needs to be distributed. For example, America is a

developed market. The consumption habit is ingrained. Consumers are also used to accessing and interacting with the main channels of advertising content. Sales resistance is normally minimal and attitudes towards existing brands and categories of product are kept primed. The function of advertising here is mainly to capture and competitively hold attention.

By and large, advertising is responsible for the self-interest of the company, competition in the market (resulting in lower prices and better products) and obtaining consumers' approval.

In conclusion, it is up to all the companies and firms' effort to make advertising work effectively for the development of economy. It is vital to establish productive advertising but not cause waste in the budget. Moreover, we have the right to be optimistic about the improvement of economy-oriented advertising in the future.

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