

Changes and Influencing Factors of Audiences, Media and Advertisers in the Fragmentation Era

Delin Kang

College of Media, University of Illinois at Urbana-Champaign, Urbana, Illinois, 61801, the United States, 819317654@qq.com

Abstract: *The article is meant to find out who are the advertisers really reaching in the fragment era. It is mainly made up with four parts: theories, audience side, advertiser side and media side. The approaches of document analysis and comparison analysis were employed. It turned out that the era of fragmentation has come without going back and not only audiences are changing but also advertisers and media are changing rapidly as well. Demographic factors and psychographic factors can both have influences on their consumption of media while there are interrelations between the two factors. Audience members now are demanding for control and specializations over their media and content consumption. The globalization of business and different metrics of users are making advertisers even harder to target and focus on who they really want. Lastly, from the media perspective, the media context can affect the perception of persuasive messages due to the congruence of content and context and the appreciation of people who receive the messages. While it is still not easy to answer who the advertisers are really reaching these days, one crucial suggestion for the advertisers is that their attention should be rearranged to focus more on small groups that have different characteristics and preferences.*

Keywords: *Audience, Strategy, Fragmentation, Advertising*

1. Introduction

The new era has arrived. We are reminded of it daily by the media. The business and trade press drive the point home with graphs and charts demonstrating how new lifestyles, work schedules and values are changing the marketplace. With more media emerging, growing population of consumers (audiences) and the specialized trend in content consumption, the fragment era has come, which poses huge challenges for advertisers. The question for advertisers is simple but complex: who should they really target, the more the better or the more accurate the better?

The article is meant to find out who are the advertisers really reaching in the fragment era. It is mainly made up with four parts: theories, audience side, advertiser side and media side. I believe that the focus of advertisers nowadays is about reaching their audiences with accuracy. At the end, the article is looking forward to offering valuable suggestions for advertisers to improve their audience strategies and make the full use of their consumers.

2. Background

To generally analyze the background, the PEST model is adopted.

2.1 Political

There are a few laws and regulations for the wild cyber space. For example, the section 5 of the Federal Trade Commission Act provides a comprehensive framework to protect the consumers from being misled or affected. Also, the Telemarketing and Consumer Fraud and Abuse Prevention Act requires FTC to act against deceptive marketing behaviors or invasion of consumers' privacy. With all restrictions, advertisers should be very careful creating their advertising content. While there are more media and ways to disseminate the messages, there are also more challenges and dangers to stay within the regulations. Liberal media policy is adversely affected by the fact that political success itself hinges critically on favorable comments in the media, including advertising messages. The political issues can affect the targeting strategies and content creation.

2.2 Economic & Social

In the United States the entertainment and media market was worth an estimated 678 billion U.S. dollars in 2018 and is expected to grow to over 720 billion U.S. dollars by 2020, according to the data from Statista. As reported, there are 5.11 billion unique mobile users, 4.39 billion Internet users and 3.48 billion social media users in the world in 2019[1]. The market is of huge potential and the population is growing larger than ever. That also poses threats to advertisers about their strategies and focuses.

Different cultural factors should also be taken into consideration due to the fact that the world has become mixed with the exchange of ideas and culture between different regions.

2.3 Technological

The ways that advertisers use to find the right audiences have changed these days. If we go back into the 1960s and 1970s, a brand could be effectively built using the very powerful mediums of television advertising and newspaper advertising. These mediums had an enormous reach – that is, they reached a high proportion of the population – and were very cost effective as a result [2]. However, the landscape of the media environment has changed by technology development. Digital media has been the main source of daily media consumption and advertising agencies now rely on new measurements like unique visitors and click through rate to test the effectiveness of a campaign. Also, audiences are distributed widely among all media forms, which is necessary to decide which medium or media combinations to focus on. The data is seen as reliable but also deceptive.

2.4 Audience Fragmentation

Digital media provide audiences with unprecedented choices and control over their media consumption [3], which manifest the trend of audience fragmentation. One of the first prophecies on audience fragmentation was the seemingly intuitive long-tail theory, which posits that because of the limitless array of choices made available by the Internet, the market share of small, niche products will increase at the expense of the demand for popular products. “When mass culture breaks apart it doesn’t reform into a different mass. Instead, it turns into millions of micro cultures” [4].

3. Theories

There is one common assumption saying that people can easily find content aligned to their interests and are no longer forced to consume popular products, which is supported by the long-tail theory. However, it is totally contradicted with the law of double jeopardy, according to which brands with lower market share have fewer buyers, who are also less loyal than buyers of popular brands [5].

3.1 Double-Jeopardy Theory

The double jeopardy theory is an empirical generalization in marketing according to which, barring a few exceptions, brands with lower market share have fewer buyers, who are also less loyal than buyers of popular brands [6]. It indicated that consumers’ attitude about less popular items is based on their exposure and familiarity with the item. With many empirical studies supporting the theory, it implies that brand performance is closely related to market share, which means that advertisers should focus more on popular media, popular platforms and popular contents to target the mass audiences.

3.2 Long-tail Theory

One of the first prophecies on audience fragmentation was the seemingly intuitive long-tail theory, which posits that because of the limitless array of choices made available by the Internet, the market share of small, niche products will increase at the expense of the demand for popular products [7]. While the demands of popular products diminish, the market share of niche products should increase. Under such circumstances, advertisers are advised to spend more on loyal niche groups of consumers and turn away from popular outlets with mass appeal.

3.3 80/20 Rule

Also known as the law of vital few, the 80/20 rule suggests that roughly 80% of the effects come from 20% of the causes. From the business perspective, a highly effective solution is to focus the attention and resources on the 20% top costumers. For media and advertising, the goal should be influencing the 20% consumers who are also capable of affecting other 80% of people's purchasing decisions.

As we can see, more media budgets have gone from popular press and TV channels to Youtubers with millions of followers and comments. Advertisers now do things like PPC (pay per click) and SEO (search engine optimization) instead of buying TV commercials or certain areas of a magazine for a long period of time. All above indicate that the era of fragmentation has come and my stand point of the question mentioned in the beginning of the article is that advertisers should focus on audiences more accurately in order to achieve their marketing purposes. Then we will break down the point into three parts.

4. Audience Side

Common to many of the analyses, and of particular importance for the future of the mass audiences, is the notion of a central underlying trend in America toward social fragmentation and a divergence of lifestyles and leisure interests [8]. Below are several factors influencing the change of the audiences.

4.1 General Demographic Factors

First of all, the increase in higher education frequently is seen as a crucial factor in this process. It is mentioned that the production of the education system, particularly of higher education, is a stratum of individuals who both in their work and private life, are consumers of specialized communications [9]. Back in the 1960s, 61% of Americans aged 25 to 29 had graduated from high schools. Now about half of high school graduates are going to college while many others are seeking alternative forms of secondary education and specialized training. More and more individuals are capable of think independently and develop their own taste. They are equipped with the ability to control their media consumption rather than blindly follow the trend of mass appeal. Of all traditional demographic variables, education most strongly predicts the breadth and depth of specialized interests and cultural pursuits [10]. Not only the change is happening to people with higher education background but also people who are less well educated. Increasing consciousness of the unique cultural traditions are reinforced by new media forms such as specialty regional magazines and social media accounts. Immigrants used to change their names, learn English but also struggled and felt embarrassed and uneasy. Nowadays the next generations are changing their names back to reassert their ethnicity and pride in their roots.

The character of family is changing significantly in America. The family is getting smaller, the number of women going to work is increasing and the age of marriage is delayed. The expanded participation of women in the workplace, professional roles in particular, help broaden the interest pursuit. With a second worker in a family, the increased income can boost discretionary spending. Also, the growing population of unmarried young adults who have diverse interests, unlimited energy and more-than-enough income has also added to the trend. The impact of women on the trend of fragmentation cannot be dismissed.

4.2 Diversity of Human Interest: Impatient and Dissatisfied

It is frequently claimed by new media entrepreneurs that audience members have become impatient and dissatisfied with the currently dominant medium – commercial television [11]. The idea revolves around the notion that the audiences has grown weary of the familiar television format, has overdosed on commercials and has been eager for more control and selections among media options. The research of McHuge and Hoffman showed that the age of television seemed to come to an end. In their study, 39% of the respondents were found to claim to be viewing less. Today, with even more choices of media forms and content categories, the demand for specialization and control over media consumption is growing as well. The psychographic characters deserve more attention due to the fact that they are to some extent slightly more intangible, such as interests, habits, attitudes, emotions, and preferences, which are of equal importance to understand the audiences. As mentioned in the demographics part,

people now are more able and willing to pursue their own interests. Thus, it is of great importance to learn about psychographic traits. Also, the media consumption today is of clear purpose – people all expect to get certain things from the videos they watch or articles they read. Either learning new things or just having fun, audiences now don't want to wait. They want to get straight to their points. Their control, their individual demands, are the key of attracting audience nowadays.

5. Advertiser Side

For the advertisers, the value of audiences always changes. Though the marketplaces now are all around audiences, advertisers still place different values on different members of advertising audiences. They seek to place their messages within content whose audiences represent the most likely consumers of their product [12].

5.1 Geographic Factors

From a geographical standpoint, audience market can be local (e.g., local television or radio market) or national (e.g., national cable and broadcast networks). For local businesses, the advantage is to provide timely news and information for local people rather than offering the same messages as the big press companies. Meanwhile, for those companies who have branches all over the globe, they should also be aware of the trend of specialization since there is no one-for-all solution.

5.2 Metrics and Measurements

However, in my opinion, a more significant factor should be the metrics of advertising campaigns. It is obvious that some markets are measured more thoroughly and reliably than others. As online measurement services attempt to globalize their service, they tend to focus on markets with high Internet penetration and developed economies. As a result, the accuracy come out with huge variations, which leads to the difference of quality of data. Not only accuracy but also timeliness and reliability of data in certain market can make a difference to advertisers' willingness to pay for audience members. It was demonstrated that advertisers would pay more for television audiences in markets where audiometers were used than for markets measured only by diaries [13]. It has been reported many times that bots and programs were used to cheat the computers to make fake data for more profit. These can make advertisers pay more than they should, and thus lowering the quality of data of the audiences in the certain market which would eventually lead to the unwillingness to invest on the market. The challenge they are facing is how they are going to spend their marketing dollars if they can't measure their audiences properly? Cost-per-action model can be helpful in that it has unique interactive and behavioral monitoring capabilities. However, the data can be deceptive since you can never tell how much of the data is trustworthy. The higher possibility of actions doesn't necessarily equal higher ROI. Since all metrics are standardized, it is the advertisers' challenge to make sure they are measuring the right audience members to make proper evaluations of them.

6. Media Side

Media have several functions for message distribution, but those functions do not occur in a vacuum. Therefore, the media context and the context that the media are in is worth considering.

Media context is defined as the characteristics of the content of the medium in which an advertisement is inserted, as they are perceived by the individuals who are exposed to it [14]. Media context is important. For instance, some types of context may be more appropriate for certain types of advertising than others [15]. Media context can also make certain needs more salient and can stimulate the motivation to pay attention to ads featuring context-congruent products, e.g. an ad for suitcases inserted into an article on traveling [16]. Also, different people can have different appreciations towards various media contexts. The preferences can lead to different perception of the persuasive messages, which will end up with different advertising effectiveness.

Also, media don't work in vacuum either. The market context that the media are in should be taken into consideration as well. Both media and advertising are part of the bigger picture of the world of marketing. As for the 4P theory, any change made concerning media will have impact on something else in the marketing mix. What is the quality of the product, how is the price being decided, what is the core idea of promotion, which channel is to be used to send out the persuasive message and who are

going to receive the message? These are all related to the media choices and audience targeting strategies.

7. Conclusion

The fragmentation era has come and there is no going back.

From the audience perspective, the demographic factors and psychographic factors can both have influences on their consumption of media while there are interrelations between the two factors. Audience members now are demanding for control and specializations over their media and content consumption. From the advertiser perspective, the globalization of their businesses are making their audiences groups more complex, which requires different treatments. The accuracy, reliability and timeliness of the data collected by using such metrics can be problematic since they are not sure if they are measuring the right audience groups properly. Lastly, from the media perspective, the media context can affect the perception of persuasive messages due to the congruence of content and context and the appreciation of people who receive the messages. Also, the whole context that the media are in is important since one change concerning the media can make other things change as well.

Who are the advertisers really targeting? I think maybe even the advertisers themselves cannot answer this question very clearly. However, their attention should be rearranged to focus more on small groups that have different characteristics and preferences. While the demographic factors still remain important, the psychological features appear to be more crucial right now. Audiences have more power and control now and the relationship between advertisers and audiences has changed from passively receiving to actively interacting. They each wants different things according to their own preferences.

8. Limitations

The study failed to mention that the type of product can influence the perception of advertising messages as well. For example, different involvement level of the products can have different effects on consumers. It will elicit different motivation of processing the information.

References

- [1] Dubras, R., Underwood, L., Shuman, C., & Lore Oxford. (2019, January 30). *Digital 2019: Global Internet Use Accelerates*. Retrieved from <https://wearesocial.com/blog/2019/01/digital-2019-global-internet-use-accelerates>.
- [2] Fripp, G. (2014, September 3). *The changing media environment*. Retrieved from <https://www.marketingstudyguide.com/changing-media-environment/>.
- [3] Taneja, H. (2019). *The Myth of Targeting Small, But Loyal Niche Audiences*. *Journal of Advertising Research*. doi: 10.2501/jar-2019-037
- [4] Andersen, C. (2007). *Chris Anderson, The Long Tail: How Endless Choice is Creating Unlimited Demand. The New Economics of Culture and Commerce*. *Journal of Cultural Economics*, 31(3), 235–237. doi: 10.1007/s10824-007-9038-7
- [5] Taneja, H. (2019). *The Myth of Targeting Small, But Loyal Niche Audiences*. *Journal of Advertising Research*. doi: 10.2501/jar-2019-037
- [6] Boudon, R., & McPhee, W. N. (1963). *Formal Theories of Mass Behavior*. *Revue Française De Sociologie*, 4(4), 465. doi: 10.2307/3319499
- [7] Andersen, C. (2007). *Chris Anderson, The Long Tail: How Endless Choice is Creating Unlimited Demand. The New Economics of Culture and Commerce*. *Journal of Cultural Economics*, 31(3), 235–237. doi: 10.1007/s10824-007-9038-7
- [8] Frank, R. E., & Greenberg, M. G. (1980). *The publics use of television: who watches and why*. Beverly Hills, CA: Sage.
- [9] Maisel, R. (1973). *The Decline of Mass Media*. *Public Opinion Quarterly*, 37(2), 159. doi: 10.1086/268075
- [10] Fletcher, J. L., Hyman, H. H., Wright, C. R., & Reed, J. S. (1977). *The Enduring Effects of Education*. *Contemporary Sociology*, 6(2), 182. doi: 10.2307/2065787
- [11] Neuman, W. R. (2001). *The future of the mass audience*. New York: Cambridge University Press.
- [12] Napoli, P. M. (2003). *Audience economics: Media institutions and the audience marketplace*. New York: University Presses of California, Columbia and Princeton.

- [13] Webster, J. G., & Phalen, P. F. (2009). *The mass audience: rediscovering the dominant model*. New York, NY: Routledge.
- [14] Pelsmacker, P. D., Geuens, M., & Anckaert, P. (2002). *Media Context and Advertising Effectiveness: The Role of Context Appreciation and Context/Ad Similarity*. *Journal of Advertising*, 31(2), 49–61. doi: 10.1080/00913367.2002.10673666
- [15] Derks, P., & Arora, S. (1993). *Sex and salience in the appreciation of cartoon humor*. *Humor - International Journal of Humor Research*, 6(1). doi: 10.1515/humr.1993.6.1.57
- [16] Massaro, D. W., Petty, R. E., & Cacioppo, J. T. (1988). *Communication and Persuasion: Central and Peripheral Routes to Attitude Change*. *The American Journal of Psychology*, 101(1), 155. doi: 10.2307/1422805